

# MOTIVATING GENERATION X AND Y ON THE JOB AND PREPARING Z

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## ABSTRACT

*The intersection of diverse cultural generations in the workplace has significant managing, marketing and particularly motivating implications for business executives. This study examines the factors that motivate Generations X and Y and those factors that will be affecting Generation Z. Moreover, it shows how these factors have changed over time in comparison with the Baby Boomer Generations.*

**JEL:** M12

## INTRODUCTION

From 2005 – 2007, the authors surveyed 200 undergraduate business students (Generation Y) from Fordham University's Schools of Business using a copyrighted *Work Motivation Checklist* that had been used to survey previous generations in the past. This same checklist was utilized by the authors to survey 200 business and MBA students from Hofstra University's School of Business in the mid 1990's (Generation X). Moreover, the authors were able to compare these generations with two previous studies of 6,000 managers from the Pre-Baby Boomer Generation and 500 senior level executives from the Baby Boomer generation that were done during the 1970's and 1980's respectively.

The paper is organized into five sections. Section 2 discusses the main contributions in the relevant literature. Section 3 presents the methodology including data. Section 4 summarizes the results. The last section offers a summary of the research and the conclusions.

## LITERATURE REVIEW

The unique social characteristics of Generation X, Y and Z are clearly illustrated within the literature. Generation X, per its definition, includes individuals born from 1965 through 1977 with over 57 million represented. (Kotler, 2005). Cynicism, media savvyness, and individualism are common adjectives which describe this group. In addition, a sense of alienation exists within this age bracket as it is the first group that has been hit hard by the divorce of their parents. (Tsui, 2001). It has also been noted that Generation X has also a self satisfied sense of superiority and a strong addiction to caffeine. (Toronto Star, June 20, 2006). The conclusion of the Cold War plus the terrorist's attacks of September 11 has also had an impact on this segment.

Generation Y, on the other hand, is at 60 million strong and has similarities but also many differences when compared to Generation X. Also known as the Echo Boom Generation or the iGeneration, Generation Y includes individuals born from 1978 through 1994 and have been described as edgy, urban focused and idealistic. (Kotler, 2005). This group has also witnessed their parents lose their jobs after years of loyal service and are now, as a result, more potentially apt to leave their organizations after two to three years as compared to three to five years with Generation X. (Canberra Times, March 29, 2006). It is also anticipated that members of Generation Y will undergo career changes at least five times versus three career changes from Generation X counterparts. (Canberra Times, March 29, 2006). Lastly, this group was engaged and certainly affected by the dawn of the 21<sup>st</sup> century, the war on terror, the rise of the information age and the Middle East conflict.

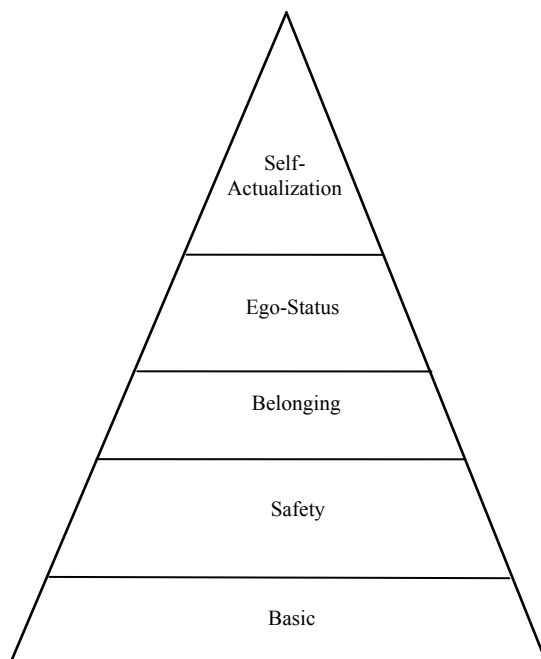
Generation Z, who in most cases are the offspring of Generation X, are born after 1996 and who are also known as the Silent Generation. It is also anticipated that while this group will be the most environmentally friendly as compared with their counterparts, they will also have an extremely high level of distrust with corporations and will be more apt to leave their job and/or career more quickly than Generation Y. (Korean Times, November 13, 2007). In addition, this generation yearns for choice in all processes and/or the perception of choice and desires structure and customization within all they do. (Strauss & Howe, 2000). Therefore, the standard performance evaluation executed once per year will not be adequate among this group as these individuals require frequent input from their supervisors.

### A Look at Two Separate Motivational Theories

Before describing the data, methodology, results and conclusions of this study, it would be interesting to note two relevant theories of motivation. Probably the most widely publicized model of motivation comes from the work of the late Abraham H. Maslow. According to Maslow, only unsatisfied needs are prime sources of motivation. This means that only if you're hungry will you buy, grow or –depending on the extent and duration of your hunger- even steal food to satisfy the primitive physiological need to survive. Likewise, only if you have an intense craving to succeed, will you study and learn as much as you can in order to fulfill this ambition.

Maslow suggested that there are five needs systems which account for most of our behavior. He placed these needs in a hierarchy ranging from the most primitive and immature – in terms, that is, of the behavior they promote – to the most civilized and mature. Looking at Figure 1, note that it features Maslow's hierarchy of five needs systems moving from the basic primate needs to safety, belonging, ego-status, and finally self-actualization.

Figure 1: Maslow's Hierarchy of Needs

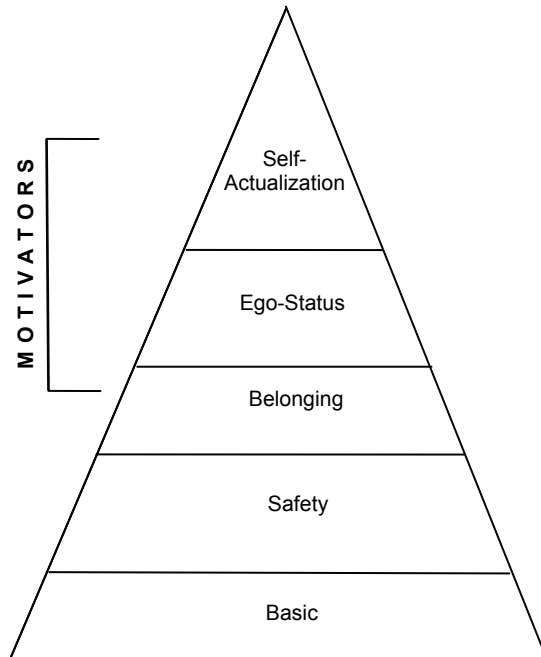


Again according to Maslow, there is a natural growth trend that allows individuals to experience awareness of, and therefore be motivated by, each of these needs in ascending order. Progress up the Maslow hierarchy may be thought of as roughly equivalent to climbing a ladder one rung at a time; awareness of the next higher rung presupposes successful negotiation of the lower one. The very lowest

rung, consisting of the basic needs, reflects the individual concern for survival. Next we move up to the safety rung, which reflects concern for safety and the avoidance of harm. The third rung represents the need of belonging, the normal human desire to be accepted and appreciated by others; the fourth is the level of the ego-status needs, which motivate a person to contribute this or her best to the effects of the group in return for the numerous forms of reward that recognition can assume. And the highest rung on the ladder stands for the self-actualization needs, which are realized when the individual can experience a sense of personal growth and achievement, of satisfaction and self-fulfillment through doing. Maslow didn't mean to imply that any need ever receives complete satisfaction. Rather, he believed that some minimal degree of satisfaction is required before a need ceases to concern the individual to the exclusion of higher needs. Once that point is reached, the person will be free to feel the tensions associated with the next level in the hierarchy and to experiment with a new set of behaviors designed to satisfy the new need.

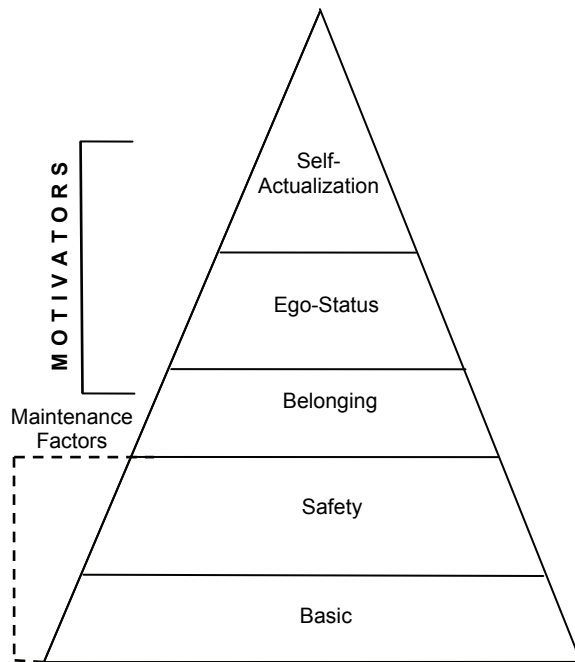
Frederick I. Herzberg took a somewhat different approach to motivation, but his investigations also led him to conclude that needs very similar to those suggested by Maslow were operating in the job context. While Maslow was concerned with the sources of motivation in a general sense, Herzberg focused on those which seemed pertinent to work and work accomplishment. Herzberg concluded that only those needs systems that correspond to Maslow's ego-status and self-actualization levels serve as direct sources of motivation to work effectively. Belongingness concerns, he found, are somewhat linked to work motivation, especially in the area of supervisor-subordinate relationships, and to non-work issues having to do with interpersonal satisfactions. Herzberg called these upper-level needs in Maslow's hierarchy *motivators*. Figure 2 identifies these motivators.

Figure 2 – Maslow's Needs and Herzberg's Motivators



The lower-level needs systems, particularly those concerned with the basic physiological needs and with safety, Herzberg termed potential *dissatisfiers* rather than sources of work motivation. He grouped the belongingness factors, in a sort of overlapping system, with the potential dissatisfiers. All of this is illustrated in Figure 3.

Figure 3 – Maslow’s Needs, Herzberg’s Motivators and Maintenance Factors



Motivators vs. Maintenance Factors

In his “Two Factor Theory of Motivation,” psychologist Frederick I. Herzberg distinguished the factors in the workplace that motivate people (satisfiers) from the maintenance factors, which have the potential to dissatisfy them. (Herzberg, 1968) (see Table 1). According to Herzberg, motivation develops from the challenge of the job itself through responsibility, achievement, recognition, advancement, and growth. Dissatisfaction, if any, results from the maintenance factors, which represent those lower-level needs that employees assume will be adequately met. A good boss and good working conditions are examples of such needs. Few managerial or professional people would say these job factors motivate them most. Yet, the minute a boss or working conditions becomes a principal concern, factors such as interesting job content and opportunity for advancement lose their power to motivate. In short, effective job performance depends on the satisfaction of both motivation and maintenance needs.

An employee’s motivation is, of course, affected by his or her age, personal circumstances, external environment, and the current phase of his or her life and career. For instance, “steady employment” and “good pay” often rank higher among all generations during times of economic uncertainty. When the economy is flourishing, employees tend to take these maintenance factors for granted; when unemployment and inflation are high, their principal motivators tend to change.

Table 1: Motivating and Demotivating Factors in the Workplace (According to Herzberg)

Motivators (Satisfiers)	Maintenance factors (Dissatisfiers)
Work itself	Organization policy and administration
Responsibility	Supervision
Achievement	Working conditions
Recognition	Interpersonal relations (with superiors, subordinates, and peers)
Advancement	Salary
Growth	Status
	Job security
	Personal life

**DATA AND METHODOLOGY**

In collecting data for this study, the authors used the *Work Motivation Checklist* shown in the appendix. Students in various business school classes from Generation X and Y were asked to check the six factors on the list of 25 factors that were most important in motivating them to do their best work on the job. A tally of each of the factors was taken during each class and summarized to show the six most important factors. The results from each class tally was later aggregated to show how the total of 200 students from each Generation ranked the six most important factors. Gordon Lippitt, who developed the checklist and conducted a great deal of research in the field of motivation and personal goal setting, had 6,000 managers complete the exercise during the 1970's and the Director of Executive Programs at Columbia University's Business School had 500 senior level executives complete the same exercise during the 1980's.

**RESULTS**

Column A in Table 4 indicates the rankings by 6,000 managers who were surveyed during the 1970s. (This & Lippitt, 1970). The managers ranked the following six employment conditions as their principal motivators in the workplace (Table 2). Now compare these results with Column B, the rankings by 500 senior-level executives of different companies and government agencies, who were attending a university executive development program during the 1980's . The factors they considered key motivators are shown in Table 2.

Table 2: Motivators in the Workplace Managers and Senior-level Executives

Managers Response 1970's	Senior-level Executives Response 1980's
Respect for me as a person	Respect for me as a person
Good pay	Good pay
Opportunity to do interesting work	Opportunity to do interesting work
Opportunity for self-development and improvement	Feeling my job is important
Large amount of freedom on the job	Opportunity for self-development and improvement
Feeling my job is important	Large amount of freedom on the job

*Managers ranking of six employment conditions as their principal motivators in the workplace*

It's remarkable how these two groups parallel one another. But, the rankings are not consistent across generational lines as more recent surveys of Generations X and Y reveal. They ranked the following six factors as their principal motivators (See Table 3 and Table 4 Columns C and D).

Table 3: Generation X and Y Principal Motivators

Generation X	Generation Y
Respect for me as a person	Respect for me as a person
Good pay	Good pay
Chance for promotion	Getting along well with others on the job
Opportunity to do interesting work	Chance for promotion
Feeling my job is important	Opportunity to do interesting work
Opportunity for self-development and improvement	Opportunity for self-development and improvement

Although the rankings by Generations X and Y were markedly different from earlier generations, they were close to each other. These young men and women can command relatively good salaries, and they are interested in receiving them. Pay matters to them, not only for economic reasons but also as a symbol of their worth and status. A chance for promotion also is important to them, as is steady employment, a factor very much on their minds, which ranked a close seventh on their list of motivators. The major difference between Generation X and Y is that Getting Along Well with Others on the Job was important to Generation Y as was a chance for Promotion which ranked eighth.

Table 4: Rankings of Workplace Motivators by Generation

	A	B	C	D
1. Steady employment				
2. Respect for me as a person	1	2	3	4
3. Adequate rest periods or coffee breaks				
4. Good pay	1	2	3	4
5. Good physical working conditions				
6. Chance to turn out quality work				
7. Getting along well with others on the job				4
8. Having a local employee paper				
9. Chance for promotion			3	4
10. Opportunity to do interesting work	1	2	3	4
11. Pensions and other security benefits				
12. Not having to work too hard				
13. Knowing what is going on in the organization				
14. Feeling my job is important	1	2	3	
15. Having an employee council				
16. Having a written job description				
17. Being complimented by my boss when I do a good job				
18. Getting a performance rating				
19. Attending staff meetings				
20. Agreement with organizations' objectives				
21. Opportunity for self-development and improvement	1	2	3	4
22. Fair vacation arrangements				
23. Knowing I will be disciplined if I do a bad job				
24. Working under close supervision				
25. Large amount of freedom on the job (chance to work without direct or close supervision)	1	2		
<b>Total Surveys</b>	<b>6000 Pre-Boomers</b>	<b>500 Boomers</b>	<b>200 Gen-X</b>	<b>200 Gen-Y</b>

*A motivation chart, is a portion of a copyrighted instrument, entitled Work Motivation Checklist, authored by Leslie E. This and Gordon L. Lippitt and used with permission by the authors and the publisher, Development Publication, Washington, DC. (Montana, 1999).*

1	Managers at all levels in 1970's
2	Senior-level Executives in 1980's
3	College graduates and MBA students 1990's
4	Current college students in 2005-2007

### Implications for Management

Business Week on-line, describes Generation Y in this way, “born during a baby bulge that demographers locate between 1979 and 1994, they are as young as (13 and as old as 28) and at 60 million strong, they are the biggest thing to hit the American scene since the 72 million baby boomers. Still too young to have forged a name for themselves, they go by a host of taglines: Generation Y, Echo Boomers, or Millennium Generation. While boomers are still mastering Microsoft Windows, their kids are typing away at computers in nursery school. The Internet is their medium of choice.” (Business Week, February 13, 1999).

Carol Hymowitz of the Wall Street Journal reports that “motivating each of these generations to work together requires managers to relinquish a one-style fits-all approach to their subordinates.” (Wall Street Journal, July 9, 2007). Understanding the factors that motivate each of these different groups is very important for managers to understand in order to manage effectively. Managers should endeavor to seek

opportunities on the job for Generation Y employees to work more with others, whether in teams, on special projects, task forces or committees in order to develop their interpersonal skills, and reward them for effective performance in collaborative efforts. Moreover, more one-on-one coaching and counseling by managers with Generation Y employees may be necessary in selected situations. In this respect, it is interesting to note that among the Personal Competencies for Managerial Success recommended by the AACSB- The Association to Advance Collegiate Schools of Business International are:

*Leadership*- the ability to influence others to perform tasks

*Analytical Thinking*- the ability to interpret and explain patterns of information

*Behavioral Flexibility*- the ability to modify personal behavior to reach a goal

*Oral Communications*-the ability to express ideas clearly in oral presentations

*Written Communications*- ability to express one's ideas clearly in writing

*Personal Impact*- the ability to create a good impression and instill confidence (Montana, 2008). Surely, these personal competencies all involve being able to get along well with others on the job.

### Preparing Generation Z- the Next Generation

In a recent survey of Chief Information Officers (CIOs) of more than two hundred corporations, the question asked was: What are the top skills colleges and universities need to be teaching their students that they aren't now? (Computerworld, August 25, 2003). The responses were communication/ people skills, business skills, real world/ hands-on-experience, troubleshooting, project management, analytical skills and integration.

In a survey released at the end of January, 2008 by the Association of American Colleges and Universities, 57% of the business leaders surveyed said that half or fewer of today's college graduates have the full set of skills and knowledge necessary to advance in today's workplace and 40% said a faculty supervisor's assessment of a student's internship in a real-world setting would be "very useful." (USA Today, January 23, 2008). Thus, internships should be developed on a more extensive basis now, and to prepare Generation Z to get real world hands-on-experience, and to get along well with others on the job.

The American Management Association has defined management as working with and through other people in order to accomplish the objectives of the organization and its members. (Montana, 2008). Taking an active role in its employees' career development is an effective way for an organization to meet these mutual expectations. If employees feel that an organization's investment in them is significant and continuous, they will enjoy a greater sense of job security, confident that the organization will be more likely to retain a resource in which it has a major investment. An organization will benefit greatly, not only by satisfying these motivators, but also by gaining a more committed and skilled work force. Increased employee competencies will also help the organization to maintain alignment with its mission.

Management professionals need only look at the effects of simultaneously downsizing and hiring, a practice many organizations have embraced despite its potentially adverse impact on the performance and productivity of organizations as a whole. Career planning and development, through effective management, can ensure that desired competencies will exist in the current and future work force and enable employers to reassign rather than replace talent. The savings realized in the process can, in turn, fund the organization's career planning and development initiatives.

What kind of work environments attract, retain and motivate millennial co-workers? Here are the Six Most Frequent Requests:

*You be the leader:* This generation has grown up with structure and supervision, with parents who were role models. Millennials are looking for leaders with honesty and integrity. It's not that they don't want to be leaders themselves, they'd just like some great role models first.

*Change me:* Millennials want learning opportunities. They want to be assigned to projects they can learn from. A recent Randstad employee survey found that "trying new things" was the most popular item. They're looking for growth, development, a career path.

*Let me work with friends:* Millennials say they want to work with people they click with. They like being friends with co-workers. Employers who provide for the social aspects of work will find those efforts well rewarded by this newest cohort. Some companies are even interviewing and hiring groups of friends.

*Let's have fun:* A little humor, a bit of silliness, even a little irreverence will make your work environment more attractive.

*Respect me:* "Treat our ideas respectfully," they ask, "even though we haven't been around a long time."

*Be flexible:* The busiest generation ever isn't going to give up its activities just because of jobs. A rigid schedule is a surefire way to lose your millennial employees. (Baldwin, Boomer and Ruben, 2008) Finally, in our opinion, these skills apply equally to Preparing Generation Z – The Next Generation.

## **CONCLUSIONS**

In the authors' survey of Generations X and Y, "getting along well with others on the job" (factor 7) surfaced as the leading motivator of Generation Y respondents. It ranked higher than traditional motivators associated with these age groups such as "respect for me as a person," and "feeling my job is important," though these factors ranked in the top six. Getting along well with others on the job could be listed as a hybrid factor, since it has aspects of motivation and maintenance. If you cannot get along well with your boss, you will not be too motivated or satisfied, and if you cannot get along well with your subordinates or peers you will be dissatisfied on the job. Wouldn't it make sense, then, for employers to create an environment in which the factors that motivate employees to achieve will outweigh the maintenance factors, the potential dissatisfiers, although both factors are conditions for motivation.



## APPENDIX

Determine What Motivates You: Please indicate the six factors below which you believe are the most important in motivating you to do your best work.

- |     |       |  |
|-----|-------|--|
| 1.  | _____ | Steady employment  |
| 2.  | _____ | Respect for me as a person   |
| 3.  | _____ | Adequate rest periods or coffee breaks   |
| 4.  | _____ | Good pay   |
| 5.  | _____ | Good physical working conditions   |
| 6.  | _____ | Chance to turn out quality work  |
| 7.  | _____ | Getting along well with others on the job  |
| 8.  | _____ | Having a local employee paper  |
| 9.  | _____ | Chance for promotion   |
| 10. | _____ | Opportunity to do interesting work   |
| 11. | _____ | Pensions and other security benefits   |
| 12. | _____ | Not having to work too hard  |
| 13. | _____ | Knowing what is going on in the organization   |
| 14. | _____ | Feeling my job is important  |
| 15. | _____ | Having an employee council   |
| 16. | _____ | Having a written job description   |
| 17. | _____ | Being complimented by my boss when I do a good job                                       |
| 18. | _____ | Getting a performance rating   |
| 19. | _____ | Attending staff meetings   |
| 20. | _____ | Agreement with the organization's objectives   |
| 21. | _____ | Opportunity for self-development and improvement   |
| 22. | _____ | Fair vacation arrangements   |
| 23. | _____ | Knowing I will be disciplined if I do a bad job  |
| 24. | _____ | Working under close supervision  |
| 25. | _____ | Large amount of freedom on the job (chance to work without direct or close supervision). |

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## **BIOGRAPHY**

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