THE DIFFERENCES BETWEEN PERCEIVED AND ACTUAL GENERATIONS OF JOB-RELATED ATTITUDES: A NEW PERSPECTIVE FOR EMPLOYEE SUSTAINABILITY PROGRAMME

NAZARIAH SHAR'IE JANON*, NOR DIANA MOHD MAHUDIN, FATIN FAUZI AND PUTIFATMA HANUM MELATI

Department of Psychology, International Islamic University Malaysia, Jalan Sg. Pusu, 53100 Gombak, Selangor, Malaysia.

*Corresponding author: nazariah@iium.edu.my

Abstract: Studies on generational cohorts have commonly examined the differences between generations in job-related attitudes. However, research findings regarding the differences among generational cohorts of employees in Islamic banking institutions are still limited. In relation to this situation, the present study examines the differences, should there be, between generations; particularly between actual generational cohorts and perceived generational cohorts; of job-related attitudes that include organisational commitment, work ethics and turnover intention. It is hypothesised that both actual and perceived generational cohorts have significant differences in job-related attitudes. Two hundred and twenty-five staff from several Islamic banking institutions around Kuala Lumpur participated in the study. The results indicate that there are no generational differences in job-related attitudes when the generation is based on the actual year they were born. However, the differences between generational cohorts (i.e., traditionalists, baby boomers, Generation X and Generation Y) are significant when it is based on perceived generational cohorts. It is found that perceived generational cohorts have significant differences in turnover intention. Taking into consideration the findings from the present study on an individual's perception of their generation, it is strongly recommended that it be included in any employee sustainability programme.

Keywords: Islamic Banking Institution, Individual Perception, Gen X, Gen Y and Turnover Intention.

Introduction

The traditional, contemporary and taxonomy theory of generation defines generation as a group of people in the same age bracket, or having the same birth year and who share collective memories of historical events during the formative years of their life (Mannheim, 1952; Strauss & Howe, 1991; Joshi *et al.*, 2011). In relation to this definition, there exist generational cohorts in our society, such as the "veterans" (or the "traditionalists") who were born between 1925-1945, the "baby boomers" born between 1946-1961, "Generation X" (Gen X) born between 1962-1979 and the "millennials" or the "Generation Y" (Gen Y) born between 1980-2000 (Cogin, 2012). Individuals in the different generational cohorts are not only members of a community but are also employees in organisations, including the banking industry (Becton *et al.*, 2014).

There are multiple generational cohorts that are working together in the banking industry. These include the veterans, the baby boomers, the Gen X and the millennials or the Gen Y. These multi-generational employees of banks are creating new challenges for the institutions, for instance, baby boomers seem to be more committed and loyal to their work than those of Gen X (D'Amato &Herzfeldt, 2008). Gen Y places higher values on work freedom than baby boomers and Gen X (Cennamo& Gardner, 2008). In terms of work motivation, Gen X is motivated by power and ability to influence, while Gen Y is motivated by career development (Wong, Gardiner, & Coulon, 2008).

In addition to the examples of differences between generations mentioned above, several studies have investigated the association between generations and organisational variables. Past studies have shown that there are generational differences in organisational commitment (Moody, 2007; D'Amato &Herzfeldt, 2008), work values (Cennamo& Gardner, 2008), work ethics (Jobe, 2013) and turnover intention (Miller, 2006). With regard to the relationship between generations and organisational commitment, previous research had produced mixed results. Engelman (2009) states that there are no significant generational differences in all components of organisational commitment that include affective, continuance and normative. On the other hand, Carver (2008) shows that there are significant generational differences in organisational commitment but only in the affective component. Smith (2013) reveals that significant generational differences in affective, continuance and normative components of organisational commitment.

Besides organisational commitment, work ethics is another variable that is important to study in relation to generational cohort. In general, work ethics can be defined as the principles set to govern the desirable behaviour among members in organisations (Porter, 2010). Protestant work ethics (PWE) is considered as a universal value that is gradually known only as work ethics. However, PWE relies on Christianity as its source; subsequently, a scale that is based on Qur'anic and Prophet Muhammad's teachings was developed by Ali (1988) called Islamic work ethics (IWE). The scale consists of four primary concepts: effort, competition, transparency and morally responsible conduct. Although PWE is based on Christian philosophical ideas, both IWE and PWE share similar assumptions which emphasize on hard work, commitment, dedication to work as well as avoidance of unethical method of wealth accumulation and competitiveness at the workplace (Yousef, 2001). A major difference, however, is that IWE does not only focus on work as an obligatory activity and a virtue, it also emphasizes that success and progress on the job depends on hard work and commitment (Ali, 1988). Both Ali (1988) and Yousef (2001) argue that IWE exceeds PWE since the former emphasizes on cooperation at work and consultation is seen as a way of overcoming obstacles and avoiding mistakes.

Regardless of the differing conceptualization of the PWE and IWE, previous studies that examined generations in relation to general work ethics or Islamic work ethics in organisations have produced inconsistent findings. In terms of work ethics, which refers to both general and the Islamic concept of work ethics, those studies have also produced inconsistent findings. Jobe (2013) states that out of seven dimensions, only three - hard work, leisure and delay of gratification - have shown significant differences. Jobe (2013) also indicates that for the leisure dimension, millennials scored significantly higher than baby boomers. However, for dimensions of hard work and delay of gratification, Gen X scored significantly higher than baby boomers. However, another study (Ware, 2013) has indicated that there are only small differences in work-related values between Gen X and Gen Y. Another organisational variable that has demonstrated significant differences between generations is the turnover intention. Miller (2006) reports that compared to older generational cohorts that include veterans, baby boomers and Gen X, Gen Y employees reported less commitment and higher intent. Another study (Ali, 2009) has demonstrated that in comparing Gen X to baby boomers, Gen X is more inclined to seek another job compared to baby boomers.

The mixed findings indicated earlier may be attributed to contextual, methodological and perceptual factors. Generations are usually studied from their sociological foundation (e.g., Mannheim, 1952; Strauss & Howe, 1991), which asserts that generational differences are largely based on social experiences or constructs (Becton *et al*., 2014). Reliance on this sociological foundation has been contested by Joshi *et al*. (2011), who argue that studies about generations in organisations cannot exist without

the organisational context. Thus, there is a need to treat generational studies in organisations from the perspective of the original culture and context of each organisation. This will then provide a basis for the importance of conducting the proposed study.

Generational studies also face some methodological issues, specifically in terms of the convenient sampling method used to select the sample in the studies, which then leads to the failure to obtain equal representation of participants for each generation (Lamm& Meeks, 2009; Leavitt, 2014). The majority of generational studies have the tendency to replicate the same sampling strategy, thus suffering similar limitations. Appropriate sampling technique for generational studies is therefore crucial as it can affect the number of participants and the representation of generations to be studied (Lamm& Meeks, 2009; Kappel, 2012). Additionally, although there are studies that have investigated generational differences in organisational variables in conventional banks, studies on the Islamic banking workforce are scarce. Most of the available studies have been conducted in the Western context, which limits its generalisability to other cultural contexts (Patalano, 2008; Withrow, 2012). In addition, wider geographical areas, diverse settings and different locations are needed in order to validate the existing findings (Ali, 2009; Leavitt, 2014). Studying generational differences in organisational variables among employees in Islamic banking institutions is therefore timely. It is assumed that Islamic bank employees may demonstrate different findings in the relationship between generations and organizational variables as Muslims have different philosophical belief towards jobs and tasks for which they are responsible (Yousef, 2001; Ali, 1988).

Another factor that previous research has demonstrated as contributing to differences between generations is the results of individual perception of generational characteristics of them and others. Lester *et al*. (2012) found that there is a discrepancy between actual and perceived generations in relation to technology, communication, view of authority and culture at work. The actual value of work aspects has been reported to be lower than the perceived value. This may partly be influenced by the processes of attribution errors, especially the actor-observer effect (Jones & Nisbett, 1971) and stereotyping. This implies that people tend to see differences between Generation X and Generation Y because the stereotyping that they have towards the two groups. In relation to this, the present study examines the same concept of actual and perceived generations. However, the study explores the personal perception with regard to which generation the individuals perceived they belong to. An individual's perception of which group or generation he or she belongs to is important because it usually reflects the socialisation processes and non-shared historical events that individuals have had in their life (Mannheim, 1952). These may produce individuals who belong to a particular generational cohort (e.g., Gen X) but who carry features of different generations (e.g., Gen Y). Thus, though reviews of actual and perceived generations are limited in number, this present study investigates whether or not the actual and perceived generational differences between Islamic banking institutions' employees could be found in organisational commitment, work ethics and turnover intentions.

Method

Research Design and Sample

The research design of this study employeda correlational design. It utiliseda survey method whereby participants need to complete self-report measurements. This study was conducted in Kuala Lumpur, Malaysia and 225 full-time Islamic bank employees participated. The sample comprised of individuals of different job positions which included senior executive, officers and subordinates.

Measures

Three measures were used in the present study. First, organisational commitment was measured

by the Revised Scale of the Three-Component Model (TCM) of Employee Commitment by Meyer *et al*. (1993), which is a six-item version of the scale. It is a 7-point Likert-type rating scale that ranges from 1 (strongly disagree) through 7 (strongly agree). The total score for the overall scale ranged from 18-126 while the total score for each sub-scale which are affective commitment, continuance commitment and normative commitment ranged from 6-42. High scores indicate a strong organisational commitment while low scores suggest a weak organisational commitment. This scale was used in the present study as it has shown good reliability coefficient in earlier studies (Moody, 2007; Omar *et al*., 2012; Smith, 2013). In this study, the Cronbach's alpha values for the overall scale as well as sub-scales were high (overall scale=.84, normative commitment=.79, continuance commitment=.79 and affective commitment=.70).

Second, work ethics was measured by the Islamic work ethics scale (Ali, 1988). The Islamic work ethics is based on Qur'anicand Prophet Muhammad's teachings (Yousef, 2001). It was selected to be used in the study since it has high internal reliability and was developed by using Malaysian samples (Abdi *et al*., 2004). The scale consists of 17 items spread across four dimensions of work ethics that include effort, competition, transparency and morally responsible conduct. The scale is a 5-point Likert scale that requires participants to give a response to each statement by selecting appropriate rating ranging from 1 (strongly disagree) to 5 (strongly agree). The total score ranges from 17 to 85. Higher total scores mean higher work ethics while lower total scores indicate lower work ethics. The internal consistency of the total scale is Cronbach's alpha of .81.

Finally, this study selected and adapted eight items from Hussain *et al*. (2013) to measure turnover intention, the authors have used these items in their measure on the intention to leave among young employees of Malaysian commercial banks. This study used a 7-point Likert-type scale that ranged from 1 (strongly disagree) through 7 (strongly agree) for each statement. The total score ranged from 8 to 56 with low scores reflecting low turnover intention and high scores suggesting high turnover intention. In terms of reliability, Hussain *et al*. (2013) reported that the scale has good reliability (Cronbach's alpha of 0.72) and in the present study, the scale shows a relatively acceptable internal consistency (Cronbach's alpha of .60).

Data Collection Procedures

Several stages of procedures were involved in conducting this research. First, an official letter was sent to several banks in Klang Valley to get the appropriate approval before conducting the research. Once the application to conduct the research was approved, the research assistant contacted all employees from the participating banks. After receiving consent from the participants, they were immediately given a questionnaire set, comprising items on all the variables of interest. Three hundred questionnaires were distributed, and all participants were given two weeks to complete them. Then a follow-up was made through emails and phone calls to collect the questionnaire. A gentle reminder to all participants who had not completed the questionnaire after two weeks was also done through emails and phone calls. In the end, 230 questionnaires were returned; however, five were discarded because the participants did not answer all questions. In summary, 225 participants completed and returned the questionnaires with a response rate of 75%. Participants' anonymity was maintained, and coding was used only as a reference to the institutions. For each completed questionnaire, the participants received a small monetary incentive as appreciation for their time and participation.

Results and Discussion

Demographic and Descriptive Statistics

The participants consisted of 104 males and 121 females. The mean age of the participants was

34.66 years old (SD=8.18) and the majority of the participants were Malays (n=199; 88.4%), then Chinese (n=24; 10.7%), Indians (n=1; 0.4%) and others (n=1; 04%). In terms of studied variables, the mean score for organisational commitment is 84.60 (*SD*=14.11) while the mean score for turnover intention is 31.64 (*SD*=6.5). In terms of Islamic work ethics, the mean score is 71.62 (*SD*=7.01).

Actual Generation

Data on the actual generation were derived from the item that enquired the year in which participants were born. Based on frequency statistics, the only cohort groups represented by participants were Gen X (n=112) and Gen Y (n=113); the two other groups (the veterans and the baby boomers) were not represented. As there were only two generational groups, an independent samples t-test was conducted to compare the scores of job-related attitudes variables which are organisational commitment, turnover intention and Islamic work ethics for Gen X and Gen Y. There were no significant differences in scores for Gen X and Gen Y in job-related attitudes variables (*organisational commitment* - Gen X (*M*=84.83, *SD*=15.78) and Gen Y (*M*=84.22, *SD*=12.30) (*t* (223)=.32, *p*=.74); *turnover intention* - Gen X (*M*=31.63, *SD*=7.46) and Gen Y (*M*=31.73, *SD*=5.55) (*t* (205.12)=-.115, *p*=.90) and Islamic work ethics - Gen X (*M*=71.28, *SD*=7.11) and Gen Y (*M*=71.81, *SD*=6.93) (*t* (223)=-.56, *p*=.57). Thus, the results imply that participants who were Gen X (born between 1961 to 1981) and Gen Y (born between 1982 and 2000) were not different in their assurance to organisations, intention to leave their job and application of Islamic work ethics.

Perceived Generation

With regards to the perceived generation, the data were gathered based on an item that enquired participants to mark which generational cohort they perceived that they belong to. Frequency statistics demonstrate that 16 participants perceived themselves as

traditionalists, four as baby boomers, 77 as Gen X and 114 as Gen Y. Meanwhile, 15 participants perceived themselves as not belonging to any particular generational group (None: n=15). As there were five perceived generational groups, a one way between-group analysis of variance (ANOVA) was conducted to explore the influence of perceived generation on the levels of organisational commitment, turnover intention and Islamic work ethics. Overall, results of ANOVA indicate that there was no significant difference between perceived generations for organisational commitment and Islamic work ethics. However, the results show there was a statistically significant difference at the $p<0.05$ level in turnover intention score for the five perceived generational groups: F $(4,220)$=4.06, p .003. Post-hoc comparisons using the Tukey HSD test indicate the following: first, the mean score for Gen X (*M*=32.36, *SD*=6.27) was significantly different from the traditionalists (*M*=26.00, *SD*=9.20). Second, the mean score for Gen Y (*M*=31.62, *SD*=5.36) was significantly different from the traditionalists (*M*=26.00, *SD*=9.20). Third, the mean score for None group (*M*=34.06, *SD*=9.85) was significantly different from the traditionalists (*M*=26.00, *SD*=9.20). Fourth, the baby boomers (*M*=34.25, *SD*=6.84) did not differ significantly from Gen X and Gen Y, the traditionalists and None group.

The values reported in the above paragraph suggest that when generational group was based on participants' perception, there were differences between the traditionalists, Gen X, Gen Y and None group in their intention to leave their respective organisations. Because our one way between-group ANOVA analysis shows a statistically significant result (i.e., F=4.06, p .003), the Tukey HSD test was conducted as a follow-up test to assess which group means were different from one another. From the results of this test, we may conclude that those participants who perceived themselves as traditionalists had less turnover intention compared to those who perceived themselves as Gen X or Gen Y. The traditionalists also reported significantly lower turnover intention than those who perceived themselves as not belonging to

any particular generational group. However, the Tukey HSD test results also indicate that those who perceived themselves as baby boomers did not vary significantly in terms of their turnover intention to leave the organisation.

In general, results from the present study suggest that staff from the Islamic banking institutions displayed moderate levels of turnover intention but high levels of organisational commitment and Islamic work ethics. It is possible to speculate from the results that the Islamic teaching and environment that are being advocated and practised in the Islamic banking institutions are most likely contributing to the perceptions of the employees, i.e., their job is *ibadah* to Allah Almighty. Employees are likely perceiving obstacles in the organisations as challenges that can be successfully overcome upon solving the difficulties. Hence, this may be a probable cause for their reporting moderate levels of turnover intention.

Consistent with previous research (Engelman, 2009), actual Gen X and Gen Y did not show significant differences in the organisational variables. A possible explanation for this finding is that generation is a social construct. It is less likely that the age or the year of birth reflects the socialisation processes and therefore the effect on generational differences in their behaviour and thinking is either very minimum or none. What makes the generations have greater differences is when the generations are assessed based on social constructs, like individual perception of self-concept. The child rearing practices that individuals experienced from childhood to adolescents strongly influenced the way they perceived themselves, not only during childhood but will continue until adulthood. Therefore, they are likely to label themselves as belonging to the group of generational cohorts based on their experience and self-concept than the year they were born in. This is supported by the present research findings that perceive generation as a significant variable that influences organisational variables rather than actual generation. In previous studies, perceived value, i.e., how the participants value

technology, communication, view of authority and culture at work when they are in a different generation, suggests that individuals score higher when it is based on perceived value than actual value. Thus, this present study adds another insight into the field of research that perceived generation (either perceiving which cohort group one belongs to or what other people in another cohort will do) always demonstrates significant differences across generations.

The ANOVA shows that perceived generations (individual perception, whether they are Gen X or Gen Y) are significantly different in their intention to leave the organisation (i.e., turnover intention). Previous studies have shown that Gen Y reported lower scores for organisational commitment and higher scores for turnover intention than Gen X (Miller, 2006). However, in the present study, it is found that perceived Gen X has higher mean scores than perceived Gen Y for intention to leave the organisation. This result concurs with Ali (2009) who found Gen X has high mean score for turnover intention. It is possible to speculate in the present study that those in Gen X who are more mature, have acquired more knowledge, skills and experience from their job. Therefore, they are more open-minded about alternative employment outside their organisation and not being attached to the company, particularly for their future career advancement.

Conclusion

In line with the findings on turnover intention, the human resource department should seriously think of possible actions that can be taken to better manage employees to retain them or to prevent them from resigning or leaving the organisation. The findings of the present study that demonstrate the significance of perceived generation in influencing organisational attitudes (i.e., turnover intention) suggest that it is very important for organisations to review and understand generational differences. Understanding generational differences, more precisely from the individual perspective of employees will lead to more accurate ways of

addressing the needs of the different generations. It is strongly recommended that future research explores in detail the perceived generation as it has been found to be significantly associated with the organisational variables in the present study.

Acknowledgements

References

Abdi, M. F., Muhamad Nor, S. F., & Md. Radzi, N. Z. (2014). The impact of Islamic work ethics on job performance and organizational commitment. In: *Proceedings of 5th Asia-Pacific Business Research Conference 17 - 18 February, 2014, Kuala Lumpur, Malaysia.*pp. 1-12.

Ali, A. (1988). Scaling an Islamic work ethic. *The Journal of Social Psychology, 128*(5), 575-583.

Ali, G. S. (2009). *Effect of Job Satisfaction and Organizational Commitment, As Moderated by Generation, Outsourcing, and Insourcing, On Turnover Intent.* Ph.D. Dissertation. Walden University, Minneapolis, MN, USA, 184pp.

Becton, J. B., Walker, H. J., & Farmer, A. J. (2014). Generational differences in workplace behavior. *Journal of Applied Social Psychology*, *44*(3), 175-189.

Carver, L. L. (2008). *Organizational Commitment and Generational Differences in Nursing Faculty*. PhD. Dissertation. University of Nevada, Las Vegas, USA, 177pp.

Cennamo, L., & Gardner, D. (2008) Generational differences in work values, outcomes and person organisation values fit. *Journal of Managerial Psychology*, *23*(8), 891-906.

Cogin, J. (2012). Are generational differences in work values fact or fiction? Multi-country evidence and implications. *The International Journal of Human Resource Management, 23*(1), 2268 – 2294.

D'Amato, A., Herzfeldt, R. (2008). Learning orientation, organizational commitment and talentretention across generations: A study of European managers. *Journal of Managerial Psychology*, *23*(8), 929-953.

Engelman, E. (2009). *Generation Y Vs. Baby Boomers: How Workplace Commitment Levels Affect Recruitment and Retention of Generation Y Within Corporate America.* Ph.D. Dissertation. Capella University, Minneapolis, MN, USA, 91pp.

Jobe, L. L. (2013). *Generational Differences in Work Ethic between Baby Boomers, Generation X, and Millennial Registered Nurses.*Ph.D. Dissertation. University of Arkansas, Fayetteville, AR, USA, 99pp.

Jones, E. E., & Nisbett, R. E. (1971). *The Actor and Observer: Divergent Perception of the Causes of Behavior.General Learning Press,* New York, *16pp.*

Joshi, A, Dencker, J.C. & Franz, G. (2011) *Generations in organizations*. Research in organizational behavior: an annual series of analytical essays and critical reviews. – Amsterdam: Elsevier, 177-205

Hussain, A., Yunus, N., Ishak, N. A., &Daud, N. (2013). The influence of intention to leave towards employee engagement among young bankers in Malaysia. International Journal of Business and Management, *8*(14), 89-97.

Kappel, A. M. (2012). *Generational Cohort as a Moderator of the Relationship between Extrinsic and Intrinsic Motivation and Job Satisfaction*. Ph.D. Dissertation. Walden University, Minneapolis, MN, USA, 179pp.

Lamm, E. & Meeks, M. D. (2009). Workplace fun: the moderating effects of generational differences. *Employee Relations*, *31*(6), 613-631.

Leavitt, R. M. (2014). *Generational Differences in Work Motivation of Healthcare Workers*. Ph.D. Dissertation. University of Nebraska, Nebraska, USA, 117pp.

Lester, S. W., Standifer, R. L., Schultz, N. J., & Windsor, J. M. (2012). Actual versus perceived generational differences at work: An empirical examination. *Journal of Leadership & Organizational Studies*, *19*, 341-354.

Mannheim, K. (1952). The problem of generations. In Kecskemeti, P. (Ed.) *Essays on the Sociology of Knowledge: Collected Works. 5.* Routledge, New York, pp. 276-322.

Meyer, J. P., Allen, N. J., & Smith, C. (1993). Commitment to organizations and occupations: extension and test of a three-component conceptualization, *Journal of Applied Psychology, 78*, 538-551.

Miller, E. J. (2006). *The Effects of Rewards, Commitment, Organizational Climate and Work Values on Intention to Leave: Is There a Difference Among Generation?* Ph.D. Dissertation. State University of New York, Albany, USA, 129pp.

Moody, A. (2007). *Examining and Exploring Generational Differences by Understanding Commitment, Employee Satisfaction, and Motivation.* PhD. Dissertation. Northcentral University, Arizona, USA, 123pp.

Omar, K., Mohamed Anuar, M., Abdul Majid, A. H., & Johari, H. (2012). Organizational commitment and intention to leave among nurses in Malaysian public hospitals. *International Journal of Business and Social Science, 3*(16), 194-199.

Patalano, C. (2008). *A Study of the Relationship between Generational Group Identification and Organizational Commitment: Generation X vs. Generation Y.* PhD. Dissertation. Nova Southeastern University, Florida, USA, 167pp.

Porter, G. (2010). Work ethic and ethical work: Distortions in the American dream. Journal of Business Ethics, *96*, 535-550.

Smith, U. S. (2013). *Organizational Commitment and Job Satisfaction: A Study if Multi-Generational Nurses in a Magnet Hospital.* PhD. Dissertation. Capella University, Minneapolis, MN, USA, 147pp.

Strauss, W., & Howe, N. (1991). *Generations: The History of America's Future, 1584–2069.* William Morrow and Company, New York, 538pp.

Ware, C. V. (2013). *Generation X and Generation Y in the Workplace: A Study Comparing Work Values of Generation X and Generation Y.* Ph.D. Dissertation. Capella University, Minneapolis, MN, USA, 122pp.

Withrow, J. R. (2012) *Evaluation of the Impact of Generational Differences on Compensation in The Workforce.* PhD. Dissertation. Northcentral University, Arizona, USA, 134pp.

Wong, M., Gardiner, E., Lang, W., & Couton, L. (2008). Generational differences in personality and motivation. *Journal of Managerial Psychology*, *23*(8), 878-890.

Yousef, D. A. (2001). Islamic work ethic: A moderator between organizational commitment and job satisfaction in a cross-cultural context. *Personnel Review*, *30*(2), 152-165.