5-2003

Organizational Commitment: A Comparison Between Two Generations of Employees in the Workplace: Baby Boomers and Generation X

James A. Musto
St. John Fisher College

How has open access to Fisher Digital Publications benefited you?
Follow this and additional works at: http://fisherpub.sjfc.edu/education_ETD_masters
Part of the Education Commons

Recommended Citation

Please note that the Recommended Citation provides general citation information and may not be appropriate for your discipline. To receive help in creating a citation based on your discipline, please visit http://libguides.sjfc.edu/citations.

This document is posted at http://fisherpub.sjfc.edu/education_ETD_masters/134 and is brought to you for free and open access by Fisher Digital Publications at St. John Fisher College. For more information, please contact fisherpub@sjfc.edu.
Organizational Commitment: A Comparison Between Two Generations of Employees in the Workplace: Baby Boomers and Generation X

Abstract
The purpose of this literature review is to examine organizational commitment in the workplace. Specifically, organizational commitment trends will be evaluated from two generations in the workplace: Baby Boomers and Generation X. It is important to understand the impact of employees' views of commitment to adequately assess a broad range of human resource related issues. A review of related literature illustrates the components of organizational commitment and dominant theoretical concepts to understanding commitment in the workplace. In addition, a review of literature also will outline the characteristics of the Baby Boom and Generation X employees and their views about organizational commitment.

Document Type
Thesis

Degree Name
MS in Human Resource Development

Department
Education

Subject Categories
Education

This thesis is available at Fisher Digital Publications: http://fisherpub.sjfc.edu/education_ETD_masters/134
St. John Fisher College
The Graduate Human Resource Development Program
In the
School of Adult and Graduate Education

Organizational Commitment: A Comparison between two generations of employees in the workplace: Baby Boomers and Generation X

A paper in Human Resource Development

By
James A. Musto

Submitted in Partial Fulfillment
Of the requirements
For the Degree of
Master of Science
May 2003
Signature Page

We approve this paper of James A. Musto

Timothy Franz, Ph. D.
Advisor
Assistant Professor of Psychology
Human Resource Development
St. John Fisher College

Seth Silver, Ed. D.
Adjunct Assistant Professor of
Human Resource Development
St. John Fisher College

Monica D. Cherry, Ph.D.
Assistant Professor of Economics
St. John Fisher College

May, 2003
Date

May 2003
Date

June 2005
Date
Acknowledgements
Table of Contents

Table of Tables 6

Abstract 7

1. Introduction 8
   Purpose 9
   Organization of Paper 9
   Methodology 10
   Background 11
   Organizational Commitment 12
   Baby Boom Generation 15
   Generation X 16

2. Literature Review 18
   Introduction 18
   What is Organizational Commitment? 18
   Why is it important to understand Organizational Commitment? 19
   Impact of Organizational commitment in the workplace 20
   Models of Organizational Commitment 21
   Etzioni’s Model of Organizational Involvement 21
   Porter’s Components of Organizational Commitment 23
   Multiple Components Perspective of Organizational Commitment 24
   Organizational Commitment Findings: Baby Boomers and Generation X 25
      Organizational Culture: Baby Boom Generation 27
      Organizational Culture: Generation X 28
      Summarization of Organizational Culture 30
      Compensation and Rewards: Baby Boom Generation 31
      Compensation and Rewards: Generation X 31
      Summarization of Compensation and Reward 32
      Growth Opportunities: Baby Boom Generation 32
      Growth Opportunities: Generation X 33
      Summarization of Growth Opportunities 34

3. Discussion and Rationale 36
   A Review of Organizational Commitment Theories 36
   Generation Y: Outlook on Organizational Commitment 38
   Implications for HRD Practitioners 39
   Recommendations 41
   Conclusions 42

References 43
Table of Tables

Table 1: Possible Consequences of Commitment Levels 20
Table 2: Etzioni’s Three Dimensions of Organizational Commitment 22
Table 3: Organizational Culture, Compensation & Rewards, and Growth Opportunities with relation to Baby Boomers and Generation X 26
Abstract

The purpose of this literature review is to examine organizational commitment in the workplace. Specifically, organizational commitment trends will be evaluated from two generations in the workplace: Baby Boomers and Generation X. It is important to understand the impact of employees’ views of commitment to adequately assess a broad range of human resource related issues. A review of related literature illustrates the components of organizational commitment and dominant theoretical concepts to understanding commitment in the workplace. In addition, a review of literature also will outline the characteristics of the Baby Boom and Generation X employees and their views about organizational commitment.
Introduction

Given the particularly tumultuous climate of today’s workplace, it is now more important than ever to effectively understand the construct of groups within the workplace. In particular, analysis of the following two generations of workers: Baby Boomers and Generation X can adequately illustrate the differences among employees and outline some of the issues modern organizations need to face. The review of a particular generation’s actions in the workplace is most effectively measured through common indicators, such as: attitude, morale, work ethic, workplace satisfaction, and loyalty. These indicators demonstrate a particular generation’s characteristics and can lead to a distinct critique of how a workplace functions.

This paper will outline the trends of the two aforementioned generations with regard to the workplace. The issues of organizational commitment in the workplace will be examined to show how employees of different generations view commitment to an organization. This view highlights the importance of an organization to understand the generational implications with regard to many factors in the workplace. In particular, the literature reviewed will yield interesting and insightful findings of the distinct differences between both generations. In addition, the findings will conclude that employees of each generation face distinctive challenges from one another in today’s marketplace.

After a profile of both generations is provided and a comprehensive assessment of each generation’s characteristics is reviewed, particular attention will be focused on the implication to HRD professionals. Specifically, the importance of understanding these two
generations and the uniqueness and complexity that they bring to an organization is particularly important for an organization to assess.

Furthermore, a look at the youngest generation, Generation Y can help illustrate how the workplace will view even further challenges with regard to organizational commitment in the future. Understanding the construct of these generations of workers will prove invaluable to human resource development professionals to understand workplace synergy, cohesiveness, training needs, and individual career development and planning. Human resource development professionals must be able to identify and assess differences among employees of generations.

**Purpose**

The purpose of this literature review is to examine organizational commitment in the workplace. Specifically, this paper will examine how an organization's two dominant groups of employees (Baby Boomers and Generation X) view organizational commitment. It is important that an organization understand the impact of generationalism and the challenges and opportunities it poses in the workplace. A review of literature reveals the distinct differences of the two generations and how age and socialization of these two distinctively different groups play an integral role in their views, performance, and longevity in the workplace.

**Organization of Paper**

Chapter One presents an overview of organizational commitment, a profile of each generation in the workplace: Baby Boomers and Generation X. In addition a methodology employed to approach this examination is discussed. Chapter Two depicts the literature
used to research this topic. An explanation of organizational commitment as well as various theoretical models of organizational commitment will be reviewed. In addition, each generation will be profiled as it relates to organizational commitment in the workplace. Chapter Three includes a review of organizational commitment and the three generations in the workplace, implications for HRD Practitioners and recommendations for future research and trends.

Methodology

The methods of research used in this literature review primarily consist of sources from the World Wide Web, library databases, and periodicals that specialize in workplace retention issues. The literature search provided many sources of information involving keywords of age, organizational commitment, Generation X, and Baby Boomers.

The methodology used in this research paper followed guidelines commonly used in basic content analysis. First, literature was obtained from library databases utilizing keywords such as employment, business, employee commitment and diversity in the workplace. Relevant articles were selected for review. Secondly, after review of the selected articles, the articles were categorized and sorted based on subject matter. The categorization of sources included the following topic areas: Generation X, Baby Boomers, Generation Y, and employee commitment. Many of the sources that were obtained included relevant information about organizational commitment, generations in the workplace or specific characteristics of each generation.

In addition to the primary literature sources, there were numerous anecdotal articles, and empirical and non-empirical based articles utilized for analysis. The core focus of
literature reviewed involved characteristics of each generation and the premise of organizational commitment in the workplace.

Specifically, most of the literature reviewed involved clear characteristics of each generation's workplace composite and often times, compared generations to each other with respect to the workplace. The commitment levels within organizations based on workplace environment was evident in how each generation acts differently within the confines of an organization with a unified culture. Much of the literature reviewed provided a general discussion of organizational commitment and overviews of the characteristics of each generation. As a result, much of the literature was redundant with similar information.

Over 100 research and non-research based articles and 6 books were selected for review. Many of the selected sources provided information relevant to generational composition and/or organizational commitment in the workplace.

**Background**

For the purpose of this study, organizational commitment is defined as the relative strength of an individual’s identification with and involvement in a particular organization (Steers, 1977). In this study, two generations: Baby Boomers and Generation X are characterized in the workplace with regard to their outlook on organizational commitment. This paper will examine the construct of each generation and will illustrate the differences exhibited by each generation with regard to commitment. Finally, the differences of each generation will demonstrate how the current workplace climate is impacted and how cultural and age differences manifest into today's workplace issues.
Organizational Commitment

Organizational commitment has varying definitions in the workplace. Because the term “commitment” is used so broadly, there are often times many interpretations to organizational commitment. For the purpose of this study, organizational commitment will be defined as the individual’s ability to identify with and remain involved in an organization. Because there are so many variations surrounding the definition of organizational commitment, it is highly likely that more than one definition is applicable. While the literature reviewed in this examination offers many factors that relate to commitment in the workplace, there are three dominant themes that prevail when examining literature involving organizational commitment. The three themes consist of: organizational culture, compensation & rewards, and growth opportunities. The three themes will be discussed below.

The first theme is organizational culture which is the feel of the organization. Every organization has its own culture. The norms, attitudes, and style of an organization compiles its culture. McKeown (2002) states that employees will naturally stay with the organization that makes them feel at home. An organization’s size has a direct relationship with the manageability of its culture. In smaller organizations, culture is easier to maintain. The larger the organization, the more likely the possibility of a culture straying from the organization’s traditional composite. As a result, the culture may take on a life of its own which may invoke a negative reaction from employees who value organizational solidarity.

An organization’s culture will vary from organization to organization. Given that culture will vary, it can also be implied that some cultures will not fit each employee.
According to Sheridan (1992) some organizations have cultures that emphasize teamwork, security, and respect for individual members. Other organizations emphasize personal initiative and individual rewards for accomplishing work objectives.

Organizational culture also encompasses the actual “look and feel” of an organization. In many instances, dress code, office hours, and demographic composite of an organization contribute to its work culture. McKeown (2002) states that an organization’s environment is one of the most important factors in the retention of employees in the workplace. Work content can change, relationships with management and peers can change, but the overall environment will typically remain the same over time.

The second theme is compensation and incentives, which involves the quantifiable rewards awarded to employees. Commitment to an organization relies heavily on the compensation structure. While compensation and rewards are an integral part to employee retention and commitment, the outcome has a dual effect on employees. McKeown (2002) states that if compensation is materially lower than market average, no matter what else the employer does, there is little or no impact to the commitment of the employee. Essentially, pay is the key motivator to commitment. McKeown (2002) asserts if pay is not commensurate to an employee’s skills, regardless of what the organization attempts to do to satisfy employees in other ways, it will not affect commitment. Conversely, if the compensation package is commensurate to an employee’s knowledge, skills, and abilities, then the employer is simply “in the game” and there is not much certainty that the employee will remain committed to the organization. Basically, if pay is commensurate, the employee will still need additional captivation from his/her employer to remain committed.
The third theme is growth opportunities, which includes the career and employee
development programs offered by an organization. Career and personal growth
opportunities are essential for retaining top performers. This is the one area that both
generations are most closely in agreement on. If you allow your employees to stagnate in
their current roles, they will become restless and leave the organization McKeown (2002).
As a result, employers must be cognizant of an employee’s growth needs and provide
adequate employee and career development programs and policies to ensure development is
ongoing and accessible to all employees.

The next section of this review will examine the composition of the Baby Boom
Generation.
Baby Boom Generation

This group of employees encompasses workers born between the years of 1946 to 1962 (Martin & Tulgan, 2002). This cohort is the largest in the workforce, yet the population of this generation is steadily decreasing as many Boomers head toward retirement. This generation is unique because much of their formative years involved war. Mckeown (2002) asserts that this generation was raised from parents who lived through World War II, grandparents who endured World War I and also as a generation were involved in both the Korean and Vietnam Wars. Mckeown (2002) concludes this generation has high respect for order, institutions, and loyalty. The values of loyalty and respect for institutions weave a solid foundation for stability and order. These values and ideologies transcend into the workplace.

Martin & Tulgan (2002) state that while many boomers hold traditional moral and ethical values, societal norms are constantly evolving. This trend also persists in the workplace. assert that boomers are gracefully making the transition into a new global marketplace, embracing flexibility, and technological innovation.

Socially, this generation has a unique and distinctive construct. Martin & Tulgan (2002) state Most Boomers grew up in two parent families where stability and low incidences of divorce were the norm. Social institutions were prominent and widely respected during the Boomer’s developmental years. Mckeown (2002) states social activities and community organizations such as the “boy scouts” were instrumental in formulating the ideology of this generation. Now, with most boomers in the forties and fifties, many have grown children who are entering the workforce and a large portion of
boomers are grandparents. This lifestyle phase has increasing emphasis on the boomer’s outlook in the workplace. Hassell & Perrewé (1995) state that older workers are most difficult to train, least accepting of change, and have less tolerance for procedural and policy changes than younger workers. As boomers continue to age, new challenges will be faced as societal and global changes continue to increase and vary from the rigid and traditional foundation that boomers are so accustomed.

**Generation X**

This group of employees embodies workers born in the 18-year baby boom of 1963-1978 states (Losyk, 1997). Socially, this generation was the product of parents with high divorce rates, day care, video games, computers, and independence. This sociological construct allowed for a very different, emerging workforce with new ideas, differing work ethic, and ever-changing focus that has undoubtedly impacted today’s corporate marketplace.

Family values also impact this generation’s ideologies. According to Losyk (1997) Generation X employees are more likely to make compromises for family obligations and their children, than spend time at work. Work is seen as a secondary priority for many in this generation. Other employees in this group, who are not married, will wait before they establish committed relationships to focus on their careers. Therefore, it can be inferred, that divorce rates, for example, may decline among this generation, as more focus is shifted to either family or career, but not both simultaneously.

According to Farren & Maurer (1999) in contrast to the 76 million Boomer’s, there are only 44 million Generation X employees. As a result, the work climate for this group
becomes an entirely different paradigm. While recessions and cutbacks in the economy have caused corporate America to right size and downsize. Thus, there are fewer and fewer jobs for this generation. According to Losyk (1997) Generation X employees resent their older counterparts for “messing up the world that they have inherited” – As a result, this generation has to fix it.

The Generation X group has experienced a number of different socio-economic factors that separate them from the Boomers. First, The decline in the nuclear family has drastically changed the Generation X employees’ point of view, with regard to the workplace. The increase in divorce rates, and two parent incomes forced this generation to adjust their lifestyle around work, than home. Second, a rapid explosion of change in technology, legislation, and economy has impacted society more forcefully during this generation’s development than during any other time period. As a result, this generation encompasses a new category of cynical, yet highly opportunistic workers who posses a unique mentality on many issues faced in the workplace.

Chapter Two of this examination will discuss a comprehensive literature review involving organizational commitment and how both generations view commitment in the workplace.
Chapter 2

Literature Review

Introduction

The purpose of this paper is to examine the issue of organizational commitment as it relates to Baby Boomer’s and Generation X cohorts in the workplace. This chapter is a review of related literature focused on organizational commitment and Generation X and Baby Boomer views on organizational commitment. The introduction explores the premise and impact of organizational commitment. Following the introduction is a discussion of organizational commitment based on the literature reviewed. In addition, a discussion of the Generation X and Baby Boom cohort views toward organizational commitment will be revealed.

What is Organizational Commitment?

This section will explore the fundamentals of organizational commitment as obtained through an exhaustive literature search. The term organizational commitment has varying interpretations in the corporate and institutional arenas. Per the literature review, a general understanding of common definition is not always easy to conclude. As previously discussed, for the purposes of this examination, commitment to an organization is defined as an individual’s identification and involvement with a particular organization. The literature suggests that there are other components to consider when assessing commitment.

Angle (1981) asserts organizational commitment has three major components: (1) a strong belief in and acceptance of the organization’s goals, (2) a willingness to exert
considerable effort on behalf of the organization, and (3) a definite desire to maintain organizational membership.

According to Wiener (1982) organizational commitment is viewed as the totality of internalized normative pressures to act in a way that meets organizational goals and interests. The stronger the commitment to an organization, the more likely the individual may exhibit certain behaviors that they believe are morally correct because the organization endorse that activity regardless of the employee’s personal beliefs.

Why is it important to understand organizational commitment?

The premise of commitment in the workplace is extremely critical for organizations to understand and fully assess. While organizational commitment remains a topic that encompasses numerous variables, it is evident that many of factors that contribute to employee loyalty are important for management to understand to control a host of human resource related issues in the workplace. Employee morale, turnover, and job satisfaction are just a few factors that contribute to an employee’s formulation of commitment to a given organization.

For many corporations, turnover rates are staggering and analysis is needed to understand why retention of employees is a constant struggle. According to Oz (2001) the Information Systems Industry spends vast amounts of capital and resources on the investment of their technical employees. However, the Information Systems Industry experiences one of the highest rates of turnover of any industry.

Organizations need to understand the implications of employee commitment to their bottom line. Understanding and effectively assessing the employee climate in the workplace
will allow employers the opportunity to greatly reduce costs involved with turnover, attrition, and related expenditures.

*Impact of organizational commitment in the workplace*

While commitment to an organization appears to be linked in a positive nature, it is also important to note, that not all views of organizational commitment are positive. As stated previously in this paper, commitment to an organization reflects the relative strength of an individual’s identification with an involvement in that organization. When assessing levels of commitment and the associated consequences, it is important to note how sometimes, even high commitment to an organization may have negative consequences to the employee. Randall (1987) asserts that the negative consequences of high levels of commitment are overlooked when analyzing organizational commitment data.

Some employees who are too committed to the organization’s goals may exhaust their capabilities to achieve objectives in a job they do not enjoy. According to Randall (1987) firms may inadvertently “attract individuals who are strongly tied to the organization, but not suited to organizational needs.” (p. 465). In addition, too much commitment can hinder an organization’s flexibility by instilling a tradition of policies, ideologies, and practices that inhibit innovation. Table 1 illustrates the varying levels of commitment with the related consequences to both the employee and the organization.
Table 1: Possible Consequences of Commitment Levels

<table>
<thead>
<tr>
<th>Level of Commitment</th>
<th>Individual</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Positive</td>
<td>Negative</td>
</tr>
<tr>
<td>Low</td>
<td>Individual Creativity, innovation and originality</td>
<td>Slower Career Advancement Possible expulsion, exit or effort to defeat organizational goals</td>
</tr>
<tr>
<td>Moderate</td>
<td>Enhanced feelings of security, loyalty and duty. Maintenance of identity distinct from the organization</td>
<td>Career advancement and promotion opportunities may be limited</td>
</tr>
<tr>
<td>High</td>
<td>Career advancement and compensation enhanced. Behavior is rewarded by organization Individual provided with passionate pursuit</td>
<td>Individual growth, creativity, innovations and opportunities are stifled Limited time and energy for non-work organizations</td>
</tr>
</tbody>
</table>

Essentially, Randall (1987) states that varying levels of organizational commitment on behalf of the employee have staggering effects on the organization. Low levels of commitment to the organization can positively impact both the organization and the employee. Conversely, high levels of commitment can also lead to detrimental effects to the organization. While this does not appear to be causal, it is important to note that either too much or not enough commitment to an organization can be detrimental.

Models of Organizational Commitment

The following section will discuss various theoretical models for understanding organizational commitment.
Etzioni’s Model of Organizational Involvement

This section will illustrate Etzioni’s Model of Organizational Involvement. The Etzioni model suggests there are three dimensions of organizational commitment Gould & Penley (1998) The three dimensions are moral commitment, calculative commitment, and alienative commitment.

1. Moral commitment. Moral commitment is characterized by the acceptance of and identification with organizational goals.

2. Calculative commitment. Calculative commitment is a concept based on the exchange of commitment for compliance. For example, an employee is committed to an organization because he/she is rewarded with a paycheck.

3. Alienative commitment. Alienative commitment occurs when an employee feels so insignificant to the organization that commitment and/or retention result because the consequences of job loss are too severe of an alternative.

Table 2: Etzioni’s Three Dimensions of Organizational Commitment

<table>
<thead>
<tr>
<th>Commitment Type</th>
<th>Organizational Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moral</td>
<td>Planned Parenthood employees advocate safe-sex education to internal and external recipients. There is a strong belief system in the organization’s purpose/mission that is shared by employees.</td>
</tr>
<tr>
<td>Calculative</td>
<td>An employee is committed to the organization in exchange for a paycheck.</td>
</tr>
<tr>
<td>Alienative</td>
<td>An employee is committed to an organization because there are no other job opportunities in a given geographic area.</td>
</tr>
</tbody>
</table>
This model is utilized to understand the core concepts of organizational commitment. Because the definitions of organizational commitment vary, this model is one of few that allows for an understanding of the types of commitment present in employees.

**Porter’s Components of Organizational Commitment (Porter-Lawler Model)**

The following illustrate the components of Organizational commitment as described by Lyman W. Porter. Essentially, Porter describes three major elements to Organizational commitment. First, there must be a “strong belief in and acceptance of the organization’s goals.” Second, “a willingness to exert considerable effort on behalf of the organization.” Third, a desire to maintain organizational membership (Riggio, 2003).

The Porter-Lawler model is a theory developed to link job satisfaction and performance as it relates to work-related rewards (Riggio, 2003). Essentially, the Porter-Lawler Model states “both motivation and job satisfaction come from the perceived equitable relationship between the employee’s inputs to the job and the job outcomes.” (p.224)

Organizational commitment is closely linked to job satisfaction because both topics involve how an employee perceives his/her job. The core difference between organizational commitment and job satisfaction is that organizational commitment assesses workers’ attitudes about the entire organization (Riggio, 2003). “Both organizational commitment and job satisfaction are most likely affected by numerous factors, including the type and variety of work, the autonomy involved in the job, the level of responsibility associated with the job, the quality of the social relationships at work, compensation, and the chances for promotion and advancement in the company.” (p.225)
Multiple Components Perspective of Organizational Commitment

While the definition of organizational commitment varies among theorists and practitioners, there is increasing belief that multiple components of commitment exist to help understand the premise of organizational commitment (Somers, 1995).

The “Meyer & Allen” Multiple Components Perspective (also known as the Tri component model) includes three facets of commitment: affective, continuance, and normative. According to Meyer & Allen (1997) affective commitment is the employee’s emotional attachment to the organization. Continuance commitment involves commitment through staying with an organization because the challenges and complexities with leaving are too great. Normative commitment is characterized as a sense-of-duty or obligation to stay with the organization. It can be inferred that the three aforementioned components of commitment, affective and normative commitment are the most consistent with baby boomers. Boomers favor structure, tenure, and promotion through hard work, traditions, and status. All of these characteristics are granted through obligation and history with a particular organization.

Continuance commitment is most consistent with the Generation X employees. According to Huselid & Day (1991) continuance commitment results from the worker’s entering into an exchange relationship with the organization. Essentially, the degree of continuance commitment is determined by the extent to which this exchange relationship favors the employee. For Generation X and organizations alike, the focus of work has shifted to a balance between individualist interests and organizational needs. Generation X employees are more committed to obtaining personal certifications and further education.
which benefit them as well as the organization. However, the aforementioned knowledge areas are portable and can be applied to any organization.

According to LaMastro (2002) the Tricomponent model may also provide a way of understanding the nature of professional commitment, given that the bond between and individual and his or her identified profession may develop in a similar fashion to the bond between that person and his or her employing organization.

The next section will discuss organizational commitment findings as they relate to the Baby Boom and Generation X generations.

**Organizational Commitment Findings: Baby Boomers and Generation X**

The literature reviewed offered many interesting and insightful findings regarding the commitment levels for Baby Boom and Generation X employees. As with any generation, Boomers and Generation X employees have distinctive features, preferences, and beliefs, many of which have affected their view of the workplace and impact materially on their commitment. For Boomers, respect for institutions and loyalty to their country and belief systems combined with relatively stable home lives sets the tone for this generation's outlook (McKeown, 2002). For Generation X employees, respect for autonomy, work/life balance, and personal growth are key factors for optimal commitment.

As previously discussed, there are three categories that resonate when evaluating organizational commitment. The three categories include: organizational culture, compensation & rewards, and growth opportunities. The following sections will discuss the three areas of organizational commitment with respect to Baby Boomers and Generation X
employees. Table 3 depicts a summary of characteristics exhibited by each generation toward Organizational Culture, Compensation & Rewards, and Growth Opportunities.

Table 3: Organizational Culture, Compensation & Rewards, and Growth Opportunities with Relation to Baby Boomers and Generation X

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Baby Boomers</th>
<th>Generation Xers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>Structured and hierarchal Offices v. cubes</td>
<td>Expression and individuality are commonplace</td>
</tr>
<tr>
<td></td>
<td>Offices with a clear hierarchy</td>
<td>Personal style and attitude is important</td>
</tr>
<tr>
<td></td>
<td>Standardized dress code</td>
<td>Work/Life Balance critical</td>
</tr>
<tr>
<td></td>
<td>Culture is clearly expressed</td>
<td>Acceptance of views/opinions</td>
</tr>
<tr>
<td></td>
<td>Team oriented</td>
<td>Respect for the individual</td>
</tr>
<tr>
<td>Compensation and Rewards</td>
<td>Thrive on organizational ranking and status</td>
<td>Pay for performance</td>
</tr>
<tr>
<td></td>
<td>Rewards via seniority</td>
<td>Non-compensatory rewards desired (i.e., compensatory time off)</td>
</tr>
<tr>
<td>Growth Opportunities</td>
<td>“Pay your dues” hard work and dedication lead to promotions, job advancement</td>
<td>Focused on skill building and personal certifications.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Seeking accreditations that are versatile and transferable in the marketplace – not only to a specific organization</td>
</tr>
</tbody>
</table>

As indicated in Table 3, these two groups of employees have different views of the previously mentioned areas of commitment. The following sections will outline three categories of organizational commitment with relation to each generation.

**Baby Boom Generation: Organizational Culture**

The culture of an organization is highly important to the Baby Boomer. Boomers encompass 52% of the workforce and include approximately 76 million employees (Farren & Maurer, 1999). Due to the Boomers’ age and experience, this group of employees are in the apex of their career. Most are in management or supervisory roles, or have attained the highest level of specialization in their respective field.

Consistency and order are two important themes that allow for the Baby Boomer to perform to his/her best. Boomers tend to demand an environment that embodies steadiness
and uniformity. A classic example is the structure of many law firms. There is a great admiration for the achievement of “partner” status that affirms the attorney’s diligence in a particular subject area. In addition, partner status enables continuation of the firm’s character and reputation. The legacy of the firm’s traditions and values is a core contributor to the culture of the work environment. As stated in the previous example, this generation of employees inherently desires the order and stability of an organization’s core values and beliefs.

Because boomers tend to identify with a more structured work environment, an employer must captivate the boomer generation by aligning a work environment that fosters consistency and tradition. According to McKeown (2002) standardized dress code, administrative aides, designated parking spaces, and name placards are the nice things that boomers prefer. By providing the aforementioned services and perks, boomers are more likely to remain committed to the organization. Clearly, this generation thrives in a work environment that consists of uniformity, and structure with regard to work content. The overall success of the organization, and the policies and traditions that have been established contribute to a culture that is most comfortable for boomers.

This group of employees has a high regard for respect and the concept of institution. As a result, Baby Boomers prefer structured and hierarchal work environments. McKeown (2002) states that loose and unregulated work environments are not favored by this generation. Boomers prefer organizations that have a traditional dress code, support staffs to deal with administrative details, and regulation with regard to workplace policies and
procedures. Job titles and hierarchal status is an element that a Baby Boomer values and strives to work toward the goals of the organization and ultimate success of the organization.

**Generation X: Organizational Culture**

Organizational culture is critical for the satisfaction of the Generation X employee. While many Baby Boomers are satisfied by the intrinsic value of the organization’s goals and values, the Generation X employee need to feel how the organization’s values and culture impact them directly.

A thriving organizational culture for a Generation X employee would include an emphasis on work-life balance, acceptance of personal views and opinions and respect for the individual Mckaeown (2002). Work-life balance is an ever-important quality that every Generation X employee fully desires, yet rarely achieves. While many Generation X employees work long hours, and have numerous responsibilities, the thought of a work-life balance is an expectation that an employer must foster and strive to provide them. Farren & Maurer (1999) assert that this generation places the quality of their personal life as more important than their job. As a result, if an organization does not offer onsite day care, alternative work arrangements, and other work-life initiatives, this generation will go elsewhere for employment.

While this generation is unique in that it is experiencing the challenges of raising families and fulfilling career goals, the literature is inconclusive if these challenges were present for Baby Boom employees during this period of their lives decades earlier. It can be concluded that with the changes in societal norms, economic and cultural evolution, and
evolving workplace trends, the Generation X employees have an increased burden of juggling family and career obligations than their predecessors.

With regard to Personal acceptance of views, a Generation X employees are very different from their predecessors. The Baby Boomers are characteristic of accepting what the organization has provided and doing their job. The Generation X employee witnessed their parents and other Baby Boomers adhere to this form of "oppressive" work culture, and don’t want to be associated with such an existence. Instead, McKeown (2002) urges that Generation X employees are more educated and have been taught to express their beliefs and to stand up for what they believe in. As a result, this type of mentality must be supported by the employer in order for the Generation X employee to remain employed and committed to the organization.

The concept of respect is also critical to the Generation X employee. Because Generation X employees are more individualistic than team-oriented, many Generation X employees tend to thrive in an environment where they are not forced to work in teams. Therefore, it is highly likely that an organization that fosters a culture of teamwork, will undoubtedly lose the commitment of a Generation X employee seeking to shine through his/her own individuality.

When dealing with Generation X, McKeown (2002) asserts the issue of culture is critical to job satisfaction. Generation X employees require their work environment to be more an expression of them. Individuality, attitudes, interests and passions of this generation are integral components of a positive and captivating work environment. An organization cannot simply convey its values and goals, but it must incorporate the interests
and values of its employees, as well to provide for a work environment that will have the best chance of retaining Generation X employees. According to Mckeown (2002) Generation X employees have a highly developed need to express themselves through their dress and the way they decorate their personal office space. As a result, this generation prefers an open and airy work space where they are united with others who are like themselves.

For an organization to succeed at captivating a Generation X employee with regard to culture, an employer must relax dress codes, allow for individuality and expression of employees, and reduce the standardization of antiquated policies and procedures in the workplace.

**Summarization of Organizational Culture: Baby Boom and Generation X**

The concept of commitment to an organization encompasses many factors. As stated previously throughout this examination, the three themes that contribute to organizational commitment are organizational culture, compensation & rewards, and growth opportunities. Among the two generations chronicled, there are very few similarities that exist according to the literature reviewed.

With regard to organizational culture, both generations value respect for the individual. Two themes of status and environment resonate when assessing the literature with regard to organizational culture. The Boomers view respect via status and recognition. This is largely attained through hard work, lengthy tenure, and management status. The Generation X employees also demand respect for their accomplishments, however status is
achieved through the attainment of certifications, accreditations, and higher educational attainments.

With respect to work environment, Baby Boomers seek an environment that encompasses traditional work structures and formalized policies and procedures. While Generation X employees prefer a work environment that is flexible and accommodating to a work/life balance. Clearly, these two generations have a different outlook on how culture contributes to their commitment levels to the organization.

**Baby Boom Generation: Compensation and Rewards**

Once again, the theme of structure and standardization are evident in the boomers’ views of compensation and reward systems. Organizational rankings and status with regard to compensation is the cornerstone for baby boomers’ performance. Mckeown (2002) implies compensation is a reward mechanism rather than a motivational tool. Contrary to Generation X employees who thrive in pay-for-performance culture, the baby boomer has a sole interest in compensation through salary and bonuses rather than through non-compensatory rewards such as time-off and team-based outings.

**Generation X: Compensation and Rewards**

The concept of compensation and rewards is important to any employee in the workplace, regardless of his/her generation. However, the Generation X employee has a strong opinion with regard to how compensation and rewards are to be administered and earned. Mckeown (2002) states that Generation X employees expect compensation packages need to be performance-based. This type of compensation structure allows for the
individualistic Generation X employee the ability to succeed according to his/her individual contributions.

Some factors that Generation X employees appreciate are a combination of team-based and individual rewards that reflect the success of their team as well as their own individual contribution. While the literature reviewed states that Generation X employees generally prefer to be individual contributors, team-based rewards are also acceptable, but not preferred.

With regard to Generation X employees, rewards do not necessarily need to be monetary. The theme of work-life balance is most strongly supported by this generation. As a result, non-cash benefits such as compensatory time-off, non-work retreats, and free food and drinks are highly attractive to the Generation X employee.

**Summarization of Compensation and Rewards: Baby Boom and Generation X**

Given the review of Compensation & rewards and growth opportunities, each generation was distinctly different with regard to commitment.

Both generations have differing values concerning commitment. Generation X employees value pay-for-performance compensation structures, whereas Baby Boomers desire compensation through tenure and seniority. In addition, Generation X employees value non-compensatory rewards as a viable reward for their efforts. This theme of varying interpretations regarding compensation and rewards emphasizes the fact that both generations value different criteria when viewing this topic. As a result, employers need to understand how each generation prefers compensation and rewards to be administered.
Baby Boom Generation: Growth Opportunities

For boomers, growth and development opportunities are something to be earned for a job-well done (McKeown, 2002). Boomers view growth opportunities and advancement as a progression. “Paying your dues” through menial jobs responsibilities and titles are the rites of passage for a baby boomer. As a result, an organization must understand that for a boomer to have a high level of commitment to the organization, there must be an acknowledgement of institution with regard to employee and career development. A baby boomer will undoubtedly seek an organization where they feel confident that years of hard work and dedication will be rewarded with more meaningful job titles and responsibilities.

Generation X: Growth Opportunities

This generation embodies a progressive attitude toward many employment situations. According to Cole-Gomolski (1998) Generation X employees are less confident about job stability and earning potential. Instead, this group tends to focus on skill-building and advancement opportunity. Distinctly different than Baby Boomers, Generation X employees have established the trend for job-hopping and infrequent trends in job tenure. As indicated by Cole-Gomolski (1998) Generation X employees prefer the ownership of specialized skill-sets and certifications that will continuously enable them to be employable. Job security is not a theme with this generation. According to Losyk (1997) “the loyalty and commitment to the workplace that previous generations had is gone.” As a result, Generation X employees do not expect to work for an organization for thirty years, and retire. Instead, this generation does not envision job security, in any form. There is no need or desire to pay his or her dues and wait for long-term stability.
As a result, an organization must build personal and career-growth opportunities for Generation X employees. McKeown (2002) states that Generation X employees expect to be trained, educated, and developed as part of their job, and not as a reward for performance. Organizations must recognize that to retain a Generation X employee and maintain a positive commitment level toward the organization, it is highly important that the organization offer ongoing education incentives, personal and employee development programs, and management support of personal goals.

Generation X employees embody a new management style with a different focus from traditional trends. According to Woodward (1999) Generation X managers strive to be the manager that they would want to have for him or herself. Delegation, mediation, and compromise are core qualities of their management style. Rewards and recognition are themes that are paramount in their management strategy. According to McGarvey (1999) Generation X Managers are innovative and enterprising; they also have less respect for rules and established policies. While Generation X employees may have a reputation of being slackers to their older counterparts, this generation has the most education and certifications and as a result, has allowed them to quickly earn credibility in the workplace. According to Kendall (1998) “59% said Gen X Workers are at least as competent as older workers, up from 48% two years ago.”

**Summarization of Growth Opportunities: Baby Boom and Generation X**

With regard to Growth Opportunities, it is evident that Generation X employees value their individual attainments and certifications as opposed to Boomers who subscribe to the “pay your dues” mentality regarding advancement. In addition, management styles of
each generation differ. While the Baby Boom Managers are more apt to follow tradition and policies with regard to management styles, Generation X managers lead with a focus on innovation and changing corporate marketplace trends. The literature does not suggest that Baby Boomer managers are less effective than their Generation X counterparts. Instead, there is a distinction among the style of management each generation is more apt to possess.

This chapter presented an examination of the components and theories surrounding organizational commitment in the workplace. In addition, the following three components of organizational commitment: organizational culture, compensation and rewards, and growth opportunities were discussed as it pertains to Baby Boom and Generation X employees. Chapter Three includes a review of organizational commitment findings, a discussion of Generation Y and the impact of organizational commitment to the field of human resource development. Finally, recommendations and conclusions will be presented.
Chapter Three

Discussion and Rationale

The topic of organizational commitment continues to be an area that management, human resources professionals, and theorists need to examine. While commitment levels to an organization are critical to understanding workplace trends, generational differences with respect to commitment are an ever-increasing topic of concern. While similarities among the generations must exist, the literature reviewed does not specifically correlate similarities for the purposes of their research. Instead, differences are noted more strongly to understand the gaps between each generation with regard to commitment in the workplace.

This paper has examined the issue of organizational commitment and the three prevailing themes that surround understanding commitment. Organizational culture encompasses the norms, attitudes, and style of an organization. Compensation and Rewards involves the association of commitment in relation to the types of incentives given to employees. Finally, growth opportunities measure the development opportunities for employees within an organization.

While the Baby Boom and Generation X employees combined, represent the majority of employees in the U.S. Workforce, there are distinct differences between both generations with regard to organizational commitment.

The Baby Boom generation encompasses the largest composition of workers in today’s workforce (McKeown, 2002). While it is evident that this generation has distinct qualities that impact commitment levels, the main theme surrounding this generation is traditional values and standards. Martin & Tulgan (2002) state that many boomers hold
traditional moral and ethical values with regard to the workplace. McKeown (2002) concludes this generation has high respect for order, institutions, and loyalty. The values of loyalty and respect for institutions weave a solid foundation for stability and order. In can be inferred from the literature that this group of employees has always had a strong belief in traditional workplace values. It is unclear if this group of employees varied drastically from their predecessors. What is clear is that this generation encompasses a unified representation in the workforce with regard to stability, tradition, and status.

With regard to organizational commitment, the literature suggests Generation X employees tend to place more importance on personal goals and seek employers who support a work/life balance (Wellington, 2001). In addition, the younger workers are much more willing to leave an organization if expectations surrounding work/life balance, organizational culture, and compensation are not met. Furthermore, Loughlin and Barling (2001) state Generation X employees have a self-reliant nature coupled with contempt toward authority which challenges traditional beliefs on how to organize and manage work. Clearly, this generation embodies a more progressive attitude toward work. As a result, commitment levels of this generation have noticeably different characteristics. While this generation has experienced the emergence of technology and rapid societal changes within their lifetime, it can be inferred that their commitment levels are directly associated with such events.

While both generations have differing motivators for commitment, it is important to note that the trends outlined by each generation regarding commitment are critical for
human resource development professionals and management to recognize and identify appropriate strategies to manage commitment in the workplace.

The next section will focus on identifying the youngest generation of workers in the marketplace, Generation Y.

**Generation Y: Outlook on Organizational Commitment**

Given the distinctly different constructs of both the Baby Boom and Generation X employees, what can be inferred of the third, and youngest generation in the workplace, Generation Y? The Generation Y cohort often referred to as the “Echo Boomers” consists of workers born after 1978 (Mckeown, 2002). While many Generation Y workers are in the formative stages of their career development, distinct characteristics are already emerging to describe this group.

This generation provides a unique and unprecedented construct than any other generation in the workplace. According to Martin & Tulgan (2002) this generation is the first true group of “global citizens.” This group of individuals has experienced their formative years during an expansive global economy, unprecedented cultural and technical innovation, and an era of media presence that proliferates all aspects of life. Martin & Tulgan (2002) suggest that this generation has been given the most guidance from family, teachers, and counselors that they can make a difference in the world. Fueled with spirit, individuality, and technological savvy, this generation undoubtedly brings a whole new attitude and skill set to the workplace. While this generation encompasses a small amount of the current workforce, in the near future, more and more Echo Boomers will be making their mark in the working world.
The literature reviewed does not specifically indicate if the Baby Boom and Generation X cohorts had similar qualities as this generation when they were new to the workplace. As a result, the findings discussed in this section are based on the literature reviewed that examines this generation as the newest and youngest generation of workers.

McKeown (2002) states that Generation Y employees are more upbeat and optimistic than Generation X and more at-ease with other age groups. In addition, this group is already showing signs of a reinvented loyalty to organizations, albeit in select industries. The areas such as high-tech, entertainment, and sports are highly dominated by Generation Y employees. The aforementioned industries are largely youth-oriented which allow the Echo Boomer the ability to flourish.

McKeown (2002) speculates that the Generation Y cohort will undoubtedly be the most educated, open-minded, and globalized generation to date. As a result, commitment to an organization may be granted simply through increased tolerance of differences and leveraging of resources from all age groups.

While this generation possesses the most individualistic qualities to-date, it can be argued that this group will most likely subscribe to the affective and/or continuance commitment model. With respect to continuance commitment, this group may be the most vulnerable for lay-offs in a difficult economy. According to Neusner (2001) workers aged 20 to 24 have dropped out of the workforce faster that any other age group. This can largely be attributed to the lack of experience and reduced productivity from this generation. Organizations need to capitalize on their highly skilled workers with experience and high rates of productivity. Clearly, the Echo Boomers do not quite yet possess these qualities.
Implications for HRD Practitioners

The issue of organizational commitment has proven to be a worthy topic of investigation for corporations, management, and human resource professionals. As discussed in this examination, many issues involving human resources impact an organization’s ability to retain a committed workforce. Stein et al (2000) assert that as our population ages, organizations will need to design strategies for enabling employees to be productive and knowledgeable lifelong workers. In particular, human resource development professionals will need to develop strategies regarding career development, organizational development, and training & design for an intergenerational workforce. The following will discuss the three aforementioned areas of human resource development as it pertains to organizational commitment and each generation.

With regard to career development, Stein et al (2000) assert that human resource development practitioners need to determine if there are opportunities to change jobs within an organization. This assessment will allow employees the ability to view the organization as a place where they can envision spending an entire career. An inquiry into the organization’s investment in employee skill development for future employment should be addressed. As stated previously, Generation X employees value excelling their individual growth and development through the attainment of certifications and accreditation’s that will enable mastery of skills as well as allow for development in their careers.

When assessing organizational development for all generations in the workplace, it is important for human resource development professionals to develop policies that permit flexibility regarding promotions, gradual disengagement and generation-specific recruiting
strategies. Stein et al (2000) In addition, the formulation of project teams should consider the differences each generation will bring to the table. Riggio (2003) asserts that collaboration of workers in a team setting is critical for the success of the team’s output. Stein et al (2000) state “Building intergenerational work teams would enhance organizational development.” (p.78) Therefore, management and human resource development professionals need to profile each generation to effectively understand the differences of each group within the organization and the strengths and opportunities for development each group possess.

If an organization heavily relies on teams to fulfill directives, human resource development professionals need to design effective methods to integrate all employees. Specifically, Generation X employees have been chronicled to prefer individual contribution versus team-based structures. As a result, human resource development strategies should focus on the benefits and motivators with regard to teams in the workplace for those organizations that rely on team based structures.

Training and development is a critical topic for any organization. Specifically, older workers (Baby Boomers) may have special training needs with regard to new advancements in technology. Kendall (1998) states business owners admit Generation X employees have better technical skills than earlier generations. As a result, it is critical that human resource development professionals focus on the needs of older workers with regard to emerging advancements in technology to ensure all generations are equipped to work to the best of their ability.
With regard to Generation X employees, Caudron (1997) recommends this group of employees will need a wide variety of training opportunities for skill attainment. To accommodate higher levels of commitment, organizations will need to provide many options to this group of employees with regard to training and development. In fact, Caudron (1997) asserts that Generation X employees should be able to choose how they will develop their skills and abilities. This flexibility with self-development will score big points with this generation of employees that is interested in an exchange relationship with their employer with regard skill development.

Human resource development practitioners play a vital role in the success of an organization's goals and directives. Therefore, it is critical that human resource development professionals understand the differences of each generation with regard to commitment in the workplace and ensure effective methods are developed with regard to the development of employees to guarantee organizational success.

**Recommendations**

Commitment to an organization is clearly an area that deserves more focus from researchers in the Human Resource Development and industrial/organizational psychology fields. Specifically, each generation of employees should be analyzed with regard to the various themes that contribute to commitment to ensure organizations can plan effective strategies at balancing commitment based on employees' diverse backgrounds. Some areas for future research may include:

1. Chronicling Generation Y to understand the qualities this generation will possess as they migrate into the workforce and the implications to commitment.
2. Do changes in the economy impact commitment levels of employees?

While organizational commitment is only one measure for assessing longevity in an organization, it is necessary that management and human resource development professionals assess the foundation for why employees stay committed to an organization. Often times, the underlying reasons for commitment are derived from the age and socialization of the employee.

Conclusions

As society continues to evolve, technology, business, and human interactions will continue to change at a staggering pace. Therefore, it is critical that while change is occurring, organizations need to continue to recognize, assess, and implement the necessary tools needed to equip their employees to embrace this organizational and societal evolution. Organizations need to invest in understanding the generational differences of their employees to more effectively manage commitment levels. Understanding that Baby Boom employees value traditional structures whereas Generation X employees’ value flexibility and innovation is critical to address.

While the sociology of the workplace is destined to evolve, it is imperative that HRD Professionals and management implement effective strategies to plan for different and emerging views of their employee base. Knowing the forces and factors that shape employees’ views, attitudes, and lifestyle will undoubtedly enhance an organization’s effectiveness at retention, commitment, and ultimate success.
References


http://www.nationalforum.com/13lama-1.htm


examination of direct and interaction effects. *Journal of Organizational Behavior*,
16, 49-58.


Stein, D., Rocco, T., & Goldenetz, K., (2000). Age and the university workplace: a case 
study of remaining, retiring, or returning older workers. *Human Resource 
Development Quarterly*, 11, (1), 61-79.

*Catalyst*, 1-58.
