

## **Intrinsic and Extrinsic Work Values across Generations: Public Service Organizations in Sri Lanka**

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**Abstract:** Public Service Organizations in Sri Lanka are currently facing the retirement of many older workers and the challenge of recruiting and retaining young talent. To most effectively attract and manage this new cohort of employees, organizations need to have a clear understanding of the work values of the new generation and how they may differ from the values of previous generations. The purpose of this paper is to examine the generational differences in the current public sector workforce (Baby Boomers, Generation X, and Generation Y), with their intrinsic and extrinsic work values. A total of 185 exist public sector employees representing a range of organizations completed questionnaires and the simple random sampling method was associated in order to select them. Baby Boomers (17 per cent) were born 1946-1964, Generation X (41 per cent) was defined as those born between 1965-1979, and Generation Y (42 per cent) were born 1980-1995 were consisted in the sample. The reliability of the Likert scale questionnaire was checked after a pilot survey and the Cronbach's Alpha value was 0.864. The data was analyzed using One-way ANOVA and Pearson Chi-Square tests and it was presented using tables. Findings indicate that there is a generational difference in Intrinsic Work Value (IWV) ( $p < 0.10$ ) and not in Extrinsic Work Value (EWV) at 0.10 level of significance. But this study also found that Baby Boomers placed more importance on salary (one variable of EWV) than Generation X and Y workers at 0.10 level of significance. This study did not consider the effect of age on value differences. Therefore, this study suggests of doing future studies to find out uncover factors influence on intrinsic and extrinsic work values across the aging of employees.

**Keywords:** Intrinsic Work Value, Extrinsic Work value, Generation, Public Service, Human Resources Management

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### **I. Introduction**

Service excellence has become a key competitive advantage in virtually all industries [1]. Improving the flexibility and individualized care entailed in the service plan, companies must rely to a large extent on their customer contact employees' attitude and behavior towards providing a quality service. Therefore workforce in a service organization is very important. Workforce demographics are changing dramatically [2]. In the public sector as in the private, inescapable demographic facts are raising questions about how organizations will meet their talent needs in the years to come. New directions in government, born of economic disruption and a change of administration, are requiring the public sector to assume new roles and responsibilities even as a talent and employment crisis looms [3]. Technological innovation continues to impact the public sector workplace as much as it does the private. Therefore public sector organizations want to attract and retain the very best employees available and must find new ways of managing its workforce to enhance engagement, productivity and high performance [4].

One of the biggest challenges for Sri Lankan public service organizations is the cohort of older employees moving into retirement [5] and their replacement by a comparable number of young people entering the workforce. To most effectively attract and retain young talents and to facilitate the transfer of knowledge and skills to younger workers, organizations need a clear understanding of the work values of the new generation and how they may differ from the values of previous generations. Successfully addressing these human resource (HR) objectives will require a full understanding the work values of younger generation's, their fundamental beliefs about what is important and desirable in their working lives which

underlie a number of HR outcomes, including work motivation, employee recruitment, performance management, employee engagement and retention [6], [7], [8], [9].

### **1.1 Generations in the Workplace**

A generation can be defined as an “identifiable group that shares birth years, age location, and significant life events at critical developmental stages” [10]. Recent years have witnessed increasing interest in defining generations based on “collective memories” [11]. People who are in adolescence or young adulthood during particularly significant national or international events will form a shared memory of those events, which will affect their future attitudes, preferences, and behaviors [12]. Therefore, generations can be viewed as cohorts of people born in the same year/period who then experience similar and specific transitions of society or societal changes at typically the same chronological age [13], [14], [15], [16], develop similarities in their attitudes and beliefs based on shared life experiences or collective memories, and hence have identifiable characteristics by which they differ.

There are three generational groups prevalent in current workforce viz., Baby Boomers, Generation X and Generation Y. Susan [17]. Definitions of generation boundaries are still problematic. The literature on generational differences consists mostly of studies pertaining to the Western countries. While generational differences exist across the world, the definition of generations remains specific to a given society, as the differences in any society are shaped by political, socio-economic, and cultural events. Sri Lanka has followed similar demographic patterns to India, the post independent, the social and economic changes and increasing levels of technological change especially the continuing rapid growth of information and communications technology.

The Asian region has a large population and is a hub for varied cultures, religions, politics, and ethnic minorities. Most countries in this region have embarked on a journey of economic liberalization in the last two decades. For the present study the clarification of generations in India done by [18] was adopted as it is compatible with Sri Lankan society. According to this clarification generational boundaries for Baby Boomers (Conservatives, Traditional generation, Midnight's children) are generally set between 1943–1960/1964 (or) 1946–1960/64 (or) 1947–1969 (or) 1948–1968 (or) 1940–1970. This period was post-independence and shift to socialist economic model. More on public works, social reforms, public investment in education and growth of political factions. Their Socio-cultural scenario were large families, rigid caste system, career options influenced by family and culture. Boomers have Pro-democracy, hardship, anxiety, fear, lack of trust and hierarchy, socialist, shy, obedient, idealistic, national pride, stressing social conformity, technophobic, value, and social acceptance, strivers whose goal is improvement and escape from hardships characteristics.

Generation X (Socialists, Integrators, Non-traditional generation, Mid-way generation) born between 1960/64–1980 (or) 1961/65–1979 (or) 1970–1984 (or) 1969–1980 (or) 1975–1980. Socio-cultural scenario of this generation was moved from economic and physical security towards self-expression and quality of life, middle class dominating the workforce, influence of western culture. Foreign investment/imports, reduced bureaucracy, expansion of telecommunication, software and IT sectors, economic liberalization, free markets, globalization, corruption. These employees have hardship, self-sufficient, believed in hierarchy and a socialist economy, less conservative, ambition of becoming rich, government jobs no longer attractive; aspirers are those who want to be seen as successful, and for whom status and envy are important characteristics.

Generation Y (Y2K, Liberalization generation) born between 1980–2000 (or) 1980–1995 (or) 1985–1995 (or) 1981 onwards (or) 1986 onwards and their characteristics were ambitious, emphasized on financial reward, entrepreneurial, business savvy, technologically capable and adept, loan is not considered a liability and is taken on credit, value work-life balance and profession, fearless of aspirations, successful, want material success and control, achievement, and recognition. This period underdone with high influence of western culture, increased divorce rates, two children policy, equal education and rights for all development of large middle class, increased demand and production of consumer goods.

### **1.2 Work value**

Values are useful indicators of an individual's decisions and actions [19] they are enduring and are relatively resistant to change [20], [21]. The values approach to motivation assumes that people will be motivated by activities and outcomes that they value [22], [23]. Although there has been some disagreement over the distinction between general values and work values, work values have been defined as the outcomes people desire and feel they should attain through work [24], [25], [26], [27]. Work values shape employees' perceptions of preferences in the workplace, exerting a direct influence on employee attitudes and behaviors [28], job decisions [29],

[30], and perceptions and problem solving [31]. One persistent distinction in work values is between *extrinsic* and *intrinsic values* [32], [33], [34]. Extrinsic work values focus on the consequences or outcomes of work. The tangible rewards external to the individual, such as income, advancement opportunities, and status. In contrast, intrinsic work values focus on the process of work—the intangible reward that reflect the inherent interest in the work, the learning potential, and the opportunity to be creative.

### **1.3 Intrinsic and Extrinsic Work Values across Generations**

Research specifically addressing work values among generations has suggested that some differences do exist across generations. The study done by Cennamo and Gardner [35] found that Baby Boomers placed less importance on status (Extrinsic values) than Generation X or Y workers. Real, Mitnik, and Maloney [36] found that Generation Y skilled-trade workers placed more importance on social and intrinsic values than the Baby Boomer workers. Although the evidence given by Twenge et al. [37] supported that extrinsic values (e.g., status, money) peaked with Generation X but were still higher among Generation Y than among Boomers. Social values (e.g., making friends) and intrinsic values (e.g., an interesting, results-oriented job) were rated lower by Generation Y than by Boomers. The study done by Hansen and Leuty, [38] found that the workers from Silent Generation (born between 1925 and 1945) placed more importance on status and autonomy than did Baby Boom (born between 1946 and 1964) or Generation X (born between 1965 and 1980) workers. More recent generations (Baby Boom and Generation X) were found to place more importance on working conditions, security, coworkers, and compensation. The investigation of work values and beliefs of Generation X (born 1985) and Generation Y (born 1996) (Harvey & Nancy, [39] found Generation Y placed more values on extrinsic work rewards and intrinsic work value increased in both cohorts during early adulthood. Papavasileiou & Lyons [40] done a comparative analysis and found that millennial-aged (born after 1980) place most importance on intrinsic and social aspects of work, and less importance on extrinsic and prestige values.

Though some evidence supporting generational differences in work values, some research suggests that more similarities than differences exist. Jurkiewicz [41] found that majority of values assessed (12 of the 15) were not ranked differently by Baby Boom and Generation X workers. Cennamo and Gardner [42] did not find differences between Baby Boom, Generation X, and Generation Y workers on extrinsic and intrinsic, altruistic, or social values. Finally, Lyons and Duxbury [43] found no differences in extrinsic work values, such as salary, benefits and job security across generations.

The complexity of knowledge demonstrated by literature on work values across generations was enforced the necessity of further studies. Hence the goal of the current study was to examine intrinsic and extrinsic work values across generations with special reference to the public sector service organizations in Sri Lanka.

## **II. Method And Materials**

A total of 200 employees from five public service organizations based in Sri Lanka were invited to participate in the present study. The respondents of this research were belongs to: Baby Boomers (born 1946-1964); Generation X (born 1965-1979) and Generation Y (born 1980-1995). Organizations were identified through personal contacts of the researchers considering the convenience of data gathering.

Respondents were selected using simple random sampling method and data was collected from a questionnaire which was consisted of three sections: Intrinsic work value, extrinsic work value and demographic information. It was included questions which took approximately 10 minutes to complete as respondents are completing the questionnaire within the working time. Twelve questions were redesigned on a 5-point Likert scale ranging from strongly agree to strongly disagree (1 = strongly agree and 5 = strongly disagree). Besides that another two questions were developed to rank the factors effecting to the intrinsic and extrinsic work values according to the respondents' views towards the job (rank 1, 2... according to the most important factors that they expecting from a job as their preference). To test the reliability and validity of the questionnaire a pilot study was done and calculated Cronbach's Alpha scores that was marked as 0.864. A total 185 employees (92.5 per cent) responded accurately and 15 (7.5 per cent) returned incomplete questionnaires. The majority of respondents (42 per cent) were belongs Generation Y, followed by Baby Boomers (17 per cent) and Generation X (41 per cent).

To achieve the objectives of this study it has been employed One-way ANOVA test to compare the effect of age groups on work value at 0.1 level of significance. The hypothesis developed

for One-way ANOVA is;

$H_0$  = Mean values of work values in each generation are equal

This test was materialized at basic two level of analysis. First, all questions which belong to intrinsic and extrinsic work values were computed as a one variable called Intrinsic Work Value (IWV) and Extrinsic Work Value (EWV). Second, to find out the variations within each computed variables, separate one-way ANOVA test was employed for all question regarding work value.

Apart from the finding of generational differences of work values (IWV, EWV). Further analysis was focused to find out the relationship between “generational cohort” and “Individual priority of factors effecting to the each work values”. The hypothesis for test statistics is shown below which was tested at 0.10 level of significance

$H_0$  = The variable called “generational cohort” is independent from “Individual priority of factors effecting to the each work values”.

### III. Data Presentation And Analysis

The total number of respondents that is of 185 were consisted 59.5 and 40.5 female and male respondents respectively. Meanwhile, the educational based composition was denoted 8.1%, 48.1%, 13.5%, 24.9% and 5.4% up to O/L, up to A/L, Diploma, Degree level and other educational levels respectively.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Baby boom	32	17.3	17.3	17.3
	X Group	76	41.1	41.1	58.4
	Y Group	77	41.6	41.6	100.0
	Total	185	100.0	100.0	

The Table 1 shows the generation variations of the data set that generated according to the working definition of the study. The data shows that X and Y groups represent 81.7% while Baby boomers represent 17.3% in the sample. This composition can be accepted since X and Y generation represent 33 years (18 year to 51 year) and Baby Boomers represent only 8 years (52 age to 60 – mandatory retirement age) by the year 2016.

		N	Mean	Sd. Deviation
Intrinsic Work Value (IWV)	Baby boom	32	2.3125	1.22967
	X Group	76	2.3816	1.39492
	Y Group	77	1.9481	1.17983
	Total	185	2.1892	1.29039
Extrinsic Work Value (EWV)	Baby boom	32	1.8438	.67725
	X Group	76	1.7895	.69887
	Y Group	77	1.8052	.81174
	Total	185	1.8054	.74087

		Sum of Squares	df.	Mean Square	F	Sig.
Intrinsic Work Value (IWV)	Between Groups	7.777	2	3.888	2.370	.096*
	Within Groups	298.601	182	1.641		
	Total	306.378	184			
Extrinsic Work Value (EWV)	Between Groups	.066	2	.033	.060	.942
	Within Groups	100.928	182	.555		
	Total	100.995	184			

\*The mean difference is significant at the 0.10 level

The Table 02 shows the sample mean differences among each group regarding both IWV and EWV. The significance test of group differences are shown by Table 03. According to analysis results in the Table 03 there is a significant difference between “generation’s” means in terms of IWV, as determined by one-way ANOVA ( $F(2,370) = 3.888, p(0.10) > .096$ ). However, according to Table 03, There were no statistically significant differences between “generation’s” means in terms of EWV as determined by one-way ANOVA ( $F(0.06) = 0.033, p(0.10) > .942$ ).

Table: 04 Pearson Chi-Square test statistics

	Pearson Chi-Square	df.	Asymp. Sig. (2-sided)
First Priority(A job which can use skills and abilities)	0.649	2	.723
First Priority (A job which gives more responsibility and work autonomy)	3.807	2	.215
First Priority(A job which can improve new skills and Knowledge)	2.471	2	.291
First Priority (A job which has ....)	3.078	2	.215
First Priority(Income)	5.560	2	.062*
First Priority(Social Status)	3.899	2	.142
First Priority(Advancement opportunities)	2.799	2	.247
First Priority (Assertive power)	1.442	2	.486

\*The mean difference is significant at the 0.10 level

The Table no 04 demonstrates the Pearson Chi-Square test statistics based on the priorities set by the employees for intrinsic and extrinsic work values separately. The chi square test of independence was calculated comparing the frequency of “Individual priority of work value” in “Baby boom”, “X generation”, and “Y generation”. A significant interaction was found ( $Q_{14,1} = 5.560$ ). Baby boom was more likely to give their first priority for “Salary” (Income). In this point significant value was given at the 0.10 level. But there were no significant relationships between “generations” and “Individual priority of factors effecting to the each work values” except “Income”.

#### IV. Discussion And Conclusion

Most of previous research and social commentary has suggested that generations can be defined by certain work values. Despite few research suggests that more similarities than differences exist. The purpose of the research was to investigate the generational differences in the current public sector workforce in Sri Lanka.

Significant generational differences were found in intrinsic work value at the 0.10 level and not for extrinsic work value. But further analysis suggested that older group placed more importance on income (one variable of EWV) than the Younger generations. However, even this difference should not accept without considering further studies since there are possibilities to effect some other factors on this difference rather than generational gap. As an example, the Baby boomers in the age category between 52-60 years by the year 2016 they may have some family responsibilities and thinking of survival of their retirement age that forced them to consider the income factor than ever and other generations. Therefore, this study suggests the necessity of doing future studies to find out uncover factors influence on intrinsic and extrinsic work values across the aging of employees.

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