

Do Intrinsic and Extrinsic Motivation Factors Differ for Generation X and Generation Y?

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Abstract

In the literature there are many studies which investigate the differences or similarities between Generation X (Gen X) and Generation Y (Gen Y) in terms of work values, motivation, and other organizational issues. Some of the studies provide the differences between Gen X and Gen Y while some of them state that there is no significant difference between them. In this empirical study which was carried out in a participation bank that operates in Turkey, intrinsic and extrinsic motivation factors that are based on Srinivasan's study (2012) in order to determine whether there are significant differences between Gen X and Gen Y. Furthermore, in this study, it's aimed to determine either intrinsic or extrinsic motivation factors are more important for Gen X and Gen Y.

Keywords: Generation X, Generation Y, intrinsic motivation, extrinsic motivation.

1. Introduction

Generational Theory is a theory of social history that describes and explains changes in public attitudes over time (Wolf & Carpenter & Qenani-Petrela, 2005: 186). Generation is defined as people that are grouped within a certain range of ages, location they live, and significant life events they experienced at critical developmental stages (Yusoff, Kian, 2013: 97). For the first time in history, there are four generations in the workplace: Traditionalists (born 1928-1945), Baby Boomers (born 1946-1964) (Trower, 2009), Generation X (Gen X) and Generation Y (Gen Y) (Engelman, 2009: 3).

Generational differences, especially between Gen X and Gen Y have been important subject for many academic researches for years. In the academic literature we can see this subject is investigated in different fields of social sciences such as organizational behavior and human resources management.

In the modern work life, Gen X and Gen Y work together closely. Due to their close work it's observed that there are some problems arising between Gen X and Gen Y. In addition to this, the problems should be mitigated with the help of the management of the organizations. Accordingly, in order to make some recommendations to the managements it should be determined that which of the organizational factors may cause problems due to generational differences. It's thought that motivation is an important factor in this context.

As Barron's definition, motivation is the process of stimulation an individual to take action that will accomplish a desired goal (Hertel, 2003: 2). There are many theories about motivation in the literature. One of the popular of these theories is intrinsic and extrinsic motivation theory that was developed by Deci and Ryan in 1985.

In this study, it's aimed to get answers of these questions: Are there any differences between Gen X and Gen Y in terms of intrinsic and extrinsic motivation factors? At which level intrinsic and extrinsic motivation factors are important for Gen X and Gen Y? In order to get the answers of these questions, it's used an empirical study in a participation bank operates in Turkey. Some statistical analyses are used in order to state the findings.

2. Literature Review

2.1. The Concept of Generation X and Generation Y

Other common name is to refer Gen X includes "Baby Busters", "Twenty something", and the "F-you generation" (Roberts & Manolis 2000: 482).

Opinions on its birth period differ significantly, the estimations ranging between a couple of years, such as: 1965-1976 (Wolf & Carpenter & Qenani-Petrela 2005: 186); 1965-1980 (Kim 2008: 14); 1968-1979 (Crowley 2003: 4). Generation Y also referred to as “the Net. Generation”, “Millennials”, “Echo Boomers”, “iGeneration” etc. (Schlitzkus & Schenarts & Schenarts 2009: 108). Opinions on its birth period differ significantly, the estimations ranging between a couple of years, such as: 1977-1992 (Treuren & Anderson 2010: 49); 1977-1990 (Parment 2013: 190); 1980-1999 (Keleş 2011: 131); 1981-2006 (Trower 2009: 13); 1976-2000 (Reeves & Oh 2007: 296). There is no general consensus within the academic and popular press literature regarding the age span of the different generations (Ringer & Garma 2006: 1067). In this circumstance in our study, it's accepted the Gen Y is ranging between 1980 and 2000s, and the Gen X is ranging between the years 1965-1979.

2.2. The Main Characteristics of Gen X and Gen Y at Workplace

In order to increase organizational effectiveness, particularly in relationship with the workers, the managers need to identify the generational differences (Guha 2010: 123).

Gen X grew up with both parents in the workforce, or in a divorced household, and a result many of this generation becoming independent at a young age. This generation is described as experiencing social insecurity, rapidly changing surroundings, and a lack of solid traditions (Barford & Hester 2011: 66). Gen X tends to lack the social skills of its parents but to have strong technical ability (Eisner 2005: 6).

Work values of individuals are believed to be influenced by age cohort or generations (Lee and others 2012: 705). In particular, Generation Y has been socialized in a materialistic society (Kim & Jang 2014: 39). To Gen Y, work is a means to an end; essentially they work to live as opposed to live to work (Dent and others 2011: 2).

Gen X tends to be reluctant to network and is attracted more by ads and recommitment. It pioneered the free-agent workforce and believes security comes with keeping skills current. This generation is likely to find a way to get things done smartly, fast, and best even if it means bending the rules. It tends to respond well to a coaching management style that provides prompt feedback and credit for results achieved (Eisner 2005: 6). Gen X employees are losing their trust in, and loyalty to, their organizations and fear boredom. Organizations must retain them if they are to create and sustain their competitive advantage (Masibigiri & Nienaber 2011: 2). In the table below, it's categorized the characteristics of Gen X and Gen Y at work:

Table 1: Characteristics of Gen X and Gen Y

GEN X	GEN Y
Focused on Self-Career	Focused on Self-Career
Work-Life Balance	Optimistic
Self-Reliance	Pro-Diversity
Individualistic	Team Player
Skeptic	Technology Savvy
Value Prompt Recognition & Reward	Casual
Adaptable to New Technology	Fun Loving
Prefer Instant Feedback	Work-Life Balance
	Value Prompt Recognition & Reward

(Adapted from Yusoff and Kian, 2013: 98)

Gen Y is confident, optimistic bunch who feel empowered to take positive action when things go wrong. Gen Y's multi-tasking ability brings with it technical competence, high speed and energy into the workplace (Kim 2008: 26). Gen Y tends to favor an inclusive style of management, dislike slowness and desire immediate feedback about performance (Eisner 2005: 6).

2.3. Motivation

Luthans asserted in 1998 that motivation is the process that arouses, energizes, directs, and sustains behavior and performance. That is, it is the process of stimulating people to action and to achieve a desired task. One way of stimulating people is to employ effective motivation, which makes workers more satisfied with and committed to their jobs. Money is not the only motivator. There are other incentives which can also serve as motivators (Tella & Ayeni & Popoola 2007: 2).

Dent and others (2011:3) stated in their study that according to Latham and Pinder (2005), work motivation is a set of energetic forces that originate both within as well as beyond an individual's being, to initiate work-related behavior and to determine its form, direction, intensity, and duration.

Countless theories have been developed to explain motivation. One popular theory of motivation, developed by Deci and Ryan (1985), suggests two separate potential motivators: intrinsic and extrinsic (College 2009: 3). The theory is based on propositions that the needs for competence and self-determination motivate the ongoing process of elaborating the internal, unified structure of self through the continual integration of internal and external stimuli (Deci & Ryan 1985: 9).

Intrinsic motivation is defined as the doing of an activity for its inherent satisfactions rather than for some separable consequence. When intrinsically motivated a person is moved to act for the fun or challenge entailed rather than because of external prods, pressures, or rewards (Ryan & Deci 2000: 56). Extrinsic motivation can be defined as doing something because it leads to a separable outcome. That means that outside encouragement or rewards are earned from performing a task rather than actual enjoyment of the task. Relating to job evaluation, extrinsic motivation, especially money and pay rewards, are a very important motivator to make decisions on whether to join an organization (College 2009: 3).

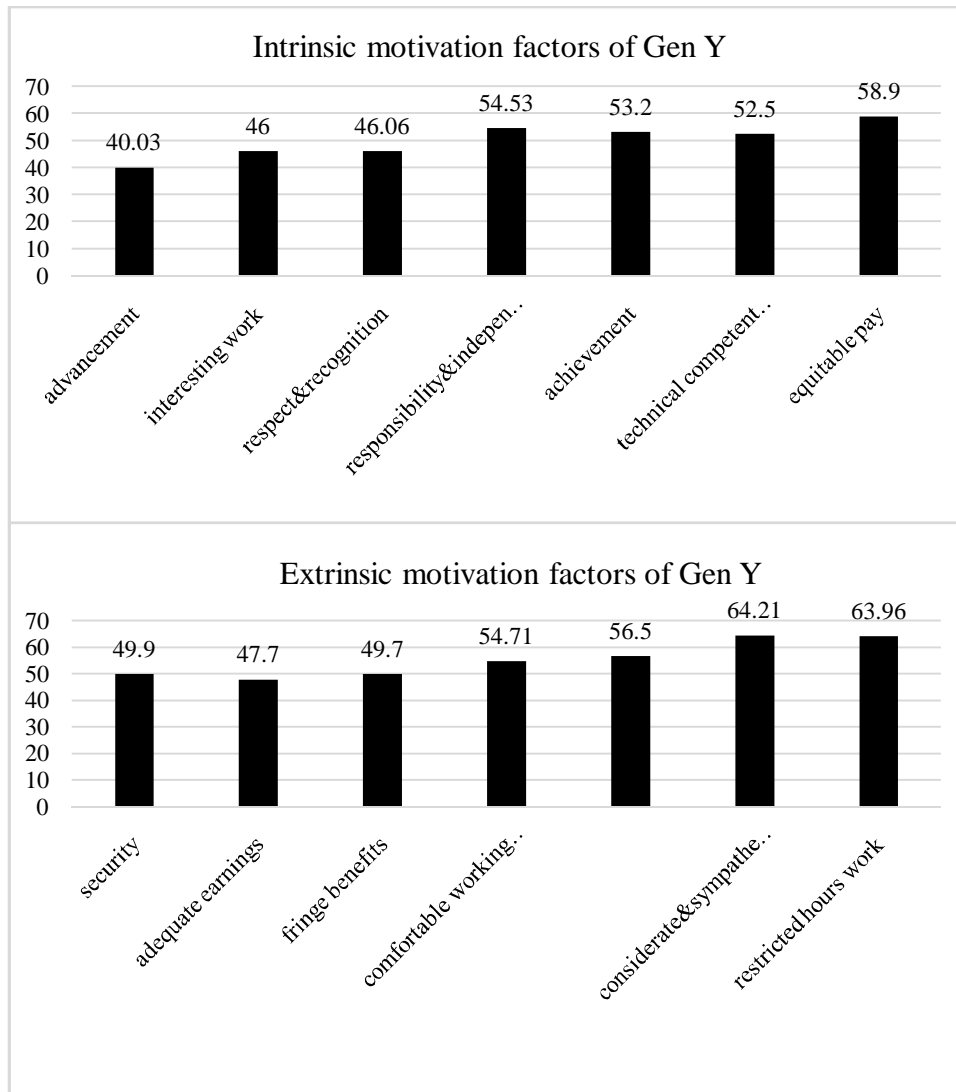
Much importance has been placed on intrinsic motivation in social psychology, because it is perceived as a type of motivation leading to highly valued outcomes such as creativity, quality, spontaneity, and vitality. In contrast, extrinsic motivation is most often associated with the engagement in activities because they lead to desirable consequences separate from the activity such as tangible rewards (Reinholt 2006: 2).

2.4. The Previous Studies Related to Motivation and Generation

There are many researches investigate the relationship between motivation and generations at work. Most of them determine the motivators for Gen X or Gen Y separately. In another word, most of these studies don't investigate the differences between Gen X and Gen Y in terms of motivation factors. One of the studies in this context is Dent and others' research was carried out in 2011 that mentioned in the previous sections of the study. Dent and others' (2011: 9) empirical research shows that Gen Y yields a mix of both intrinsic and extrinsically motivated individuals.

As it's seen in Table 2, the findings of Srinivasan's (2012: 57) research support Dent and others' findings. According to Srinivasan, intrinsic motivation factors of Gen Y are: equitable pay, responsibility and independence, and achievement. Leading extrinsic motivation factors are: considerate and sympathetic supervisor, restricted hours of work and sound company policies and practices.

Table 2: Intrinsic and Extrinsic Motivation Factors



(Adapted from Srinivasan, 2012: 57)

We can conclude from the findings in Table 2, there aren't deep differences between intrinsic and extrinsic motivation factors of Gen Y.

Fernandes and others (2012: 8) find that there is no statistically significant difference between Gen X and Gen Y in terms of work values measured. According to them members of Gen Y are always looking for the perfect environment where they can learn marketable skills and gather experience that will guide them to a successful future. Members of Gen X have been found to place high value on intrinsic job motivation and rewards such as challenging work and self-efficacy. Tolbize (2006: 4) indicates in his study that money do not necessarily motivate members of Gen X, but the absence of money might lead them to lose motivation.

Gen Y's motivations are much relying on good teamwork with their team members (Kian and Yusoff, 2012: 399). However, according to Dent and others (2011: 2) Gen Y lacks face-to-face interactions weakening their social skills below those of previous generations.

Krahn and Galambos (2014: 94-95) carried out another research that is related to generational differences and motivation. They state that Gen X appears to be primarily intrinsically, not extrinsically motivated. They also point out that some researchers such as Bibby, Russell, and Rolheiser (2009) find their empirical study, Gen Y is somewhat more intrinsically motivated.

In 2008 a study was conducted to determine how to recruit Gen Y is reported on a survey was conducted by a recruiting and job placement firm Robert Half International Inc. and Yahoo.

Depending on the findings of this study, the top criteria for accepting jobs were salary, benefits, and potential for advancement (College 2009: 4). As it's seen in Table 2, these are both intrinsic and extrinsic motivation factors of Gen Y.

According to Gursoy, Maier and Chi (2008: 453), Gen Y is in search of role models, and members of Gen Y have great respect for experience and older generations, especially the Baby Boomers. Depending on their findings, Gen Y values professional development and seeks mentors to show the ropes. They are motivated by similar incentives like previous generations, but seek more direction.

According to the findings mentioned above, it can be said that there is no consensus within the academic literature whether there are significant differences between Gen X and Gen Y in terms of intrinsic and extrinsic motivation factors.

3. Research Methodology

3.1. Sample and Data Collection Method

Three departments of a participation bank which operates in Turkey participated in the study. 148 of 350 respondents were replied the questionnaire fully. The questionnaire was developed to measure intrinsic and extrinsic motivation factors for both Gen X and Gen Y and includes 12 item 5-point Likert scale.

The sample comprised of 148 personal (42% response rate) between the ages of 21-49. For the purpose of this research, respondents aged between 21-34 represented Gen Y (55 %) and those aged 35-45+ Gen X (45%). 41 % of the participants are female, others are male (59 %). The most of the respondents (62%) has a bachelor degree while 2% and 35% of them graduated from Ph.D. and post graduate respectively. 25 of the respondents (17%) have less than 1 year experience, 53 (36 %) between 1-less than 5 years, 40 (27 %) between 5-10 years, 27 (18 %) respondents have more than 10 years' experience. Depending on the variations of the geographical locations of the bank's different branch offices, the data were collected from three departments of Head Office. The three departments (marketing, product development and retail banking) are selected because of the similarity in terms of management, equal salary among similar positions, working conditions etc.

3.2. The Aim of the Study

In this study it's aimed to determine whether there are differences between Gen X and Gen Y in terms of intrinsic and extrinsic motivation factors. Another aim of the study is to determine which of these two motivation factors are more important for Gen X and Gen Y separately.

3.3. The Importance of the Study

Some of the studies show that extrinsic motivation factors motivate Gen Y much more than intrinsic factors, but some of them find that both intrinsic and extrinsic motivation factors motivate Gen X and Gen Y at the same level. The findings of this study may help the following researches to deal with the subject from a different aspect.

3.4. Variables and the Hypothesis of the Study

In this study motivation factors are measured using 12 items. The scale was generally developed from the Srinivasan's research that mentioned above. Some of the items that are shown in Table 2 are used in the scale. 5 point Likert scale is used to measure each intrinsic and extrinsic motivation factors in the scale as 1: doesn't motivate and 5: highly motivate.

Variables are determined as intrinsic and extrinsic motivation factors. Gender, age, education and experience are used for demographic variables in order to determine the respondents' status. According to the previous studies related to this issue in the literature, there are three hypotheses in the study that are given below:

Hypothesis 1: There is no significant difference between Gen X and Gen Y in terms of intrinsic and extrinsic motivation factors.

Hypothesis 2: Intrinsic motivation factors are more important significantly than extrinsic motivation factors for Gen X.

Hypothesis 3: Extrinsic motivation factors are as important as intrinsic motivation factors for Gen Y.

3.5. Results

The data have normal distribution and Levene’s homogeneity of variance tests for each of the dependent measures indicated homogeneity of variances. Due to the results, parametric tests are used in the study. Exploratory factor analysis, reliability analysis, ANOVA test and one sample t test are performed.

The items that are used in the scale and their factor loads can be seen in Table 3. The items loaded on the first factor to represent extrinsic motivation, while the second factor represented intrinsic motivation. Two factor loads explain 50% of variance as cumulative.

Table 3: Exploratory Factor Analysis

Factor and Items			
Factor 1 (extrinsic factors)		Factor 2 (intrinsic factors)	
Job security	,566	Responsibility and independence	,673
Comfortable working conditions	,701	Interesting work	,519
Adequate earnings	,803	Respect&recognition	,641
Premium	,840	Participation to the decisions	,732
Fringe benefits	,789	Taking the initiative	,673
Considerate&sympathetic supervisor	,528		
Restricted hours work	,624		

Table 4: Reliability Analysis of the Factors

Intrinsic Factor		Extrinsic Factor	
Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
,702	5	,839	7

Cronbach’s alpha is used to examine the reliabilities among the items within each factor. As it can be seen in Table 4, Cronbach’s alphas for each factor were 0,702 and 0,839 indicating high reliability in social sciences field (Kalaycı, 2009: 405).

According to ANOVA analysis, as it can be seen in Table 5, there is no significant difference between Gen X and Gen Y in terms of intrinsic and extrinsic motivation factors (sig. > 0,05). Depending on this finding, the first hypothesis -“There is no significant difference between Gen X and Gen Y in terms of intrinsic and extrinsic motivation factors” - is accepted.

Table 5: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Intrinsic factors average	Between Groups	,030	1	,030	,159	,691
	Within Groups	27,476	146	,188		
	Total	27,506	147			
Extrinsic factors average	Between Groups	,195	1	,195	,827	,365
	Within Groups	34,400	146	,236		
	Total	34,595	147			

Table 6: Descriptive of Intrinsic Motivation Factors

	N	Mean	Std. Deviation	Std. Error	Minimum	Maximum
X	67	4,3462	,43909	,04306	3,00	5,00
Y	81	4,3773	,42089	,06345	3,60	5,00
Total	148	4,3554	,43257	,03556	3,00	5,00

Table 7: Descriptive of Extrinsic Motivation Factors

	N	Mean	Std. Deviation	Std. Error	Minimum	Maximum
X	67	4,3135	,47949	,04702	2,70	5,00
Y	81	4,2341	,49928	,07527	2,90	5,00
Total	148	4,2899	,48512	,03988	2,70	5,00

In Table 6 and Table 7, it's shown that the descriptive analysis of intrinsic and extrinsic motivation factors for both Gen X and Gen Y. Depending on Table 5, the mean of intrinsic motivators for Gen X is 4,35; and for Gen Y is 4,38. Depending on Table 6, the mean is 4,31 for Gen X and 4,23 for Gen Y. One sample t test is performed in order to measure whether the mean differences are significant statistically.

Table 8: One-Sample Test

	Test Value = 4.31 (extrinsic mot. fac. mean for Gen X)					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Intrinsic mot. fac. mean for Gen X	,840	66	,403	,03615	-,0492	,1215

Depending on the findings in Table 8, comparison between the means of intrinsic and extrinsic motivation factors for Gen X, there is no significant difference(0,403>0,05). According to this finding, the second hypothesis- Intrinsic motivation factors are more important significantly than extrinsic motivation factors for Gen X- is refused. Furthermore, it can be reached as a conclusion that extrinsic and intrinsic motivation factors are similarly important for Gen X.

Table 9: One-Sample Test

	Test Value = 4.37 (intrinsic mot. fac. mean of Gen Y)					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Extrinsic mot. fac. mean of Gen Y	-1,806	80	,078	-,13591	-,2877	,0159

Depending on the findings in Table 9, comparison between the means of intrinsic and extrinsic motivation factors for Gen Y, there is no significant difference (0,078>0,05). According to this finding, the third hypothesis - Extrinsic motivation factors are as important as intrinsic motivation factors for Gen Y - is accepted. Like the result that is determined for Gen X above, it can be reached as a conclusion that intrinsic and extrinsic motivation factors are similarly important for Gen Y.

4. Conclusion and Discussion

Depending on the empirical findings of this study, we can see that intrinsic and extrinsic motivation factors have similar importance for the respondents. It's mentioned in the study that there are similar results in the literature. Fernandes and others (2012: 10) find that there is no significant difference between Gen X and Gen Y in terms of work values. Like Fernandes and others' study, Gursoy, Maier and Chi (2008: 453) find no significant differences between the motivation factors of Gen X and Gen Y. On the other hand, some of the previous studies related to this subject emphasized that extrinsic motivation factors are more important for Gen Y. According to the literature we can see that there is no consensus regarding significant differences between Gen X and Gen Y in terms of intrinsic and extrinsic motivation factors.

In economic circumstances of our modern life, there is no doubt that extrinsic motivation factors such as money, fridge benefits, social security, work-life balance etc. are important for many employees. Depending on some previous studies, these extrinsic motivation factors are also important for Gen X which is thought more traditional than Gen Y. On the other hand, Gursoy, Maier and Chi (2008: 455) put forward that Gen Y is impressed by the previous generations. Based on this information, we can argue that similar factors can motivate Gen Y as same level as Gen X.

If the educational structure of the respondents is taken into account, it can be said that some intrinsic factors such as initiative, taking responsibility, reward etc. gain importance as well as extrinsic motivation factors for qualified employees like the sample which is investigated in our study. If we look at the issue from more micro aspect, the result of the study might be related to organizational values, organizational culture, procedures or management styles of the bank. Depending on this view, it's recommended to the following researchers to investigate such variables and generations' relationship.

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