

The Impact of Generational Differences on Employee Job Performance: A Study of Sales and Non-Sales Employees in the Insurance Industry in Sri Lanka

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1. Introduction

Competitive business world makes it more significant that the human factor of any organization to its context. With the emerging trends of human resource management, it is vital to make perfect implications about different aspects of human resources who represent the labor force in any country. Workforce has considerable differences as they inherited by their generational cohorts. Baby boomers, Generation X, Generation Y are the pertaining generations in the current business world as identified by numerous studies. However, most recent studies on generations clearly mentioned that Generation Z is also entering to the workforce now.

The diversifications of generations have a significant impact on organizational aspects in certain ways. Strauss and Howe (as cited in Fathi 2017, p. 15) labeled generation as “an aggregate of all people born over roughly the span of a phase of life who share a common location in history and, hence, a common collective persona”. Differences among generations include communication styles, expectations, work styles, value and norms, attitudes about work and life, comfort with technology, views regarding loyalty and authority, and acceptance of change (Haeberle et al. 2009, p. 64). As people differ from their generational specificities that may significantly impact to the organizational characteristics. Haeberle (cited in Kapoor & Solomon 2011, p. 308) found that “Generational differences impact on technology needs, professional development preferences, workplace expectations, compensation and benefits needs, desired leadership styles and the effectiveness of reward and recognition systems”.

With the implications of literature, the impact of generational differences on employee job performance is dominated as a pioneer area to investigate as the job performance plays a vital role in organizational success. As mentioned by Smith & Nichols (2015, p. 39) misunderstanding of generational differences may be a cause to make a detrimental effect on employee performance at work. As per Hellriegel, Jackson & Slocum (as cited in Pradhan & Jena 2016, p. 2), job performance means “individual’s work achievement after exerting required effort on the job which is associated through getting a meaningful work, engaged profile, and compassionate colleagues/ employers around”. Jena and Pradhan (2016, p. 16) emphasized that there are three performance components as task, adaptive and contextual. As per Conway “Task performance requires more cognitive ability and is primarily facilitated through task knowledge, task skill and task habits” (cited in Pradhan & Jena 2016, p. 19). Adaptive performance includes employees’ adaptation in their attitude and behavior to certain job requirements in order to enhance the perfection of assigned tasks. As mentioned by Bateman and Organ, contextual performance means to “voluntary actions of employees that benefit employers intangibly” (cited in Pradhan & Jena 2016, p. 26).

Fathi et al. (2017, p. 26) identified that generational differences may influence each cohort’s level of engagement and performance outcomes. In addition to that, Hernaus and Vokic (2014, p. 618) found that organizations’ potentiality to enhance the job performance level of employees can be increased through the consideration of differences in personal values and work preferences of various generational cohorts.

Accordingly, this study attempts to investigate the impact of generational differences on employee job performance in the insurance industry in Sri Lanka.

2. Problem of the Study

Workforce in the current context represents different generational cohorts as they born certain period of time. Differences of generations make an impact on job performance of employees as they differ in several aspects when compared with their different characteristics. This research study is carried out with the purpose of collecting evidences to examine whether there is an impact of generational diversifications on job performance within the context of work.

Jena & Pradhan (2016, p.14) stated that generations have differences in their preferences which are significantly affecting on performance at work. Ranaweera & Dharmasiri (2016, p. 40) emphasized that the need for make an understanding on current generations and their differences on which create issues on job performance at workplace. Hernaus & Vokic (2014, p. 615) stated that organizations in the current business world strive to find out adequate human resource policies to maximize worker performance as they are facing more diverse set of workers who belong to different generations.

There is a gradual trend of examining the impact of those differences in terms of work characteristics on worker performance within the worldwide context of business. However, it is in less amount that Sri Lankan context investigate about the subject area as a critical determination in business context. Hence, this lack may be a cause to make an attempt in investigating the area of generational differences and job performance. Moreover, as a key success factor in Sri Lankan economy, insurance services play a vital role in the development process of the country and it is required to enhance the productivity of the industry through performance of its employees. Performance of insurance employees may affect from generational characteristics as well. Therefore, the research problem addressed under this study is to investigate how generational differences influence on employee job performance in the insurance industry in Sri Lanka.

3. Literature Review and Hypotheses Development

According to the identification of the researcher, “generational differences” is the independent variable and the dependent variable of the study is “job performance”. Generational differences of baby boomers, generation X and generation Y are considered under this study. On the other hand, job performance represents task performance, adaptive performance and contextual performance. As per the identifications, generational differences have an impact of job performance in different ways and as such different results could be associated with generational differences and its impact on job performance. As previously explained by the studies, generations are differed in their task performance as they shaped differently by the events they associated with. Hence, the first hypothesis can be developed as:

H₁ - Generational differences have an impact on task performance of employees in the insurance industry in Sri Lanka

People in different generations may possess physical and psychological capabilities in different degrees which may significantly require to perform adaptive performance. Hence, second hypothesis can be developed as:

H₂ - Generational differences have an impact on adaptive performance of employees in the insurance industry in Sri Lanka

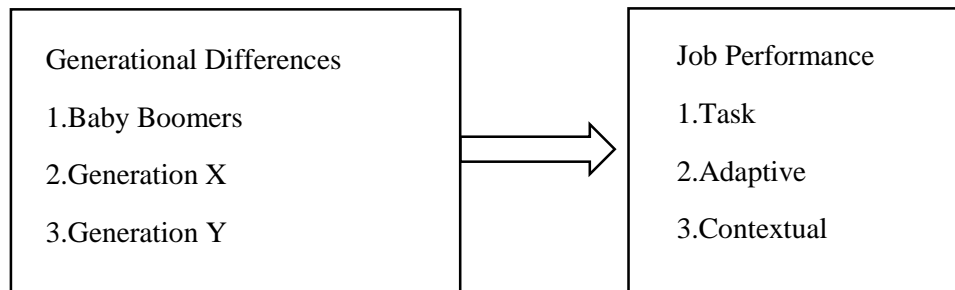
Work preferences and individual characteristics are differed among generations and that may influence to make changing impact on contextual performance. Past studies argued that generational cohorts represent differed effect on non-job components of performance. Hence, third hypothesis can be developed as:

H₃ - Generational differences have an impact on contextual performance of employees in the insurance industry in Sri Lanka

Relevant schematic diagram is shown in figure 1. Generational differences have been labeled as independent variable and job performance of employees is labeled as the dependent variable.

4. Research Framework

Figure 1: Schematic Diagram of the Research Framework



5. Method

Study Design

The objective of this research is to investigate and obtain an understanding about how generational differences impact on job performance of the employees in insurance industry in Sri Lanka. As very few number of studies have been done on the concept of generational differences and job performance, there is no adequate information in the context of Sri Lanka. Therefore, experimental investigation has been used as the type of the study. This is a field study which is coming under the category of natural research setting. Non-contrived setting has been used where events normally occur in the natural environment and which is also facilitated for non-controlling the variables. The study examines the impact of generational differences on employee job performance. This study took over one month of time for data collection. The data were gathered within a particular period of time. Hence, this study can be identified as a cross-sectional in nature of time of the study. The unit of analysis has been done as individual by using sales and non- sales employees in the insurance industry in Sri Lanka as individual data source.

The population of the study is approximately 15,000 employees who are working as sales and non-sales employees in the insurance industry in Sri Lanka. However, due to the time limitation and nature of the effort have to put on the study, 1500 employees from two accessible companies are taken as the accessible population of the research study. Convenience sampling is the method of sampling that refers to the collection of information to the study from people of the population who are conveniently available to provide it (Sekaran 1992, p. 276). The study used convenience sampling as it supposes to gather data from people who are conveniently accessible in the insurance industry. 100 employees are considered as the sample of the study according to the accessibility and convenience. Questionnaires are used as the data collection method because of its ability to collect effective data when the researcher knows well what is needed and how to measure the variables of the study.

Measures

The variables in the research model: generational differences and job performance were measured through a questionnaire in which generational differences are measured by only using the age/ year of birth factor of demographic characteristics. And job performance which includes three sub dimensions as task, adaptive and contextual performance is measured by using four point scales, which were completed by respondents of the sample of research study.

Each variable in the research study was analyzed by using Descriptive statistical method. Firstly, the demographic characteristics of the respondents were analyzed using frequency distributions. The

frequency plots for each and every item was expressed in percentage and presented in table and diagrams such as pie chart.

In order to determine the impact of generational differences on job performance, hypotheses were developed and hypotheses were tested by using One-way ANOVA test and Post Hoc test. One-way ANOVA Test is a statistical test which involves in making comparisons between group means considering only one independent variable. Post Hoc test is the way in which can be determined as a powerful test to produce multiple comparisons among group means.

Reliability and Validity

The inter item consistency reliability was examined by using Cronbach's Alpha test. Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another (Sekaran 1992, p. 323). It can be measured by using average intercorrelations among the items which are measuring the concept.

The results of Cronbach's alpha test are given in the table 5.1 which suggests the internal reliability of each instrument is satisfactory.

Table 1: Internal Reliability Statistics

No	Instrument	Cronbach's Alpha
1	Task performance	.929
2	Adaptive performance	.957
3	Contextual performance	.957

The content validity of the instruments was ensured by the conceptualization and operationalization of the variables on the literature and indirectly by the high internal consistency reliability of the instruments as denoted by alphas.

The construct validity of the variables of the study was ensured by the fact that the correlation and regression analysis support the hypotheses formulated linking the relationship between the independent variable and the dependent variable.

Techniques of Data Analysis

Data collected from primary source were analyzed using the computer based statistical data analysis package, SPSS (version 23.0) for validity, reliability and hypothesis testing. The data analysis included univariate analysis and bivariate analysis. Univariate analysis uses descriptive statistical method, mainly considering skewness and the kurtosis of the distribution. The frequency distribution was made for demographic characteristics of the respondents and individually for both independent and dependent variables, generational differences and job performance. One-way ANOVA test and Post Hoc test were used under the bivariate analysis in order to conduct the hypothesis testing.

6. Data Analysis

Results

To investigate the impact of generational differences on employee job performance in the insurance industry in Sri Lanka, univariate analysis was used. The year of birth/age, job performance, task performance, adaptive performance and contextual performance are approximately normally distributed. The mean value of year of birth is 2.20. And the mean value of job performance is 2.6778. Moreover, the mean values of task, adaptive and contextual performance are 2.5231, 2.7775 and 2.7538 respectively.

According to table 3, One-way ANOVA test is depicted that different generations Impact on job performance in different ways. As per the mean comparison of ANOVA test, task performance has the highest mean value from Baby Boomers which shows 3.4071 and Generation X and Generation Y

represent a low level of mean value when compared to the Baby Boomers. Adaptive performance has the highest mean value from Generation Y which shows 3.6847 and the rest of values are represented as below to the level of Generation Y. The highest mean value of contextual performance (3.6504) is presented from the category of Generation X and the values of Baby Boomers and Generation Y are lower when compared to the mean value of Generation X.

Table 3. Mean values of generations and job performance

Mean Values Generation	Task Performance Mean Values	Adaptive Performance Mean Values	Contextual Performance Mean Values
Baby Boomers	3.4071	1.8958	2.2813
Generation X	2.3077	2.1914	3.6504
Generation Y	2.1976	3.6847	2.3594

Post Hoc test provides additional exploration of the predetermined differences among means is required to provide further clarification on which means are significantly differed from one another. Following table 4 depicts the results of Post Hoc test.

Table 4: Results of Post Hoc test

Group Comparison		Task performance		Adaptive performance		Contextual Performance
(I) Born_year_of_ respondents	(J) Born_year_of_ respondents	Mean Difference (I-J)	Sig.	Mean Difference (I-J)	Sig.	Mean Difference (I-J)
1946-1964 (Baby Boomers)	1965-1980 (Generation X)	1.09*	.000	-.29*	.000	-1.36914*
	1981-2000 (Generation Y)	1.20*	.000	-1.78*	.000	-.07813
1965-1980 (Generation X)	1946-1964 (Baby Boomers)	-1.09*	.000	.29*	.000	1.36914*
	1981-2000 (Generation Y)	.11*	.004	-1.49*	.000	1.29102*
1981-2000 (Generation Y)	1946-1964 (Baby Boomers)	-1.20950*	.000	1.78*	.000	.07813
	1965-1980 (Generation X)	-.11014*	.004	1.49*	.000	-1.29102*

As shown in the table 4, as per the results of Post Hoc test difference between generational groups based on the impact on task, adaptive and contextual performance is highly significant. It indicates that there is an impact of generational differences on task, adaptive and contextual performance.

7. Discussion and Conclusion

This study was designed to examine the impact of generational differences on employee job performance. Three generations were identified as Baby Boomers, Generation X and Generation Y within the insurance industry in Sri Lanka. The study is mainly focused on the impact of generational differences on task, adaptive and contextual performance of employees. The hypotheses are addressing the impact of generational differences on task, adaptive and contextual performance which were tested by One-way ANOVA test and Post Hoc test. As per the results, it was found that, the job performance of employees in the insurance industry is impacted by generational differences of employees as they belong to different generations. Job performance of sales and non-sales employees in the insurance industry was in a good level. And generations depict some considerable differences among them as they represent different generational categories. The impact of generational differences can be viewed as significantly on job performance of employees.

The problem of the research study was that how generational differences influence on employee job performance in the insurance industry in Sri Lanka. Based on the theoretical information relating to generations and employee job performance, conceptual framework is developed to test the impact of generational differences on task, adaptive and contextual performance of employees. According to the findings of the study, it is substantiated that there is an impact of generational differences on employee job performance in the insurance industry in Sri Lanka.

In order to improve the job performance of employees in the industry, the programs and procedures relating to the enhancement of task, adaptive and contextual performance need to be implemented. Skill development, concerning multi-dimensional aspects of job performance of each generation, knowledge-based initiatives and globally minded performance expectations need to be developed in accordance with the current requirements of employees who represent different generational categories.

The findings based on survey data gathered only from insurance industry in Sri Lanka. Therefore, it means that the study limits to one industry and it needs to be carried out a study by concerning collection of industries in order of getting clear insight to the area of generational differences and employee job performance by future studies. Researcher also believes that the generational differences need to be accounted by including the differences of generation Z who are the future workforce and still in the out of margin of workforce. That will provide a better identification of generational differences on job performance in future.

Future research studies are suggested to carry out with the purpose of finding the effects of generational differences in terms of other work characteristics on job performance of employees which may be a contributor for the future organizational context successfully.

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