

**Generational Differences in Work Values, Work-Related Outcomes  
and Person-Organisation Values Fit**

A thesis presented in fulfilment of the requirements for the degree of

Master of Arts

in

Psychology

at Massey University, Albany, New Zealand.

**LUCY K. CENNAMO**

**2005**

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

## ACKNOWLEDGEMENTS

First and foremost I would like to thank my supervisor, Dr Dianne Gardner, for her continuous help and invaluable feedback through this process. Her support and willingness to respond so readily to requests for advice – irrespective of her own hectic schedule – were greatly appreciated.

I would also like to thank my workplace, QED Services Limited, for their help and patience. The flexibility and ongoing support provided made this year much more manageable and enjoyable.

Thanks also go to Dr Richard Fletcher, Dr Stuart Carr and Dr Steve Atkins in the Psychology Department for always being helpful and keen to provide additional advice when needed. I am also grateful to Martin Adams and Rita Barnes for their good suggestions and guidance. Also, a big thanks goes to Tamara Packman for proofreading.

I would also like to acknowledge the organisations that provided me with access to staff and were so enthusiastic about this project from the outset. Without them this study would not have been possible. I am also thankful for the cooperation of the respondents who selflessly took the time to participate in the research.

Finally, I would like to thank my family and friends for being so encouraging and understanding, and also humouring me through this process. In particular, I acknowledge my late grandfather who believed that I could go this far and made every effort to get me here.

## TABLE OF CONTENTS

<b>Abstract</b> .....	<b>i</b>
<b>1.0 INTRODUCTION</b> .....	<b>1</b>
1.1 Why Study Generational Differences in New Zealand?.....	4
1.2 Values .....	7
1.2.1 Definitions .....	7
1.3 Work Values .....	8
1.3.1 Definitions .....	8
1.3.2 Structure and Measurement of Work Values.....	9
1.3.3 Relevance of Values to the Study of Work .....	12
1.4 Generations .....	14
1.4.1 Definitions and Theoretical Background.....	14
1.4.2 The Development of Values in Generational Groups.....	16
1.4.3 Defining Generational Boundaries .....	19
1.5 Generations and Work Values .....	23
1.5.1 Matures: Born 1925-1945.....	23
1.5.2 Baby Boomers: Born 1946-1961 .....	25
1.5.3 Generation X: Born 1962-1979 .....	28
1.5.4 Baby Boom Echo: Born 1980-2000 .....	31
1.5.5 Summary of the Research Findings into Generational and Age-Related Work Values .....	34
1.6 Generations and Work-Related Outcomes .....	35
1.6.1 Definitions .....	35
1.6.2 Age and Job Satisfaction .....	37
1.6.3 Age and Affective Organisational Commitment .....	38
1.6.4 Age and Intention to Leave.....	39
1.7 Work Values, Generations, Work-Related Outcomes and Person-Organisation Values Fit .....	40
1.7.1 Definitions and Measurement of P-O Values Fit .....	40
1.7.2 The Process of P-O Values Fit.....	42
1.7.3 Generations and P-O Values Fit .....	43
1.7.4 Building the Model of P-O Values Fit.....	45
1.7.5 Age as a Moderator of P-O Values Fit .....	51

<b>2.0 METHOD</b> .....	<b>53</b>
2.1 Selection of the Scales .....	53
2.1.1 Work Values .....	53
2.1.2 Person-Organisation Values Fit.....	57
2.1.3 Work-Related Outcomes .....	58
2.1.4 Demographics .....	61
2.2 Procedure .....	61
2.2.1 Development of Web-Based and Pencil and Paper Versions of the Questionnaire ....	61
2.2.2 Data Collection .....	62
2.3 Data Analysis.....	64
2.3.1 Data Screening.....	65
2.3.2 Representativeness of the Study Sample .....	66
2.3.3 Preliminary Analyses.....	66
2.3.4 Bivariate Analyses .....	69
2.3.5 Multivariate Analyses.....	69
2.3.6 Structural Equation Modelling .....	70
2.3.7 Model Testing for Invariance across Age.....	71
<b>3.0 RESULTS</b> .....	<b>72</b>
3.1 Sample Characteristics.....	72
3.1.2 Representativeness of the Study Sample .....	75
3.2 Preliminary Analyses.....	76
3.2.1 Generational Work Values Scale-Individual .....	76
3.2.2 Generational Work Values Scale-Organisational.....	77
3.2.3 Person-Organisation Values Fit.....	77
3.2.4 Work-Related Outcomes .....	78
3.3 Bivariate Correlations.....	82
3.4. Hypothesis Testing .....	86
3.4.1 Generational Differences in Work Values.....	86
3.4.2 Generational Differences in Work-Related Outcomes .....	89
3.4.3 Generational Differences in P-O Values Fit.....	90
3.5 Structural Equation Modelling .....	92
3.5.1 Significance of Regression Weights.....	93
3.5.2 Fit Statistics for Model 1 and Model 2 .....	95

3.5.3 Summary of the Relationships between Variables in the Proposed Model .....	95
3.6 Model Testing for Invariance across Age .....	96
3.6.1. Summary of Invariance Testing Across Age .....	98
<b>4.0 DISCUSSION .....</b>	<b>99</b>
4.1 The Present Research .....	99
4.2 Research Findings .....	100
4.2.1 Generational Differences in Work Values .....	100
4.2.2 Generational Differences in Work-Related Outcomes .....	106
4.2.3 Generational Differences in P-O Values Fit .....	109
4.2.4 Modelling Overall P-O Values Fit and Work-Related Outcomes .....	111
4.2.5 Age as a Moderator of P-O Values Fit.....	113
4.3 Limitations of the Study and Directions for Future Research .....	114
4.4 Practical Implications.....	117
4.5 Concluding Comments.....	120
<b>5.0 REFERENCES.....</b>	<b>121</b>

## LIST OF APPENDICES

APPENDIX A: Date boundaries and names used to describe generations in previous studies.....	151
APPENDIX B: Research questionnaire for the present study.....	153
APPENDIX C: Work values scales reviewed for Lyons's (2004) 'Work Values Scale'..	163
APPENDIX D: Hypothesised factor structure and associated work value items for the 'Generational Work Values Scale' (2005).....	165
APPENDIX E: An example from a section of the web-based version of the questionnaire.....	167
APPENDIX F: Consent form for organisations to be involved in the present research.....	169
APPENDIX G: Additional information about online data collection.....	171
APPENDIX H: Email introduction for web-based data collection.....	173
APPENDIX I: Questionnaire advertisement wall-poster.....	175
APPENDIX J: Participant information sheet (web-based version).....	177
APPENDIX K: Participant information sheet (pencil and paper-based version).....	180
APPENDIX L: Discussion of the purposes and advantages of structural equation modelling.....	183

## LIST OF TABLES

Table 1: Classification of generational groups used in the present study (Lyons, 2004).....	22
Table 2: Sample demographic characteristics .....	74
Table 3: Comparison of gender and age characteristics between the current sample and data from Statistics New Zealand (2001, 2005) .....	75
Table 4: Descriptive statistics for the study variables .....	81
Table 5: Correlation matrix showing the relationships between study variables .....	84
Table 6: Means and standard deviations of individual work values scores for the generational groups .....	87
Table 7: Mean differences between generational groups on outcome variables .....	90
Table 8: Mean differences between generational groups according to P-O values fit .....	91
Table 9: Critical ratio (C.R.) values (parameter estimates divided by standard error) of the regression paths in Model 1 .....	93
Table 10: Critical ratio (C.R.) values (parameter estimates divided by standard error) of the regression paths in Model 1 when specified with non-significant regression path removed .....	94
Table 11: Fit indices for Model 1 and Model 2. P-O values Fit and outcomes (job satisfaction, affective organisational commitment and intention to leave).....	95
Table 12: Chi-Square statistics for tests of invariance across older and younger groups .....	97
Table 13: Goodness-of-fit statistics for the baseline and comparative models .....	98
Table C-1: Work values scales reviewed for Lyons's (2004) 'Work Values Scale' .....	164
Table D-1: Hypothesised factor structure for the 'Generational Work Values Scale' (2005)...	166

## LIST OF FIGURES

Figure 1: Process of P-O values fit adapted from the Theory of Work Adjustment (Dawis & Lofquist, 1984) .....	43
Figure 2: The interplay between individual and organisational values (Miller & Yu, 2003) .....	44
Figure 3: The hypothesised relationship between P-O values fit and job satisfaction .....	45
Figure 4: The hypothesised relationship between P-O values fit and affective organisational commitment .....	46
Figure 5: The hypothesised relationship between P-O values fit and intention to leave.....	47
Figure 6: The hypothesised relationship between job satisfaction and affective organisational commitment. ....	48
Figure 7: The hypothesised relationship between job satisfaction, affective organisational commitment, and intention to leave.....	49
Figure 8: The hypothesised mediated relationship between overall P-O values fit, job satisfaction, affective organisational commitment and intention to leave.....	50
Figure 9: Model 1. The hypothesised relationships between P-O values fit, job satisfaction, affective organisational commitment and intention to leave .....	51
Figure 10: Model 1. Overall P-O values fit and work-related outcomes (latent variables only) .	92
Figure 11: Model 2. SEM results of the P-O values fit and work-related outcomes model.....	94
Figure 12: Model 3. The model tested for invariance across age groups (latent variables only).	97