

# GENERATIONAL MOTIVATION AND PREFERENCE FOR REWARD AND RECOGNITION

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## Abstract

Generation sub-groups have been and continue to be stereotyped as requiring different approaches in the workplace and elsewhere with regard to what keeps them motivated and satisfied. Two measuring instruments were distributed electronically to all staff of a South African Facilities Management firm. The one-way ANOVA was conducted with post-hoc tests to establish which factors display statistically significant differences between generations. The findings demonstrated that certain generation sub-groups have preferences for different types of reward, reward categories, and have different perceptions about what types of reward attracts, motivates and retains employees. The main recommendation is that the company needs to adopt a flexible approach to reward and recognition that allows employees to tailor their reward structure to their own needs.

**Keywords:** Generation, Motivation, Reward, Recognition, Baby Boomers, Generation Y, Generation X

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## 1 Introduction

Generational stereotyping can sometimes be viewed as pop psychology in the context of human resources literature, due to the stereotypes that have become pervasive in discussing generations. Defining a generation in itself is, as Taylor and Keeter, (2010) note, both too easy and hard. Meister and Willyerd (2010) have contributed to a large international body of knowledge on the organisational relevance of generations in the workplace. They purport that in the year 2020 there will be five generations at work simultaneously for the first time in history, and that keeping each of them similarly motivated and satisfied will be a huge task for the companies that employ them. In other words, a one size fits all approach will no longer be possible as each generation brings with it a new set of values and desires that are inherently different from their predecessors and those who join the workplace after them (Meister and Willyerd, 2010). The research done by Meister and Willyerd (2010), although extensive and thorough, was conducted in the United States of America and it is difficult to imagine that the findings in their book would apply seamlessly in an African or South African context. South Africans are affected by such factors as our political history and the prevailing legislated redress, race relations and entrenched cultural diversity, which would seem to affect preferences for reward, recognition and motivation more than generational differences. However, research conducted locally by the organisation, TomorrowToday, in partnership with local personnel

and advertising firms, indicated that, “the younger the person the less race and the more age became a predictor of attitudes and behaviour” (Codrington, 2008, p.12).

Recent research by Martins and Martins (2014) conducted in a South Africa context has shown that paying attention to generational sub-groups’ attitudes to organisational culture, employee commitment and satisfaction has benefits to the organisation in terms of talent retention. Their research revealed an intense focus by Millennials on their own training and development. South African Baby Boomers are more interested in working as a team than younger generations, and the technological savvy of Generations X and Y employees indicates a lower tolerance for staff meetings. The research furthermore showed a disparity between the younger generations and the Baby Boomer generation in terms of their overall satisfaction. Baby Boomers are more negative than their younger counterparts, which poses a problem for the skills and knowledge transfer that needs to take place before the South African Baby Boomer generation retires. According to Martins and Martins (2014), keeping this generation motivated and engaged is crucial to facilitate this transfer in the coming years. The study concluded that the struggle for talent, skills shortages and employee mobility further compound the issue of talent retention in South Africa.

The purpose of the research being proposed would be to test whether generations are motivated differently and whether different generation groups

prefer different forms of reward and recognition in a South African workplace context.

## **2 Generational theory**

Genealogical definitions of generation refer specifically to the mean distance between parents and children in reference to their biological age. These definitions were mainly found in Hellenic and Egyptian literature and the Bible for example. A generation was defined as a representation of the line of descent of a central progenitor and this could be applied to all living phenomena, including those beyond the boundaries of human life. A generation can be defined in terms of a time dimension (sharing similar ages) and a space dimension (sharing similar experiences and life events) (Jansen, 1975). Cugin (2012, p. 2270) defines a generation as “a group that shares both a particular span of birth years and a set of worldviews grounded in defining social or historical events that have occurred during the generation’s formative development years”.

“It’s too easy because most readers don’t need a team of researchers to tell them that the typical 20-year-old, 45-year-old and 70-year-old are likely to be different from one another. People already know that. It’s too difficult because, try as we might, we know we can never completely disentangle the multiple reasons that generations differ” (Taylor and Keeter, 2010, p.4). The basic foundation for the theory of generations is that the people who are born between two dates form a generation who come of age within a certain time period and who share certain values and world views based on their experiences (Codrington, 2008). For the purposes of the research undertaken here, the Reynolds, Bush and Geist’s (2008, p. 20) generational timeframes were used:

- Veteran – born before 1946
- Baby Boomers – born 1946 – 1964
- Generation X – born 1965 – 1980
- Generation Y – born 1981 – 2000

The rationale for choosing this categorisation of generations is that it encompasses the widest definitions of the years between which each of the generations are proposed to have been born, and the most widely used definitions in the research consulted on this topic. To conceptualise the four generations is not an easy task as various researchers characterise the generations differently. A typical description of each generation is summarised for the purpose of this research.

According to Giordano (1988) the Veterans were characterised by early marriage and a high number of children. Women from this generation entered the labour force in large numbers. They achieved greater affluence and economic security than previous generations. They have a positive attitude toward aging and raised expectations for their later life, particularly related to leisure activities, marriage and family relationships. Dries, Pepermans and De Kerp

(2008, p. 910) note some general values held by members of this generation as conformism, maturity, conscientiousness and thrift. Work related values displayed by Veterans are obedience, loyalty, obligation and stability. They summarise this generation with the following credo: “We must pay our dues and work hard.”

The Great Depression and World War II and the atom bomb are critical events that shaped the Baby Boomers (Dwyer, 2009). They have been defined as mainly sharing values of idealism, optimism, team orientation and materialism. Baby Boomers value self-actualisation in the workplace through jobs in which they can achieve self-fulfilment and status. They have been theorised as having a dislike for the prevailing authority of their youth, but in their older years have become subscribers to the formal authoritative structure in organisations and are invested in the traditional hierarchies that enable their organisational tenure to establish their organisational status (Deal, Stawiski, Graves, Gentry, Ruderman, & Weber, 2010).

Generation X had emerged as fundamentally different from the Baby Boomer generation in aspects such as organisational commitment or loyalty (Lloyd, 1996) and the overall nature of their family life during their formative years (Howe & Strauss, 1993; McGuire, By, Hutchings, 2007). Generation X also emerged as a generation disposing of the traditional linear career path dictated by the organisation, preferring a career path they had defined themselves and a career that is played out across many employers during their career span (Bova & Kroth, 2001; McGuire et al., 2007). This changed approach was accompanied by a shift in organisational values focused on innovation, flexibility, autonomy (McGuire et al., 2007) and diversity (Bova & Kroth, 2001).

Generation Y is theorised as being very different from preceding generations in terms of values such as personal ambitions and goals, increased self-confidence, a need to express their opinions and a low tolerance for boredom. When compared to earlier generations they expect higher salaries, more flexible working arrangements, prospects for and a steady rate of advancement as well as organisational and supervisor recognition (Inelmen, Zeytinoglu & Uygur, 2010). Generation Y individuals are most notably defined by their almost constant exposure to information and communication technology since their birth and the resulting globalised world in which they have grown up (Meister & Willyerd, 2010). They have been socialised in a digital world, continually wired, plugged in, and connected to digitally streamed information, entertainment and contacts (Cugin, 2012). This generation favours instant messaging, text messaging and e-mails, and they are more comfortable and at ease sending a quick e-mail or other digital message, than having a face-to-face conversation or picking up the telephone. This over reliance on

technology as a communication medium has, however, not helped the development of their social skills as a generation (Cogin, 2012).

Research on generations yields two lines of thought on the topic: one being that generations are an important and relevant phenomenon in workplace dynamics, and the other being that generation as a theoretical concept has limitations in explaining employee differences in job satisfaction and motivation. In the latter, the view is that the literature can often extrapolate generation theory too widely and in an alarmist fashion as seen in Meister and Willyerd's (2010) survey of 2 200 working professionals. They bravely declare that the world of work in 2020 will require an entire overhaul of workplace values and practices as, for the first time, five generations will be employed simultaneously.

A study conducted in the United Arab Emirates, a country known for its delineated population of expatriates, Emiratis and migrant labour, confirmed that across these specific populations Generation Y shares the same work preferences and values when compared to other generations within their societal populations (Lim, 2012).

The widely held view that younger generations are less likely to commit to an organisation for a long period of time, as opposed to the older generations who favour a linear and stable career progression, is supported in the research done by D'Amato and Herzfeldt (2008) in Europe. Canadian researchers Lyons, Schweitzer, Ng & Kuron (2012), in a retrospective career account of 105 Canadian professionals, demonstrated that younger generation employees change jobs and employers at a greater rate than previous generations. The research confirmed that they are more willing to accept non-upward career moves and that recruiting and retaining young employees will therefore require a different approach than was used in previous generations.

In the Netherlands Lub et al. (2012) confirm that Generations X and Y hospitality workers in a national hotel chain had different approaches to the psychological contract to Baby Boomers.

Research done in a South African context is fairly limited in comparison to the vast body of research conducted internationally. Research conducted in partnership with the University of Pretoria and commissioned by Johnson Controls International, as published in the Oxygenz Country Report (Puybaraud, 2010), highlights that due to the high HIV prevalence in South Africa and low life expectancy, a large generational gap is looming. The report uses the phrase, the "born free" generation, in reference to a generation of young black South Africans who have been born in a different era to their parents – an era without legislated prejudice and with better educational and employment opportunities. The report states that these employees make up a specific sub set of Generation Y, referred to in the report as "Generation next", with a different set of values and

ideals. The report concludes that employers and business leaders will need to address their employment needs within the legislative framework, which ensures that they are not "...forevermore excluded from mainstream economy" (Puybaraud, 2010, p. 11).

Martins and Martins (2012, p. 160), in their study of Millennials in a South African context, highlight potential conflict between older and younger generations in areas such as teamwork, change management and communication. A questionnaire submitted to a sample of approximately 6 700 participants yielded confirmation of differences among generations in a work context. According to their research Generation X and Millennial employees are more likely to be aware of a company's vision and mission statement and respond to it. They also found that Baby Boomers do not adapt as easily to change, but that change management initiatives are valued by Millennials and Generation X employees as a way to assist them in adjusting to a new reality at work. In conclusion, Martins and Martins note that the similarities between the generations should continue to be a focus of organisational strategy, but retaining the talent and knowledge resident in the two youngest generations will be key to ensuring the future success of organisations (2012, p. 176).

It seems that although generation theory can be somewhat fragile in adequately explaining the phenomenon of workplace behaviour and preferences, there is a place for this school of thought and increasingly so especially in understanding a workforce that is getting older and younger at the same time. As has been discussed, research conducted across the world in this area has shown that employees do display generational differences in work values, commitment to the psychological employment contract, career mobility and motivation across cultures, economies and countries.

### **3 Motivation theory**

Motivation is the degree to which an individual wants and chooses to engage in certain behaviours. Mitchell (1982) defined motivation as the psychological processes that cause the arousal, direction and persistence of voluntary goal directed behaviour.

Of interest to the study being conducted here is the operationalisation of motivation in the context of age differences. Inceoglu, Segers & Bartram (2011, p. 301) note that, "Research from the life-span development and occupational/organisational psychology literature suggests that certain psychological processes and attributes undergo changes at different stages of the life cycle, which are likely to affect the extent to which individuals are motivated by different job features and work outcomes." Their study found that as workers grew older there was a general shift from extrinsic to intrinsic motivation and that motivation was

specifically linked to different stages in the life cycle as well as the prominence of crystallised versus fluid intelligence. Crystallised intelligence is characterised by experience and educational knowledge. Fluid intelligence consists of working memory and the processing of new information characterised by experience and educational knowledge.

Various theories of motivation have been researched in the categories of content and process theories. Content theories are Maslow's (1954) hierarchy of needs, Herzberg's (1966) motivation-hygiene theory, and goal theory of motivation as proposed by Locke and Latham (1990). Process theories are the expectancy-value theory, equity theory, McGregor's (1960) extrinsic motivation theory, Haefner's (2011) systemic motivation, and Deci and Ryan's (2000) self-determination theory. Deci, Ryan, Gagné, Leone, Usunov and Kornazheva (2001) found support for the self-determination theory in various contexts and showed that work attendance, positive job attitudes, higher self-esteem, and fewer symptoms of illness were direct correlates of these needs being met in the workplace. After a careful investigation of the benefits and criticism of the various theories it was decided to focus on the self-determination theory as the background for this study. Specifically the Theory of Self-determination and the Motivation Measure created by Moran, Diefendorff, Kim, & Liu (2012) will be the premise of the study of employee motivation undertaken here. The theory underpins the various aspects of motivation in a work context along a continuum of motivation, and isolates motivation as a product of external and internal factors that are well aligned with the extrinsic and intrinsic nature of rewards.

#### 4 Generations reward and recognition

A key trend in the human resource literature on reward in recognition following the global recession is doing more with less (Van Dyke & Ryan, 2012). The question is if the generational groups are comfortable with such a perspective. It appears from generational research that different aspects motivate the different generations. For the younger generations, and according to research by Future Workplace, flexible hours and the ability to work remotely are even more important than salary (Meister & Willyerd, 2010).

The older respondents on the other hand, indicated a lower preference for both categories of a conducive working environment and remuneration and benefits. Research furthermore indicates that the differences in reward preferences are not necessarily related to the different generations, but instead to life stage and age rather than the specific period or time of birth (Rehm, 2006). The assumption can therefore be made that reward categories such as remuneration and benefits and a conducive working environment are much more important to the younger employees, and reduce in need as employees get older.

The results of research conducted by Twenge and Cambell (2010) show that the Millennials are significantly more interested in extrinsic rewards than are Baby Boomers, although Millennials are less interested than Generation X. Although salaries and the material possessions that money can buy, as well as the accompanying prestige, were still important to Millennials, these are significantly less important than they are to Generation X, who displayed "particularly pronounced" differences with the Baby Boomers (Twenge & Cambell, 2010). This value was the only one that did not change in a linear progression across the generations (Twenge & Cambell, 2010). In contrast, each generation is increasingly less likely to value intrinsic rewards as highly as the previous generation. The Baby Boomers rated having interesting and challenging work most highly, while each successive generation has had slightly less interest. However, intrinsic rewards are still rated highly by all three generations. The Millennials differed significantly from both of the other generations, although Generation X and Baby Boomers did not differ significantly from each other.

The above research indicates that the option of one remuneration policy for all generations might no longer be applicable. South African generations might portray many of the characteristics and needs of their worldwide colleagues. However, with South Africa's unique history the generations might display different motivational and preference for rewards and recognition.

#### 5 Research objectives

The main objectives of this study were: (1) to determine the validity and reliability of *Rewards Preferences Questionnaire and the Motivation Measure*; (2) to determine whether there is a statistically significant empirical relationship between generation cohorts and the dimensions of motivation; and (3) to determine whether there is a statistically significant empirical relationship between the generation cohorts and their preference for reward.

##### 5.1 Research approach and questionnaires

A scientific quantitative survey approach was used to achieve the research objectives. First the validity and reliability of the Motivation Measure Questionnaire and the Rewards Preferences Questionnaire (RPQ) were determined. The Motivation Measure was created by Moran et al. (2012) based on the self-determination theory of motivation theorised by Deci and Ryan (2000). The measure contains specific items measuring each aspect of the self-determination theory of motivation, namely external, introjected, identified, integrated and intrinsic motivation (Moran et al., 2012). Participants are asked to respond to a typical question, "Why are you motivated to do your work?",

and indicate the extent to which they agree with each of the 15 items using a 5-point scale from “strongly disagree” to “strongly agree”. The reliability of all five of the motivation constructs has a coefficient of 0.70 or above with only one exception of external motivation, which had a coefficient of 0.63 (Moran et al., 2012).

The Rewards Preferences Questionnaire (RPQ) was informed by the theoretical total rewards framework and its underlying reward components as created by Nienaber et al. (2011). Participants are asked to respond to 45 Likert scaled items relating specifically to reward preferences, 29 of these with a Likert scale ranging from “not at all important” to “extremely important”, and 16 of these using a Likert scale ranging from “totally disagree” to “fully agree”. The reliability of the RPQ was reported by Nienaber, Bussin, & Henn (2011) as being good. They reported an overall Cronbach’s alpha coefficient of 0.84. The construct validity of the measure was confirmed using factor analysis.

An analysis of variance (ANOVA) technique was used to determine if significant differences exist

between the three cohorts. ANOVA in particular has been chosen because of the number of sub groups and the cross comparisons to be made between the generations on the various factors established by the factor analysis.

**5.2 Population and sampling**

The convenience sample in this study is a South African subsidiary of a global corporate organisation. The staff compliment of this organisation totals 711 people. This includes employees at all levels and in different departments, ranging from operations to leadership across three separate divisions of the company. The sample of respondents comprised 333 staff members. As seen from table 1, a similar number of males (51.7%) and females (47.7%) participated in the survey. The majority of respondents were white (42.9%), followed by black (34.5%). Generation X was the most representative cohort with 53.8%, followed by Generation Y (26.7%) and the Baby Boomers (18.9%).

**Table 1.** Demographic profile of the respondents

<i>Item</i>	<i>Category</i>	<i>Frequency (f)</i>	<i>Percentage (%)</i>	
<b>Gender</b>	Male	159	47.7	
	Female	172	51.7	
<b>Race</b>	Black	115	34.5	
	Coloured	61	18.3	
	Indian	14	4.2	
	White	143	42.9	
<b>Generational</b>	Before 1946	1	0.3	
	Baby Boomers	1946-1964	63	18.9
	Generation X	1965-1981	179	53.8
	Generation Y	1982-2000	89	26.7
	<b>Business Unit</b>	Automotive	109	32.7
Workplace solutions		139	41.7	
Systems and Service		85	25.5	

**5.3 Research procedure**

Permission to conduct the study was obtained from the management of the organisation in which the research was conducted. The survey was conducted via a web-based questionnaire application. The survey questionnaires were sent via SurveyMonkey (SurveyMonkey.com, 2013) to the e-mail addresses of all of the staff who have e-mail addresses in the survey population. The individuals completed a short biographical questionnaire as part of the survey. The e-mail contained a cover letter as to the nature and intentions of the research being conducted and a link to the online survey. The responses to the questionnaire were stored online and exported to the SPSS version 22 statistical package for the statistical analysis. To ensure anonymity, unique identifiers such as ID numbers, names, e-mail addresses and locations were not included in the biographical data collected.

To ensure understanding of participants’ consent to participation in the survey, a check button was included. This stated that by completing the questionnaire the respondents implied their consent. An indication that the information remains confidential in the hands of the researcher was also included.

**6 Results**

A factor analysis was first conducted to investigate the grouping of items and their correspondence to the original theoretical scales. The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy was as follows: section 2 (a): 0,883; section 2 (b): 0,743 of the Rewards Preferences Questionnaire; Motivation Measure: 0,833. Bartlett’s test of sphericity was significant (p<0.01). As a general rule, the KMO value should be 0.60 or higher in order to proceed

with a factor analysis (Kaiser, 1970). For section 2a (Rewards and benefits preferences) the Kaiser criterion suggested that 7 factors could be extracted; the scree plot suggests that 6 may be more practical. For section 2b (Reward Structures) the Kaiser criterion suggested a 5 factor solution. A 3 factor

solution was used. For the final section the Kaiser Criterion suggested 5 factors and the original dimension names were retained. A principle axis factor analysis with a direct oblimin rotation was used. Factor loadings above 0,30 were retained. The factor matrix with loadings is reported in table 2.

**Table 2.** Factor matrix, reliability and correlations

Questionnaire and items	Factor Loadings							Factor Name	Alpha	Average Inter Item r
	1	2	3	4	5	6	7			
<b>Rewards Preferences Questionnaire Section 2 (a)</b>										
<b>Question</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>			
Constructive and honest feedback on my performance is...	.719							Performance Management	.829	.456
Monthly communication sessions about business progress with my manager are...	.644									
Having a balanced scorecard or performance agreement / contract with agreed objectives is...	.585			.400						
Informal recognition for a job well done (e.g. a thank you note) is...	.523									
I think coaching and mentoring are...	.499									
The quality of co-workers in my team is...	.360									
An on-site staff restaurant is...		.806						Work Amenities	.813	.427
An on-site staff convenience store is...		.768								
On-site or subsidised childcare facilities are...		.654								
An on-site medical centre is...		.487				-.214	.251			
An on-site fitness centre is...		.436			.297					
Retirement and disability benefits are...			.704					Benefits	.694	.480
Medical aid benefits through medical aid schemes are...			.654							
The opportunity to take study leave for further studies is...					.699			Career Management & work home integration	.793	.347
The opportunity to rotate and experience different types of jobs is...					.583					
Growth opportunities, learning and development are...	.339			-.241	.580					
Bursaries / funding for tertiary qualifications is...	.243				.552					
The opportunity to take sabbatical leave is...					.414					
Subsidised tuition for my children is...		.314			.411					
The ability to work flexible working hours is...					.332					
Annual allocations of shares and/or share options are...					.309		-.262			
Having a good working relationship with colleagues is...						-.715	-.209	Quality work environment	.676	.550
A comfortable work environment (décor, equipment) is...						-.702				
My annual performance bonus / incentive is....							-.586	Base & Contingency Pay	.702	.556
My salary/guaranteed remuneration is.....							-.486			

**Table 2.** Factor matrix, reliability and correlations (continued)

Questionnaire and items	Factor Loadings					Factor Name	Alpha	Average Inter Item r
	1	2	3	4	5			
<b>Rewards Preferences Questionnaire Section 2(b)</b>								
My job should be challenging and test my abilities	.875					Career Orientation	.789	.502
I should be held accountable for my personal job outputs	.820							
My career path planning should align with my personal interests and goals	.729							
Management should encourage team performance	.704							
I would like to go on an international secondment	.355		.403					
My employer should provide me with an allowance or subsidy to care for my financially dependent parents		.858				Work home integration	.748	.429
My employer should provide holiday programmes for my children		.767						
My employer should provide me with financial assistance to buy a house		.694						
I think employers should provide phased-in return to work after maternity / paternity leave		.623						
I enjoy having total control over my work methods without my manager's interference		.302						
I need to log into the employer's network from home			.885			Digital work-home integration	.818	.692
I need a laptop and 3G card to perform optimally			.866					
Bonus allocations should be linked to my personal performance				.840		Contingency Pay	.448	.184
Merit increases should be linked to personal performance				.676	-.424			
Bonus allocations should be linked to my team's performance				.455	.317			
I would like to structure my remuneration according to my own needs				.375				
My salary must be market related					.756	Base Pay	.275	.175
Increases should be linked to inflation and not to personal performance					.638			
<b>Question: Why are you motivated to do your work?</b>								
Because I find the work interesting.	.698					Intrinsic Motivation	.829	.634
Because the work is fun.	.754							
Because I find the work engaging.	.807							
Because I would feel guilty if I did not do well.		.806				Introjected Motivation	.892	.738
Because I would feel ashamed if I did poorly.		.929						
Because I would feel bad about myself if I did not do a good job.		.822						
Because I believe my work is valuable.			-.800			Identified Motivation	.883	.728
Because my work is important.			-.952					
Because I value the work.			-.663					
Because my boss wants me to do it.				.566		External Motivation	.621	.352
Because the situation demands it.				.735				
Because I get paid to do it.				.406				
Because my work goals and personal goals are integrated.					.447	Integrated Motivation	.772	.530
Because my work is a big part of who I am.					.818			
Because my work helps to define me.					.796			

Based on the factor analysis the two sections of the RPQ scale were revised into 6 and 3 factors respectively. The original scale consisted of only Rewards and Benefits Preference as one scale, and

Rewards Structure Preference as the other. The first section was revised into the following scales:

- Performance management
- Work amenities
- Benefits
- Career management & work/ home integration
- Quality work environment
- Base & contingency pay

The second section was revised into the following scales:

- Career orientation
- Work/ home integration
- Digital work/ home integration

The factor analysis confirmed the scales in the Motivation Measure as follows and as such the scale was not revised:

- External Motivation
- Introjected Motivation
- Identified Motivation
- Intrinsic Motivation
- Integrated Motivation

The reliability of the Rewards Preferences Questionnaire and the Motivation Measure and the inter item r correlations are also reported in table.2.

Section 2 (a) of the Rewards Preferences Questionnaire (Rewards & Benefits preferences) showed a coefficient alpha of between 0.67 and 0.82. The lowest of these reliability coefficients were for the factors “Quality work environment” (0.676) and “Benefits” (0.694). These were acceptable in line with the suggestion by Multon and Coleman (2010) that a lower reliability score may be acceptable when looking at group differences in personality characteristics. For section 2 (b) of the RPQ the reliability coefficients ranged from 0.275 to 0.818.

The lowest of these reliabilities were for the factors contingency pay (0.448) and base pay (0.275), and although the factors made theoretical sense, their low reliabilities excluded them from further statistical analysis. Only 3 factors were therefore used in subsequent analyses. The Motivation Measure showed reliabilities of between 0.621 and 0.892.

The inter-item correlations for both the RPQ and the Motivation Measure exceeded 0.3 for every factor except in the case of the abovementioned factors, which were excluded due to their low reliability scores. Some were, however, rather high (>0.5) and may suggest item redundancy in these scales.

The results of the post-hoc ANOVA test is of dimensions with significant differences, which are reported in table 3. In the post-hoc ANOVA testing, statistically significant differences were found among the generations for the following factors:

- Integrated Motivation (seeing work activity as instrumentally important to the achievement of personal goals (Gagné & Deci, 2005))
  - o Baby Boomers show significantly more integrated motivation than Generation Y ( $p = 0.002$ ).

- o Generation X in turn shows more integrated motivation than Generation Y ( $p = 0.065$ ).

- o The statistically significant differences between Baby Boomers and Generation Y were higher than between Generation X and Generation Y.

- Intrinsic Motivation (self-determined, i.e. internally regulated, having a personal interest in the work activity and not being regulated by external factors (Gagné & Deci, 2005))

- o Baby Boomers are more intrinsically motivated than Generation Y ( $p = 0.026$ )

- o Generation X is more intrinsically motivated than Generation Y ( $p = 0.023$ ).

- Career management and work home integration – Generation Y prefers career management and work/ home integration as a benefit significantly more than Baby Boomers ( $p = 0.002$ )

- Work/ home integration – Generation Y values work/ home integration significantly more than Baby Boomers, as part of a reward structure ( $p = 0.075$ ).

- Digital work/ home integration – there is a statistically significant difference in the preference for this reward type between Generation Y and Baby Boomers ( $p = 0.052$ ). Generation Y values this type of reward structure significantly more than Baby Boomers. There is also a statistically significant difference between Generation X and Baby Boomers for preference for digital work/ home integration, with Generation X preferring digital work/ home integration as a reward type more than Baby Boomers ( $p = 0.063$ ).

## **8 Discussion**

### **8.1 Rewards preferences**

The results of the post-hoc ANOVA test shows that Generation Y prefers flexible working arrangements and an investment in their ongoing learning and development significantly more than Baby Boomers. This preference decreases for each preceding generation.

When designing a reward structure, Generations X and Y would prefer and value work/ home integration including being able to access technology based work tools from home significantly more than Baby Boomers.

Although there were generational differences in reward type preferences, Baby Boomers and Generation X showed no statistically significant differences in their preference for performance management, a quality work environment or benefits. There were no statistically significant differences between the younger Generations X and Y for career orientation and digital work/ home integration, pointing to generational similarities in preference for technology based reward and a focus on personal accountability and active career management on the part of their employers.



**Table 3.** ANOVA post-hoc test for statistical differences between generational groups

Dependent variable		Generation group	mean diff	Std. error	Sig	95% confidence level	
						Lower	Upper
Integrated motivation	Baby Boomers	Generation X	.80888	.42179	.161	-.2292	1.8469
		Generation Y	1.70113	.47347	.002	.5359	2.8663
	Generation X	Baby Boomers	-.80888	.42179	.161	-1.8469	.2292
		Generation Y	.89225	.37939	.065	-.0415	1.8259
	Generation Y	Baby Boomers	-1.70113	.47347	.002	-2.8663	-.5359
		Generation X	-.89225	.37939	.065	-1.8259	.0415
Intrinsic motivation	Baby Boomers	Generation X	.24224	.42396	.849	-.8011	1.2856
		Generation Y	1.30263	.47786	.026	.1267	2.4786
	Generation X	Baby Boomers	-.24224	.42396	.849	-1.2856	.8011
		Generation Y	1.06039	.38356	.023	.1165	2.0043
	Generation Y	Baby Boomers	-1.30263	.47786	.026	-2.4786	-.1267
		Generation X	-1.06039	.38356	.023	-2.0043	-.1165
Career management & work/ home integration	Baby Boomers	Generation X	-.33913	.16255	.115	-.7390	.0607
		Generation Y	-.64906	.18332	.002	-1.1000	-.1981
	Generation X	Baby Boomers	.33913	.16255	.115	-.0607	.7390
		Generation Y	-.30993	.14565	.106	-.6682	.0483
	Generation Y	Baby Boomers	.64906	.18332	.002	.1981	1.1000
		Generation X	.30993	.14565	.106	-.0483	.6682
Work/ home integration	Baby Boomers	Generation X	-.29690	.23909	.463	-.8851	.2913
		Generation Y	-.61802	.27010	.075	-1.2825	.0465
	Generation X	Baby Boomers	.29690	.23909	.463	-.2913	.8851
		Generation Y	-.32112	.21585	.332	-.8522	.2099
	Generation Y	Baby Boomers	.61802	.27010	.075	-.0465	1.2825
		Generation X	.32112	.21585	.332	-.2099	.8522
Digital work/ home integration	Baby Boomers	Generation X	-.70885	.29985	.063	-1.4465	.0288
		Generation Y	-.82740	.33874	.052	-1.6608	.0060
	Generation X	Baby Boomers	.70885	.29985	.063	-.0288	1.4465
		Generation Y	-.11855	.27070	.909	-.7845	.5474
	Generation Y	Baby Boomers	.82740	.33874	.052	-.0060	1.6608
		Generation X	.11855	.27070	.909	-.5474	.7845

The response frequencies on reward category preferences for the generation sub-groups show that they have different preferences for a quality work environment and performance and career management. However, all three sub-groups perceive monthly salary and remuneration as most important within a reward structure with no obvious preferences for variable pay and work/ home integration.

The generation sub-groups did not show significant differences in their perception of what attracts people to an organisation. Generation X, Generation Y and Baby Boomers perceived performance, recognition and career management as having the greatest impact on employee retention. Additionally, a fairly even split in the Baby Boomers group of respondents believed that, along with performance management, benefits were as important in retaining employees, which was not the same for the Generation X and Generation Y respondents. When responding to what motivates employees, Generation X and Generation Y perceived performance, recognition and career management as having the greatest impact. Baby Boomers, on the other hand, perceived variable pay as most impactful for staff motivation.

## 8.2 Motivation

Integrated and identified motivation was shown to decrease with proceeding generations. Baby Boomers are most motivated by work activity, which is instrumentally important to the achievement of personal goals (intrinsic motivation) and Generation Y is least likely to view work as important to personal achievements.

There were no significant differences between the generations on the dimension of external motivation. They are all less likely to be motivated by externally regulated factors such as being paid to do a job or instructed to do so by someone else.

There were no statistically significant differences between the younger Generations X and Y, for the dimensions of introjected motivation.

## 9 Summary

The first aim of the research was to validate the instrument used to determine the relationship between generational motivation and preference for reward and recognition. The construct validity and reliability of the Rewards Preferences Questionnaire and Motivation Measure was confirmed via a factor analysis, which was reported in the empirical research

results. The Rewards Preferences Questionnaire showed acceptable reliability for each of the established factors ( $\alpha > 0.6$ ). The reliabilities for the factors contingency pay (0.448) and base pay (0.275) made theoretical sense; however, their low reliabilities excluded them from further statistical analysis. The Motivation Measure showed acceptable reliabilities for each of the motivation factors, which showed reliabilities of between 0.621 and 0.892.

The second aim of the research was to determine the empirical relationship between generational cohorts and motivation. In order to determine if a relationship exists, a one way ANOVA (Analysis of Variance) test was conducted to establish the statistical significance of this relationship. The findings were as follows:

- External Motivation revealed no statistical significance finding
- Introjected Motivation revealed no statistical significance finding
- Identified Motivation revealed no statistical significance finding
- Integrated Motivation revealed a statistically significant finding
- Intrinsic Motivation revealed a statistically significant finding

This shows that of the five types of motivation posited by the self-determination theory (external motivation, introjected motivation, identified motivation, integrated motivation and intrinsic motivation), there are no statistically significant differences in the motivation of generations for external motivation, introjected motivation and identified motivation. Generational cohorts are motivated differently by the integration of work and personal goals (Integrated motivation), and by their perception that work is fun, interesting and engaging (Intrinsic motivation). More specifically, Baby Boomers are more motivated by work and personal goals than Generation X and in turn Generation X is more motivated by integrated work goals than Generation Y. Baby Boomers are also more intrinsically motivated than Generations X and Y.

The third aim of the research was to establish if there was a significant relationship between the dimensions of generation and preference for reward and recognition types and structures. Post-hoc ANOVA testing showed statistical significance for the group differences as follows:

- Career management and work/ home integration – Generation Y prefers career management and work/ home integration as a benefit significantly more than Baby Boomers.
- Work/ home integration – Generation Y values work/ home integration, significantly more than Baby Boomers, as part of a reward structure.
- Digital work/ home integration – there is a statistically significant difference in the preference for this reward type between Generation Y and Baby Boomers. Generation Y values this type of reward

structure significantly more than Baby Boomers. There is also a statistically significant difference between Generation X and Baby Boomers for preference for digital work/ home integration, with Generation X preferring digital work/ home integration as a reward type more than Baby Boomers.

The statistical significance of these factors indicates a preference on the part of younger generations for flexible working arrangements and their need for technology to support this flexibility as noted by Meister and Willyerd (2010). The absence of statistically significant differences on the other dimensions of reward and recognition preferences shows that although differences do exist, generations may be more similar in this sample than has been theorised in the current literature.

The following recommendations for South African companies in managing generations are proposed:

According to Sauer (2014, p.6), “If younger [South African] workers are motivated by the desire to work at times and places that suit them, managers should let them do it, giving them the option to work at convenient drop-in workspaces, business centres and lounges – as long as they produce the required output and results.”

Venter (2013), in speaking to a number of South African executives, established that the clocking in and out mentality at work is no longer feasible. The focus is less on how long a worker stays in the office and more on what is being produced. Venter (2013) notes that connected younger generations don't understand why they have to be at work to work.

South African Baby Boomers were shaped by the apartheid era, and their leadership style and perception of power structures are somewhat autocratic in nature (Martins & Martins, 2010). The younger South African generations have a low tolerance for autocratic leadership and flourish more under participative leadership that encourages and fosters an innovative and flexible work climate. Generation Y, and Generation X to an extent, have grown up in a much more global context influenced by global climate in both their work and personal lives. As noted by Martins and Martins (2010), the younger generations have more in common now with each other than with their parents and supervisors (Baby Boomers) and as such South African Baby Boomers still at middle and senior management level will need to change management initiatives to facilitate a culture that is different to what they value and are motivated by, in the interests of keeping their younger subordinates motivated and adequately rewarded. This includes overlooking outdated notions of time keeping and attendance, and moving toward output based metrics as a means of monitoring and rewarding performance at work.

An important limitation of the research is the small size of the sample and the under-representation of the generation types. The Veteran generation was

not represented in the sample, and these generational differences were thus unexplored. The final sample size was adequate for the research study to be conducted. It is proposed that similar studies could be conducted in a variety of industries and organisational contexts, which would enable more generalisability of the results and recommendations.

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