GENERATION Y VS. BABY BOOMERS: HOW WORKPLACE COMMITMENT LEVELS AFFECT RECRUITMENT AND RETENTION OF GENERATION Y WITHIN CORPORATE AMERICA

by

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Abstract

For the first time in history, there are four generations in the workplace: Traditionalists, Baby Boomers, Generation X, and Generation Y. This study focuses specifically on the two biggest generations in history, Generation Y and the Baby Boomers. Due to the large size of Generation Y, this generation will have the power to change the workforce. Organizations struggle to attract and retain Generation Y employees. The study surveyed Generation Y and Baby Boomers currently employed in corporate America to determine their current level of workplace commitment. The purpose of the study was to understand the workplace commitment levels of Generation Y and Baby Boomers within corporate America. By understanding the differences in the levels of workplace commitment, organizations will be able to develop ways to increase workplace commitment and reduce employee turnover.

The study answers the following research question: Is there a difference between the level of organizational commitment in Generation Y and Baby Boomers in corporate America? It attempts to figure out why some employees remain loyal but others will quickly leave one organization for another. To measure the effect and difference in the levels of organizational commitment, the Three-Component Model developed by Meyer and Allen (1991) will be used in this study to determine the difference in the level of organizational commitment between Generation Y and Baby Boomers. The study concludes with the findings from the survey and the suggestions for organizations to attract and retain Generation Y employees.
Dedication

This is dedicated to my husband who has always stood by me, put up with me, and encouraged me throughout all my educational endeavors. To my stepson who always asked me “what page are you on now?” To my parents who read my countless drafts, listened to my rants, and supported me. To my Great Aunt Bernice who has always believed in me and followed my progress throughout this Ph.D. journey. To my beloved Jurnee and her unconditional love that will always remain with me.
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CHAPTER 1. INTRODUCTION

Introduction to the Problem

For the first time in history, there are four generations in the workplace: Traditionalists, Baby Boomers, Generation X, and Generation Y. Stevenson (2008) noted that there is a generational storm brewing because each generation has struggled to collaborate with another in the new multigenerational workforce. As a result of workplace conflict, generations have often felt in collision with one another and are divided (Bartley, Ladd, & Morris, 2007). A shift occurred when Generation Y entered the workforce at a time when Baby Boomers were just beginning to retire. As Generation Y entered the corporate world, corporate America was caught off guard by the conflict between Generation Y and Baby Boomers (Robert Half International, 2008a). Due to the large size of Generation Y, this generation will have the power to change the workforce. Organizations will eventually have to succumb to corporate culture changes that are inclusive to Generation Y. This study builds upon existing generational research focused on Generation Y and Baby Boomers to determine their workplace commitment levels. The goal of this study was to compare the workplace commitment levels of Generation Y to the Baby Boomers.

Background of the Study

Strauss and Howe (1991) researched generations from the year 1584 to future generations in the year 2069, and developed a historically backed generational theory that begins with underprotection where parents, driven by the desire to overcompensate for the flaws they remember from their own childhood,
demonstrate increasing nurture over the next generation. The subsequent
generation then overprotects its children and this finds the next generation of
parents engaged in a period of decreasing nurture. (p. 42)

Strauss and Howe (1991) determined that generations are shaped and determined by the
interaction, or lack of parental interaction, and also major social movements that occur
during the generational period. The authors determined the impact of each generation
spans over four centuries. Orrell (2008) found that Generation Y does not like to be
labeled and has not fully accepted the term Generation Y. In contrast, the Baby Boomers
have fully accepted and embraced their generational label. The generational cycle theory
concludes that each generation will eventually repeat itself. Therefore, each generation
may have more in common with one another than they realize.

Robert Half International (2008a) discovered that several social movements
shaped Generation Y and stated “Economic uncertainty, war and growing concerns about
global warming have served as a backdrop through most of their adult lives” (p. 2).
Generation Y grew up with over-involved parents who created children that were told
they could be anything they wanted to be. Unfortunately, upon entering corporate
America, Generation Y quickly found that the workplace was not all they were led to
believe it would be (Fields, Wilder, Bunch, & Newbold, 2008).

Generation Y views working long hours as not working effectively and
efficiently; instead, they choose to multitask to get their jobs done quickly (Gilburg,
2007). Auby (2008) warns employers to “Accept the inevitable. By the time this
generation is fully in the workforce, the standard work week will likely be replaced by a
new set of rules based on productivity not hours at their desk” (p. 63). Robert Half
International (2008a) found in their study that 73% of Generation Y surveyed preferred managers that allow the freedom to complete their job through flexibility and not necessarily on a 9 to 5 schedule. Additionally, they found that 50% of Generation Y surveyed also valued education over experience and felt they have paid their dues by obtaining a college degree. Baby Boomers are unhappy with Generation Y’s unwillingness to pay their dues in the form of years of experience on the job, and often assume that Generation Y is lazy or unwilling to work hard. The collide and divide between Generation Y and the Baby Boomers has created a challenge for Human Resources (HR) to recruit and retain Generation Y employees, as they feel they do not fit into the current workplace paradigm (Robert Half International).

Statement of the Problem

Generation Y is the newest generation to enter the workforce, and as the Baby Boomers retire, the need for Generation Y employees will increase. Organizations struggle to attract and retain Generation Y employees as they are unaware or unwilling to change or adapt to Generation Y’s unique wants, needs, and desires from the workplace. Since Generation Y is quick to change jobs, turnover is incredibly high. It has been estimated the turnover is a billion dollar a year problem and is not something that organizations can afford to overlook (Kleiman, 2004). This study surveyed Generation Y and Baby Boomers currently employed in corporate America. The study was conducted to determine the workers’ current level of workplace commitment. The results of the study were analyzed to develop ways to increase workplace commitment and help organizations recognize that their corporate culture needs to be inclusive of Generation Y members.
Purpose of the Study

The purpose of the study was to understand the workplace commitment levels of Generation Y in comparison to the Baby Boomers who work in corporate America. By understanding the differences in the levels of workplace commitment, organizations will be able to develop ways to increase workplace commitment and reduce employee turnover. The study focused on the level of organizational commitment each generation has to its organization. This generation is critical to the future success of all organizations, mostly due to the fact that the Baby Boomer generation has begun retiring from the workforce.

Rationale

Generational conflict is not a new topic, but many studies have focused on all four generations currently in the workforce. This study focused specifically on the two largest generations in history: Generation Y and the Baby Boomers. Currently these two generations are presenting the most conflict between one another. If these two generations can relate to one another and work effectively with each other, turnover will be reduced while, at the same time, workplace commitment levels will increase (Pekala, 2001). This study is important as there is a lack of research focused specifically on Generation Y and the Baby Boomers and their workplace commitment levels. This study adds to the existing body of literature on generational conflict and ways to mitigate it within the workforce. In addition, organizations and managers will benefit from this study because it provides them an understanding of generational conflict and its affect upon the workplace. Moreover, the goal of this study is to present solutions to
organizations and managers that will help to increase Generation Y workplace commitment levels and therefore reduce employee turnover.

Research Question and Hypotheses

The study will answer the following research question:

Is there a difference between the level of organizational commitment in Generation Y and Baby Boomers in corporate America? From the above research question, the independent variables are Generation Y and Baby Boomers; the dependent variable is organizational commitment. The sub-dependent variables are affective, continuance, and normative commitment. The following three null hypotheses were generated and will be tested using the Organizational Commitment Scale, developed by Meyer and Allen (1991).

Ho1: There is no difference in affective commitment between Generation Y and Baby Boomers.

Ha1: There is a difference in affective commitment between Generation Y and Baby Boomers.

Ho2: There is no difference in continuance commitment between Generation Y and Baby Boomers.

Ha2: There is a difference in continuance commitment between Generation Y and Baby Boomers.

Ho3: There is no difference in normative commitment between Generation Y and Baby Boomers.

Ha3: There is a difference in normative commitment between Generation Y and Baby Boomers.
Significance of the Study

There are currently four generations in the workforce: Traditionalists, Baby Boomers, Generation X, and Generation Y. Generation Y and Baby Boomers are the two largest generations in history, and they are in the workplace at the same time. Generation Y began entering the workforce about a decade ago, and still has members that have not yet entered the workforce. As Generation Y entered corporate America, HR began reporting an increase in generational conflict (Jeffries & Hunte, 2003). The conflict is primarily between the Baby Boomers and Generation Y, but many studies focus on all four generations when comparing and contrasting them. This study focused on Generation Y and Baby Boomers, as Generation Y will dominate the workforce when Baby Boomers retire. If conflict is not mitigated, the workplace will become difficult for both generations to interact and may result in high turnover. Generation Y is quick to leave a job and move to another company, which is extremely costly to organizations. Generation Y has a different set of expectations from their employers. When their workplace expectations are not met, they will move to another company that they hope will fulfill them. Patalano (2008) found that "A high level of organizational commitment is shown to produce a positive impact on turnover, absenteeism and job performance" (p. 14). If methods are put in place to increase organizational commitment in Generation Y employees, this will reduce turnover and increase job performance.

This study has the potential to make significant contributions to the emerging topic of Generation Y in the workforce. The study surveyed Generation Y and Baby Boomers employed in corporate America and measured their workplace commitment levels. Through this study, information, solutions, and suggestions will be developed that
can highlight changes that corporations need to implement. There may be significant changes proposed that can have potential impact on the workforce and can help organizations and managers shift into a new workplace paradigm.

Definition of Terms

Many researchers and authors disagree on exactly when each generation starts and ends. Therefore, for the purposes of this study, the dates for each generation were aligned with the generational theory developed by Strauss and Howe (1991):

- **Traditionalist.** Those who were born between 1925 and 1945.
- **Baby Boomers.** Those who were born between 1946 and 1964.
- **Generation X.** Those who were born between 1965 and 1980.
- **Generation Y.** Those who were born between 1981 and 2000.
- **Corporate America.** Large corporations within the United States of America.
- **Turnover.** Employees who leave the company.
- **Recruitment.** Program for attracting new employees to work for the organization.
- **Retention.** Enticement of employees to stay with the same company.
- **Organizational Commitment.** The commitment, or lack thereof, an employee has to the organization they work for. Allen and Meyer (1990) explain:

  The *affective* component of organizational commitment, proposed by the model, refers to employees' emotional attachment to, identification with, and involvement in, the organization. The *continuance* component refers to commitment based on the costs that employees associate with leaving the organization. Finally, the *normative* component refers to employees' feelings of obligation to remain with the organization. (p. 1)
Assumptions and Limitations

In the study, the following assumptions were made:

1. It is assumed that participants responded voluntarily and honestly.
2. Those who were surveyed were born between 1946 and 1964, and 1981 and 2000.
3. Those who participated in the survey have a generalizable representation of their generational group.
4. Those who participated currently work for a large corporation within the United States of America.

In this study, the following limitations were inherent. First, the researcher collected surveys from 100 members of both the Generation Y and Baby Boomer generations. This may not be entirely representative of each generation as a whole. Since the survey was entirely anonymous, it was difficult to determine the degree of uniqueness of the respondents in geographic regions, type of organization, ethnicity, and employment background. Finally, due to the quantitative nature of the study, respondents could have picked the same numbers on the Likert scale; however, the survey scale was designed to prevent responses using the same numbers by utilizing a reverse scale on some of the questions.

Conceptual Framework

The study focused on the Baby Boomer and Generation Y generations. Baby Boomers are those individuals who were born between 1946 and 1964, and Generation Y members are those who were born between 1981 and 2000. Generation Y is a generational group that has taken the workforce by surprise with their unique demands