



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Satisfied Employees Are Worth Their Weight in Gold: What Motivates Generation Y?

Eivis Qenani-Petrela, Janet Schlosser, and Rudy Pompa

The ability to motivate people to perform at high levels has long sparked the interest of many researchers. Numerous studies have shown that effective management and high productivity are organically tied with employee motivation. As motivation is crucial to a successful organization, understanding the nature of individual motivation is fundamental for companies in today's labor market. Although it is a key element to successful management, many companies still do not recognize the link between their workforce motivation and business performance as indicated by the results of a survey by Kronos.com titled "Working in America: What Employees Want." That survey found that only 36 percent of employees interviewed work for companies that implement programs and activities to enhance workforce satisfaction. Results show that more than 80 percent of respondents indicate that they place a high value on these types of programs. The question then arises: Have companies lost interest in the subject of employee motivation in today's climate of global competition, or is a clear knowledge of employee motivators missing?

Literature indicates that motivational factors vary across employees and over time. Some people want monetary rewards, some are motivated by challenging goals, and others value power. The workforce is becoming increasingly diverse, with highly divergent needs and demands. A complex array of individual differences accounts for this wide variety of motivational factors. Factors such as age, cultural heritage, upbringing, and societal values at the time employees enter the workforce all play a crucial role in shaping employee behavior in the workplace (Moorhead and Griffin 2004; Jurkiewicz 2000).

A relevant factor linked to employees' motivation is generational affiliation. This affiliation is said to influence both what an individual wants on the

job and his satisfaction with his level of compensation. Jurkevitz studied work-related differences and similarities among Baby Boomer generation and Generation X employees in the public sector. She found great similarity between Boomers and GenXers but also significant differences on issues of personal growth. Jurkevitz points out that the relationship between age and employee motivation is an issue of increasing importance that is likely to remain so in the future. Quite a lot is known about the Boomer and X generations. However, the Generation Y employees, a new generation arriving in the workplace, is believed to have different expectations and attitudes than the previous generations.

Generation Y—otherwise known as Millennials—an emerging workforce of about 70 million, comprises those born between 1981 and 1999. Many in this generation are still in school, but the oldest are recent college graduates now starting their careers (Howe and Strauss 2000). This age group is moving into the work force during a time of major demographic change, as companies face an increasingly multigenerational workplace.

This study represents an effort in understanding the factors that motivate Generation Y employees to behave in ways compatible with companies' interest—i.e., getting them to work hard and perform at high levels. The study is based on data gathered through a survey of senior students in the Agribusiness Department at Cal Poly San Luis Obispo. From a review of motivational literature, a survey questionnaire was developed. We discuss findings from the survey and compare them with the main need-based motivational theories.

Background on Motivation Literature

Motivation is considered to be that which causes level of effort allocated to, persistence in, and initiation of behavior (Kanfer 1990). More specifically, motivation is the set of forces that causes people to engage in one behavior rather than some alternate behavior. Studies indicate that although job per-

formance depends on three factors—motivation, ability, and environment—and in most settings motivation is the most difficult and complex to manage (Moorhead and Griffin 2004). Literature on individual motivation is prolific and can be grouped in two main frameworks: “need-based” theories and “process-based” theories. The “need-based” theories describe motivation as arising from unsatisfied human desires or needs, attempting to describe the collection of motivational factors in a content perspective. The “process-based” theories focus instead on the behavioral process that takes place when people try to satisfy their needs—i.e., how motivated behavior occurs and how people choose among alternate behaviors (Moorhead and Griffin 2004). For a comprehensive review on motivational studies see Ambrose and Kulik (1999). A short description of the major representatives of “need-based” theories follows, as findings from this study will be compared with the need-based models of motivation.

The best-known need theory, developed by Maslow, postulates a hierarchy of needs consisting of five basic categories of needs: physiological needs (base salary), security needs (stability), belongingness needs (friends in work groups), esteem needs (respect), and, at the top of the pyramid, self-actualization needs (achievement, challenging job). The three first sets of needs are called *deficiency* needs, as they must be satisfied for the individual to be comfortable. The top two are called *growth* needs, as they deal with personal growth and development. According to Maslow, needs at a higher level of the hierarchy will only have an effect on the employee motivation if needs at a lower level are met. If a previously satisfied set of needs becomes deficient again, the individual will return to that level. Literature has revealed several weaknesses in the theory. In real life, needs structures do not always follow Maslow’s model and are more unstable and variable than this theory suggests. However, because the hierarchy of need theory makes a certain amount of intuitive sense, it is still one of the best-known and popular among practicing managers (Moorhead and Griffin 2004).

The two-factor theory, or the dual-structure theory, developed by Herzberg attempts to identify and explain the factors that employees find satisfying or dissatisfying about their jobs. He considered motivation to be a dual-structured phe-

nomenon, with satisfaction and dissatisfaction as two distinct dimensions somewhat independent of each other. The first set of factors, called motivation factors, includes job internal factors (achievement, recognition, responsibility). They are presumed to affect satisfaction and increase motivation. The other set of factors, called hygiene or maintenance factors (pay, job security, employee benefits, working conditions, and relations with supervisors and coworkers), is external to the job and located in the work environment. The absence of the hygiene factors can lead to dissatisfaction and lower motivation. However, even when hygiene factors are present and acceptable, the employee may not be dissatisfied, and neither will he necessarily be motivated to perform at his full potential (Gomez-Mejia, Balkin, and Cardy 2001; Moorhead and Griffin 2004). Herzberg’s distinction between intrinsic and extrinsic factors continues to have considerable intuitive appeal. Individuals consistently express preferences for intrinsic job attributes, and individuals’ preference patterns may eventually contribute to the understanding of employees’ occupational and organizational choices (Ambrose and Kulik 1999).

Results

From a review of motivational literature, a questionnaire was developed to collect data on student’s perception and attitudes toward motivational factors in the workplace of today. Initially, a draft survey was developed and pre-tested in one senior class during the winter quarter of 2006. Discussions with various professors and students completing the survey were used to clarify the questions. Subsequently, a final questionnaire was administered during spring 2006 to senior students in the agribusiness courses at Cal Poly, San Luis Obispo. The survey was administered in all senior-level classes offered during spring quarter; those who had completed the survey in an earlier class were asked not to complete it again. The great majority of participants were seniors with a few exceptions for graduate students enrolled in the participating course. The response rate was approximately 96 percent, yielding 145 useful surveys. The findings reported here represent motivational expectations of these students towards employers and the labor market. Table 1 presents demographics on the survey participants. Slightly

Table 1. Demographics.

Variable	Number	Percentage
Gender		
Female	63	43.45
Male	82	56.55
Age Range		
18–21 years old	47	32.41
22–24 years old	94	64.83
25–26 years old	2	1.38
27 years +	2	1.38
Employed		
Full time	11	7.59
Part time	95	65.52
Not employed	39	26.90
Total	145	100

more than half of respondents are male (57 percent). Seventy-three percent of them participate actively in the labor market, either as part-time or full-time employees. The survey presented a set of motivational factors and asked respondents to rank them in the order of their importance. Table 2 presents results from the ranking of these motivational factors. The most important factors are good wages, interesting work, and possibilities for advancement and growth. The least important factors reported are job security and a feeling of being involved on the job.

As noted above, Maslow’s theory describes motivation as a step-process that evolves through a hierarchy of needs. The primary motivator reported by the respondents—pay—is a basic or physiological need on Maslow’s pyramid. According to Maslow, once a reasonable level of pay is achieved, these basic needs cease to motivate, and security needs become important to the employee. However, results from the survey show that the next most important motivators are interesting work and possibilities for advancement and growth—or the self-fulfillment needs on Maslow’s hierarchy. Security needs are listed at the bottom of the actual hierarchy of needs. These results demonstrate that the actual hierarchy of needs does not conform to Maslow’s model. These findings are similar to the rankings of other studies (Lindner 1998; Harpaz 1990) who also found a mixed order of motivational factors that did not follow Maslow’s model.

When compared to the dual-structure theory of Herzberg, our findings show that respondents identify several motivators on the list of the most important factors (interesting work and possibilities for advancement and growth) as well as a hygiene factor (pay). The general implication from Herzberg’s theory is that management should make every effort to eliminate situations that create dissatisfaction (pay is ranked as number one). So paying good wages will prevent job dissatisfaction among workers. Once that is accomplished, attention should be focused on enhancing motivators that would increase employee motivation. Based on results, providing interesting work and creating possibilities to grow on the job would be appropriate incentives to boost employee motivation. Table 3 and Table 4 show how important various motivators and hygiene factors are to the respondents. Consistent with rankings reported in Table 2, good pay is the most important hygiene factor, indicated by 93 percent of the respondents. Also, 92 percent of the respondents indicate that interesting work is very important, followed by needs for promotion and growth (90 percent). The ranking of pay as the top priority is somewhat surprising and differs from the findings of previous studies (Lindner 1998; Harpaz 1990; Kovach 1987). Generational studies point out to the fact that this young generation is being raised in a climate that emphasizes the importance of high self-esteem. Millennials believe enough in their own

Table 2. Ranking of the Motivational Factors from the Most to the Least Important.

Rank	Factors	#	Frequency		
			%	Male	Female
10	Good wages	38	31	23	15
9	Interesting work	24	19	15	9
8	Opportunities for advancement and development	22	18	16	6
7	Sympathetic help with personal problems	16	13	9	7
6	Tactful discipline	9	7	2	7
5	Personal loyalty to employees	5	4	0	5
4	Appreciation and praise for work done	4	3	4	0
3	Good working conditions	3	2	0	3
2	Job security	2	2	2	0
1	Feeling of being involved	1	1	1	0
Total		124	100	72	52

Table 3. Importance of Wage and Benefits.

Factors	Very important		Important		Not important		Total	
	#	%	#	%	#	%	#	%
Job security	121.00	83.45	23.00	15.86	1	0.69	145	100
Pay	135.00	93.10	10.00	6.89	0	0.00	145	100
Health insurance	123.00	84.83	22.00	15.17	0	0.00	145	100
Retirement benefits	103.00	71.03	41.00	28.28	1	0.69	145	100
Flexible hours	89.00	61.38	53.00	36.55	3	2.07	145	100
Working conditions	110.00	75.86	34.00	23.45	1	0.69	145	100

value and self worth that they are not shy about pursuing it (Howe and Strauss 2000). A possible explanation for the high ranking of pay is the fact that these young workers are coming out of school with considerable debt on their shoulders, mainly as a result of rapidly increasing college costs (Boushey 2005). Interesting to note is very low rating for job security. This result agrees with findings from other research (Howe and Strauss 2000) that Millennials do not expect to stay too long in any one job.

Literature has shown that among those job characteristics important to motivation are the degree of goal clarity, job challenge, and feedback (Perry and Porter 1982). The goal-setting theory developed by Locke considers motivation a goal-directed behav-

ior and suggests that clear, specific, and challenging goals will result in higher levels of employee motivation. Our survey asked participants to indicate the relation between motivational levels and job characteristics. Ninety-two percent of respondents indicate that they are very motivated when working toward goals that are clear and specific. As for the impact that job challenge has on their motivation, 81 percent point out that difficult goals enhance their motivation compared to easy reachable goals (Tables 5 and 6). Also, 54 percent of respondents would like continuous and frequent feedback on their performance, and 98 percent need to be provided with some sort of feedback (Table 6). The above findings conform to Locke's theory. Millen-

Table 4. Importance of Job Characteristics.

Job characteristics	Very important		Important		Not important		Total	
	#	%	#	%	#	%	#	%
Interesting work	133	91.72	11	7.6	1	0.69	145	100
A sense of personal achievement	119	82.1	26	17.93	0	0	145	100
Full appreciation of work done	97	67	48	33.10	0	0	145	100
Responsibility that matches capability	107	74.3	35	24.30	2	1.39	144	100
Promotion and growth	131	90.34	14	9.65	0	0	145	100
Tactful discipline	60	41.37	82	56.55	3	2.07	145	100
Feelings of being in on things	88	61.11	55	38.19	1	0.69	144	100
Sympathetic help with personal problems	41	28.47	97	67.36	6	4.17	144	100
Job location	97	67	46	31.72	2	1.38	145	100
Travel opportunities	64	44.13	74	51.03	7	4.83	145	100

Table 5. Motivated by Specific and Clear Goals.

Are you motivated by clear and specific goals?	Very motivated		Neutral		Not motivated at all		Total	
	#	%	#	%	#	%	#	%
Total	132	91.67	10	6.94	2	1.39	144	100

Table 6. The Impact of Type of Goals, Feedback and Management Style on Motivation.

	Motivated	
	#	%
Goals		
Difficult	117	81.25
Easy	27	18.75
Total	144	100
Type of feedback		
Frequent	78	53.79
Sporadic	64	44.14
Not at all	3	2.07
Total	145	100
Management style		
Authoritative	11	7.59
Consultative	71	48.96
Participative	63	43.45
Total	145	100

nials grew up accustomed to feedback and recognition, and it appears that dimensions such as goal clarity, constant feedback, and job challenge appeal to their personality. The implication from this finding would be for management to attempt to make goals concrete without making them trivial and to provide regular feedback to these employees. The survey inquired about the impact of management style on the motivation of Generation Y employees. Responses show that 92 percent would be motivated if working under a consultative-participative management style (Table 6). Generation Y is much less likely to respond to the traditional authoritative type of management still popular in the workplace. An environment where creativity, independent thinking, and wide participation are the norm is appealing to this generation of young employees.

Conclusions

Motivation is vital to all successful companies. In today's competitive environment, agribusiness managers are striving to motivate their employees to perform at high levels. Understanding the nature of individual motivation requires understanding a complex array of individual differences. Job motivators evolve over time, and those factors that motivate one generation of employees might not be important to another generation. The workplace of today is becoming increasingly multigenerational, and identifying what is important and valued by the new employees is of paramount importance for effective management. Results from this study show that in order to enhance motivation, employers might want to emphasize monetary incentives combined with clear, crisp goals and continuous feedback. Millenials do not expect to stay too long in one job, and they look for interesting jobs with possibilities of growth. These findings should prove helpful and shed light on a very important aspect of human management in the agribusiness industry.

References

- Ambrose, M. L., and C. T. Kulik. 1999. "Old Friends, New Faces: Motivation Research in the 1990s." *Journal of Management* 25(3):231-292.
- Boushey, H. 2005. "Student Debt: Bigger and Bigger." Briefing Paper, Center for Economic and Policy Research. http://www.cepr.net/publications/student_debt_2005_09.pdf.
- Gomez-Mejia, L. R., D. B. Balkin., and R. L. Cardy. 2001. *Managing Human Resources*, Third Edition. Prentice Hall.
- Harpaz, I. 1990. "The Importance of Work Goals: An International Perspective." *Journal of International Business Studies* 21:75-93.
- Herzberg, F., B. Mausner, and B. B. Snyderman. 1959. *The Motivation to Work*. New York: John Wiley and Sons.
- Howe, N. and W. Strauss. 2000. *Millenials Rising: The Next Great Generation*. Vintage.
- Jurkiewicz, C. L. 2000. "Generation X and the Public Employee." *Public Personnel Management* 29(1):55.
- Kanfer, R. 1990. "Motivation Theory and Industrial and Organizational Psychology." In *Handbook of Industrial and Organizational Psychology*, eds. M. Dunnette and L. Hough. Palo Alto, CA: Consulting Psychologists Press. pp. 75-170.
- Kovach, K. A. 1987. "What Motivates Employees? Workers and Supervisors Give Different Answers." *Business Horizons* 30:58-65.
- Kronos.com. No date. "Working in America: What Employees Want." <http://www.kronos.com>.
- Lindner, J.R. 1998. "Understanding Employee Motivation." *Journal of Extension* 36(3). <http://www.joe.org/joe/1998june/ent.html#rb3>.
- Moorhead G. and R. Griffin. 2004. *Organizational Behavior*. Prentice Hall.
- Perry, J. L., and L. W. Porter. 1982. "Factors Affecting the Context for Motivation in Public Organizations." *The Academy of Management Review* 7(1).