



Research Article

# Generation Y's Work Values and Fit Assessment: A Study in Malaysian Context

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## Abstract

This study aims to empirically identify the most desirable work values for generation Y employees in Malaysia, and assess the perceived fit with these work values. Five work values (extrinsic, intrinsic, status, freedom and altruistic) were investigated in terms of their desirability and perceived fit. The sample size of the data was 318. The data were analysed using SPSS 20 to identify the factor structures through the implementation of exploratory factor analysis (EFA). Confirmatory factor analysis (CFA) was also used to assess the goodness of fit. All five factors showed a reasonably good fit. Extrinsic work values were the most desirable dimension from generation Y employees' perspective. On the other hand, freedom work values fit was the least supplied by organisations, and generation Y employees perceived the least fit with freedom work values. This study sheds light on the different dimensions of work values beyond intrinsic and extrinsic work values that have been extensively studied in previous research works. This study carries practical implication that attitudinal outcomes and behavioural intention may be linked to the adequate supply of extrinsic work values.

**Keywords:** work values, generation Y employees, perceived work values fit.

## Introduction

Since 2000, generation Y has been entering into the workplace in great numbers (Lee et al., 2012). The size of the generation Y workforce in Malaysia has reached over 50% of the total workforce (Angeline, 2011). This signifies that the generation Y workforce becomes the main pillar of the Malaysian economy. However, the reality of generational workforce differences at the

workplace has been acknowledged and backed up by scientific facts very recently.

Such a reality is realised through the implementation of rigorous methodologies (i.e., time lag studies and cross temporal methods), rather than implementing a cross sectional method that confounds the generational effects with career/maturity effects. Thus, the latter method cannot make an inference on the existence of generational differences at the workplace.

Since then, several scholarly studies have attempted to find meaningful differences in generational workforce work values, personality traits and life goals, with the utilization of time lag studies (Kowske et al. 2010; Twenge et al., 2010; Twenge, 2010; Twenge and Campbell, 2008). These studies concluded that generational differences exist. However, it would not be accepted that such differences are absolute. Instead, the generational workforces share some characteristics and differ in others; such characteristics are brought with them into the workplace and affect their workplace attitudes and behaviours.

Among the different characteristics, understanding the preferred work values for the generation Y workforce in Malaysia becomes mandatory for organisations. Work values gain particular attention, as they play an essential role in demonstrating individuals' needs and goals. They are regarded as influential, basic and salient (Cennamo & Gardner, 2008). The importance of work values could be rooted in the vocational behavioural studies, which posit that work values are relevant in explaining attitudes, behaviours and making decisions in the workplace. Essentially, work values are contextualized, express human needs and are relative to the motivational aspects of an individual's life (McAdams & Olson, 2010). More importantly, work values peak during the early adulthood; they remain enduring throughout one's life time (Twenge et al., 2010).

Given that the generation Y workforce is the latest group featured at the workplace, many of their work values are not well known by organisations. Hence, understanding generation Y's preferred work values is helpful to engage in strategies that match generation Y's needs; such strategies could be retention, motivation and with regards to influence its performance among other strategies.

Unlike Western countries, the generation Y workforce in Malaysia is exposed to different life events, such as economic events and cultural backgrounds. Thus, it is worthwhile to investigate generation Y's

work values in the context of Malaysia, rather than stereotyping the desired work values from the perspective of Western countries. Moreover, Malaysia has three main ethnicities, which are Malay, Chinese and Indian. Therefore, each of these ethnic groups has been exposed to their own rearing practices and sub-cultural backgrounds, and this, in turn, may influence the preferred generation Y's work values during the formative years.

Accordingly, this study firstly aims to identify the most preferred work values for the generation Y workforce in general. Secondly, it aims to investigate meaningful differences in the preferred work values among the three different types of ethnicities for the generational Y workforce in Malaysia. Thirdly, this study assesses the extent that these work values are supplied from the perspective of generation Y's employees. This, in turn, enables the assessment of the degree of fit between the desirable work values and the supplied work values by organisations.

## Literature Review

### *Generation Y Workforce in Malaysia*

The generation Y workforce, interchangeably known as millennials, or echo boomers, are the latest members to enter the workplace. Although there are inconsistencies with regards to when generation Y starts or ends in the literature, there is a prevalent consensus that a generation is born within the same time span of two decades, in the sense that, during the two decades, fundamental life events are experienced at the developmental stage. Two decades are sufficient to notice a decline in the birth rate of generation X, which signifies the start of a new generation (Kupperschmidt, 2000). Hence, for the purpose of this research, generation Y is defined as those who are born between the years of 1980 and 2000 (Hess & Jepsen, 2009).

This definition of the generation Y birth range is approximately consistent with the classification of the labour force groups provided by the Malaysian Department of

Statistics, as the first classification is in the range of 15 to 34 years of age.

According to the Malaysian Department of Statistics (2011), the employed portion of generation Y constitutes 51% of the total employed population. In 2009, 31% of the Malaysian population was below 15 years of age. This group currently prepares to enter the workforce to completely replace the retired baby boomers by the year 2020.

### **Work Values**

Values are fundamental beliefs to what is right or wrong. Values are transcendental; they can be applied in multiple domains in human life. Values that are associated with one's working life are called work values. Similarly, if a value's definition is adopted in a work setting, it may be viewed as right or wrong in the context of work (Lyons et al., 2010).

Smola and Sutton (2002) define work values under the tenet of general value definition, by stating that work values are standards which are evaluated against the work or the work environment, and consequently, the desire or preferences towards a particular outcome is shaped.

Different conceptions of work values exist. They have been described as the desirable work behaviours. They are viewed as reflections of significance of work. They are related to ethics in business. Work values are conceptualized as an element in vocational behaviour (Lyons et al., 2010).

Of the different conceptions, work values, as an element of vocational behaviour, are the predominant conception that views them as individuals' preferences that guide them towards particular attitudes and behaviours related to their work, rather than as the importance individuals place on related work aspects.

On the other hand, Lyons et al. (2010) highlight the need for distinguishing work values from other concepts, such as job characteristics, work goals and cultural values at the workplace. For example, Temirbekova et al. (2014) examined the

differences in work related values for four post soviet countries. In their study, the measured work related values were the cultural dimensions adopted from Hofstede's scale. Hence, in order to overcome this confusion, work values are observed using the term of preferred work aspects that focus on assessing respondents' preferences towards various work aspects. In this sense, work aspects could be classified as job attributes, working conditions or work outcomes, among others.

Concurring with Lyons et al.'s (2010) work values conception, in this research, work values are expressed in terms of the relative desirability and preferences towards various aspects related to the workplace. For instance, if an individual prefers an interesting and challenging job, it could be considered that the individual holds an intrinsic work value.

### **Work Values Typologies**

Another issue that adds to the complex nature of work values is the existence of numerous typologies of work values. The wide range of work values could be attributed to the scope and number of work values under analysis, which resulted in the proliferation of many work value labels (Trede & Schweri, 2013). For instance, Hei and Chu (2008) utilised the Super's work values inventory scale with the aid of exploratory factor analysis and second order confirmatory analysis. The outcome of their study included three dimensions, which were self-fulfilment, tangible rewards and liberal spirit. On the other hand, Westerman and Yamamura (2007) utilised different labels of work values, which were system maintenance, goal orientation and relationship dimensions.

Although there are different work values labels and dimensions, they are not mutually exclusive dimensions, but are rather overlapping in certain aspects. For example, the relationship dimension presented in the work of Westerman and Yamamura (2007) has similar aspects of items related to the social work values.

Despite that, there is a general consensus on the fundamental structure of work values, particularly if examining the differences in generational work values is the focal point of the study. The generational workforce possesses different desirability towards work values, and perceives the importance of work values differently. Twenge (2010) stated that the fundamental events experienced by different cohorts during the formative years have contributed in shaping different expectations and preferences that different generational workforces bring with them to the workplace. The notion that work values differ among the different generational workforces has been empirically justified with the use of a longitudinal study that isolates the career effects from generational effects (Twenge et al., 2012).

Gursoy et al. (2008) suggest that a modification should be made on the structure of work values to accommodate generation to generation differences. Accordingly, the major facets of work values that have received attention with regard to generational differences are extrinsic, intrinsic, status, altruistic and freedom work values, as each of them represents different dimensions of work values with no overlapping.

### ***Work Values in Malaysian Context***

The magnitude of preferences of each generational workforce pertaining these work values has been inconclusive. The results are indecisive to confirm the higher preference of a particular generation for a particular work value more than the other generations. The inconclusive conclusion results are further compounded with the use of a cross sectional study, which confounds career effects and time effects with generational effects (Twenge et al., 2010).

Another possible reason contributed to the inconclusive results is the lack of empirical studies to confirm the preferences of work values for different generational workforces. Additionally, such studies have been conducted in different countries that

possess unique political, socio-cultural and economic events, which shape generational preferences differently (Lee et al., 2012).

Subsequently, in Malaysia, with distinctive cultural and economic events that shape the preferences of work values, it is evident that the solution to the issue of discovering the preferred work values for generation Y has not been adequately addressed. In the view of the aforementioned work values, it is of priority to determine the work values that generation Y desires and prefers in the workplace.

The work of Lee et al. (2012) was among the first studies in Malaysia that attempted to provide a solution to the above issue. Their study was motivated by the paucity of studies investigating generation Y employees' work values in Malaysia. They measured the work values structure using Super's (1970) inventory scale, which covers intrinsic and extrinsic work values. The empirical analysis revealed that extrinsic work values are preferred over intrinsic work values in terms of generation Y pre-service teachers.

A limitation in Lee et al.'s (2012) study was the reliance on a selective and small sample size to make an inference about generation Y's preferred work values. The sample size consisted of 118 respondents, and the target population was confined to pre-service teachers in Malaysia. Such a sampling design limits the generalizability of findings to other populations.

Furthermore, the study of Lee et al. (2012) overlooked important aspects of work values, such as altruistic and freedom work values. However, their study revealed an important issue where generation Y value different work aspects based on each person's ethnicity. Such a conclusion is agreeable, since the Malaysian society comprises of three different sub-cultural groups, which are Malay, Chinese and Indian.

Additionally, Ching and Kee (2012) conducted a study to examine generation Y teachers' work values. Their study contradicts Western findings, which claim

generation Y is employed in favour of intrinsic rewards. It is found that generation Y teachers prefer extrinsic rewards over intrinsic rewards.

Similar to this finding is the work highlighted earlier by Lee et al. (2012), who concurs that extrinsic rewards are more favourable to generation Y pre-service teachers. The similarity of both results, given the different targeted samples, could signify that generation Y employees are of preference to extrinsic work values. Although, the selective sample may have resulted in such findings, there is a need of a more diverse and larger sample that utilizes other work values facets instead of focusing solely on extrinsic and intrinsic work values to determine the preference of work values for generation Y employees.

Comprehending the work values of generation Y employees assists organizations to manage generation Y effectively, and set strategies for successfully recruiting, motivating and retaining them. Organizations will better know on how to structure jobs, working conditions, compensation packages, and human resource policies tailored specifically for generation Y employees.

## **Methodology**

### ***Sample and data collection***

The selection of the sample design was guided by the following criteria; the current study uses a non probability sampling method. More specifically, a purposive sampling method was utilised due to two main reasons. The first reason is that this study considers an employed generation Y employee that has at least one year of working experience. According to Lim (2013), although generation Y employees are born between 1980 and 2000, there is a need of mature work conception. Consequently, choosing a generation Y employee with experience at the workplace would constitute for adequate respondents for this study. The second reason is that generation Y selected participants should be employees with qualification, professionalism or have an

educational background. According to Kim et al. (2009), work values preferences may differ between skilled labour and manual labour, and between educated employees and non-educated employees. Additionally, this segment is important to organizations, since they represent a major source of hiring for skilled jobs.

In total, 350 self reported questionnaires were distributed at various service organisations around the Kuala Lumpur and Selangor area. These organisations are known to employ a majority of generation Y employees, such as: the business process outsourcing sector, hospitality sector, health sector and etc.

The self-reported questionnaires begin with demographic questions, such as the age of respondents and years of experience, in order to identify whether the respondents meet the specified sampling criteria. Respondents who do not meet the sampling criteria are excluded from further analysis.

Overall, a total of 318 self-reported questionnaires were retained for further analysis; the rest did not meet the pre-specified criteria of sampling. Those who do not belong to the generation Y cohort were excluded. Also, those who had more than 5% of missing data were excluded.

### ***Measures***

This study uses the Work Values Scale (WVS), developed by Lyons (2004), which consists of 31 items that aim to represent five work values dimensions (extrinsic, intrinsic, status, freedom and altruistic values). The respondents are asked to indicate the desirability level of having a job with 31 items in the survey, using 5-point scale, ranging from 1 ("very undesirable") to 5 ("very desirable").

For the purpose of assessing the perceived fit with work values, the respondents are asked another time to indicate the extent the 31 items were supplied by their current organisation. A commensurate measuring scale was utilised, which is the same scale described in measuring work values

desirability. Thus, respondents are asked to indicate the extent that the 31 items are provided by their organisations, using 5-point scale, ranging from 1 (“to no extent at all”) to 5 (“to a very great extent”).

### Analysis

The Statistical Package for Social Sciences (SPSS, version 20) was used to perform the analysis and achieve the objectives of this study. First, exploratory factor analysis (EFA) was performed to group the multiple indicators to their corresponding constructs according to the content. Second, confirmatory factor analysis (CFA) was utilized using Amos 18 to establish the construct uni-dimensionality, which is represented by the construct validity.

Thereafter, reliability of the constructs is assessed to ensure the internal consistency of the respondents. Subsequently, descriptive analysis was performed to rank the preferred work values according to respondents’ perceptions; the ranking is based on the mean score.

Furthermore, an ANOVA one way test was performed to investigate the differences in the desirability level for the different work values among the three ethnic groups. A discrepancy score between the desirable work values and supplied work values on each work value dimension was used to measure the fit.

### Results

All the items in both forms have univariate normality, and there was no sign of univariate outliers. The implementation of EFA had resulted in 17 items that theoretically reflect the measure of constructs. Extrinsic work values include four items (benefits, friendly co-workers, policy fairness and considerable and supportive supervisors), intrinsic work values include five items (accomplishment, contributing to society, challenging abilities, autonomy and creativity), status work values include four items (prestigious work, work independently, recognition and influencing organisational outcomes), freedom work values include three items (fun at the workplace, convenient working hours and balance between work and life), and altruistic work values include one item (work consistent with moral values). The sample size consists of a total of 318 respondents that were born between 1980 and 2000.

Following the recommendation of Hair et al. (1998) and Bentler (1990), the measurement model shows a reasonable goodness of fit (CFI = 0.94, TLI = 0.92, and RMSEA = 0.053). The work values model for organizational form shows a reasonable fit in terms of the data (SRMR = 0.069 and CFI = 0.90).

**Table 1: Demographical Profile**

<b>Gender (%)</b> Male: 43%	<b>Female: 57%</b>	
<b>Ethnicity (%)</b> Malay: 28%	Chinese: 49%	Indian: 23%
<b>Tenure (%)</b> Less than 1 year : 42%	1-3 years: 40%	More than 3 years: 18%
<b>Educational level (%)</b> Diploma: 21%	Degree: 70%	Master: 9%
<b>Job Categories (%)</b> Non-executive: 21%	Executive: 69%	Managers: 10%

**Table 2: Descriptive statistics for individual work values factors**

Individual Work Values	Mean	Std. Deviation	Cronbach alpha
Extrinsic Work Values	4.53	.43224	0.721
Altruistic Work Values	4.47	.62842	1
Freedom Work Values	4.45	.53723	0.7
Intrinsic Work Values	4.3	.50229	0.765
Status Work Values	4.16	.85493	0.732

In Table 2, the mean scores, standard deviation and the Cronbach alpha values are presented for each of the individual work values factors. Each of the individual work values factors has a Cronbach alpha above the recommended value of 0.7. Additionally, the means scores reflect the level of desirability of the different work values factors.

Table 3 includes the descriptive statistics, particularly for organisational work values factors. The mean scores of organisational work values factors reflect the level that generation Y employees perceive; these factors are supplied by their organisations. The Cronbach alpha values for the organisational work values fall within the recommended range

**Table 3: Organizational work values descriptive statistics and Cronbach alpha**

Organizational Work Values	Mean	Std. Deviation	Cronbach alpha
AWV_org	3.5818	1.04380	1
EWV_org	3.2775	.87566	0.808
IWV_org	2.9465	.81580	0.886
SWV_org	2.5262	.89700	0.833
FWV_org	2.3679	.85499	0.767

The discrepancies scores (D score) between the individual form and organizational form represent the measure of fit. Hence, organizational work values factors are subtracted from individual work values factors to create discrepancies

scores, or fit composite. Table 4 provides the discrepancies scores that constitute the fit composites.

**Table 4: Perceived work values fit descriptive statistics**

<b>Work Values Fit Constructs</b>	<b>Mean</b>	<b>Std. Deviation</b>
<b>Freedom Work Values Fit</b>	2.0860	1.0242
<b>Status Work Values Fit</b>	1.6415	1.1058
<b>Intrinsic Work Values Fit</b>	1.3503	.88630
<b>Extrinsic Work Values Fit</b>	1.2547	.85154
<b>Altruistic Work Values Fit</b>	.8868	1.1343

ANOVA test did not indicate a difference between Malays, Chinese and Indians in terms of preferences towards the five investigated work values.

### **Discussion**

Although generation Y employees indicate a high level of desirability for all of the work values, extrinsic work values are the most desirable work values in their perspective. Altruistic and freedom work values are the next desirable work values from generation Y employees' perception. Status work values, in generation Y employees' perception, are the least desirable work values. Such descriptive results are in line with the descriptive findings of Lee et al. (2012), who regarded extrinsic work values to be more desirable than intrinsic work values. Generation Y employees perceived that altruistic work values are the most supplied values by their organizations, and freedom work values are the least supplied values.

As shown in Table 4, the desirability of all work values factors exceed the level of being supplied by organizations; this is indicated by a positive means score. Otherwise, it would be negative in the case the supplied work values exceed the desirable work values. In this sense, organizations fall short to provide the desirable work values based on the respondents' perception. Given this, generation Y employees encounter the highest discrepancy score with freedom work values, and the lowest discrepancy score with altruistic work values.

Moreover, generation Y employees with different ethnical backgrounds have similar preferences towards work values dimensions. This could probably be attributed to the fact that generation Y in Malaysia had been generally exposed to similar life events, which shape similar preferences towards work values dimensions. This result contradicts the finding of Lee et al. (2012), who had found a significant difference towards the preferences of certain work values (extrinsic vs. intrinsic). Their findings could be due to the small sample size used ( $n = 118$ ).

### **Conclusion and Implications**

The most desirable work values for generation Y employees are extrinsic rewards. This finding may reflect Western findings, which show an increasing preference towards extrinsic rewards, as generation Y employees face financial obligations and lack the internal locus of control. This reflects the need of maintaining good relationships with supervisors and co-workers. The study provides evidence that rewards packages should be tailored to suit generation Y employees, without customisation according to ethnicity.

Accordingly, managers seek to manage generation Y employees effectively. In other words, to influence generation Y employees' attitudinal outcomes and behavioural intentions, a critical reconsideration of extrinsic rewards



directed to generation Y employees is

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