THE RELATIONSHIP BETWEEN MALAYSIAN SMES HUMAN RESOURCE PRACTICES AND GENERATION Y'S JOB MOTIVATION

BY

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ABSTRACT

The contemporary way of living and the economic effects has had its consequence on the way business activities today handle the motivation of employees. Hence, organizations need to determine the best way to motivate their employees.This study was conducted to examine the HR Antecedents that influence Gen Ys' job motivation in Malaysian SMEs. Quantitative approach with self-administered questionnaire method has been employed for data collection of this study. A total number of 125 respondents based on Convenience sampling was participated in this research.The response rate is 78%. The frequency, mean and standard deviation is computed to measure the average and the variations of the results to determine the differences. A Pearson correlation test is carried out for the HR antecedents and the level of motivation of the respondents to see if there is a significant relationship between the two. Overall, this study found that Gen Ys' in Malaysian SMEs regard Retaining practices, Training and Development initiatives and Rewards and Recognition as influential HR factors for their job motivation. There appears to be a big gap between the expectations of the Gen Ys' and the HR antecedents inherent in Malaysian SMEs today. Based on the findings of this study, further research is needed to determine SMEs HR practices which effectively motivate Gen Ys'. These studies recommend to modify HR practices so that SMEs can produce a highly motivated workforce and achieve enhanced organization performance through the strategic management of their Gen Y employees.

Keywords : Human Resource Practices, Generation Y, Motivation, Small and Medium Enterprises (SMEs).

ABSTRAK

Cara kehidupan kontemporari dan kesan ekonomi menganggu perjalanan aktiviti perniagaan hari ini dalam pengendalian motivasi pekerja. Oleh itu, organisasi perlu menentukan cara terbaik untuk memberi motivasi kepada kakitangan mereka dan kajian telah dijalankan untuk mengkaji faktor sumber manusia yang mempengaruhi motivasi pekerja Gen Y 'dalam perusahaan kecil dan sederhana (PKS) Malaysia. Pendekatan kuantitatif dengan kaedah soal selidik yang ditadbir sendiri telah digunakan untuk pengumpulan data kajian ini. Seramai 125 responden berdasarkan pensampelan mudah telah mengambil bahagian dalam kajian ini. Kadar tindak balas adalah 78%. Frekuensi, min dan sisihan piawai dikira untuk mengukur purata dan variasi keputusan untuk menentukan perbezaan. Ujian korelasi Pearson dijalankan untuk amalan Sumber Manusia dan tahap motivasi daripada responden untuk melihat sama ada terdapat hubungan yang signifikasi antara kedua-duanya. Secara keseluruhannya, kajian ini mendapati bahawa Gen Y 'dalam PKS Malaysia mendapati amalan Sumber Manusia yang mempengaruhi motivasi kerja mereka adalah Amalan Pengekalan, Latihan dan Pembangunan kerja, Ganjaran dan Pengiktirafan. Terdapat jurang yang besar antara jangkaan Gen Y 'dan amalan Sumber Manusia yang wujud dalam PKS Malaysia hari ini. Berdasarkan keputusan kajian ini, kajian lanjut diperlukan untuk menentukan amalan Sumber Manusia PKS yang berkesan mendorong Gen Ys tahap motivasi. Kajian ini mencadangkan untuk mengubah suai amalan Sumber Manusia supaya PKS boleh menghasilkan tenaga kerja yang bermotivasi tinggi dan mencapai prestasi organisasi dipertingkatkan melalui pengurusan strategik pekerja Gen Y mereka.

Keywords: Amalan Sumber Manusia, Generasi Y, Motivasi, Perusahaan Kecil dan Sederhana (PKS).

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CHAPTER 1
INTRODUCTION

1.1 Background of the Study

Today's workforce is more diverse than it has ever been in history as it comprises of three primary cohort groups; the Baby Boomers, the Generation X (Gen Xs') and the most recent entrant to the labor market; the Generation Y (hereafter referred to as Gen Ys') (Eisner, 2005; Glass, 2007). Born between 1980 and 2000, Gen Ys' are said to be the next largest cohort group after the Baby Boomers (Zemke, *et al*., 2000). For that reason, their power of influence on the society and the workplace is considerably large (Allen, 2004; Howe and Strauss, 2000). Gen Ys' are the children of the overprotective Baby Boomers that were brought up in times of economic growth, globalization and violence (Eisner, 2005; Glass, 2007; Martin and Tulgan, 2006). Due to their exposure to globalization, they have become the most ethnically diverse generation to date (Eisner, 2005; Zemke, *et al*., 2000).

Chester (2002) believes that Internet and Communications Technology (ICT) is the primary differentiating factor that sets the Gen Ys' apart from the rest. They are indeed the most tech- savvy generation since they grew up in the ICT era where computers were as common as a television (Gorman, *et al*., 2004; Martin and Tulgan, 2001; Zemke, *et al*., 2000). Statistics from a New York-based market-research company named IDC/Link Resources Corporation showed that 60% of all households with children aged 7 years and below owns computers (Zemke, *et al*., 2000). Another survey conducted by PricewaterhouseCoopers on their Gen Y employees in Malaysia revealed that all their respondents own at least one email account and 90% were registered with at least two or more email accounts (PricewaterhouseCoopers, 2009).

As a result of Gen Ys' upbringing, it is found that they possess very distinct characteristics compared to the generations before them (Caudron, 1997; Eisner, 2005; Glass, 2007; Meier and Crocker, 2010; Weyland 2011). They are alleged to be remarkably talented, creative, optimistic, confident, ambitious and eager to succeed (Eisner, 2005; Glass, 2007; Martin and Tulgan, 2001; Meier and Crocker, 2010; Zemke, *et al*., 2000). Conversely, they can also appear to be rude, impatient, easily bored and

dislike restrictions (Chester, 2002; Lowe, *et al*., 2008). They are by far the most highly educated generation as they have been pressured to further their studies even after graduating high school (Martin and Tulgan, 2001; Strauss & Howe, 2006; Zemke, *et al*., 2000). They are multi-skilled and make great multi-taskers as well (Kofman and Eckler, 2005; PricewaterhouseCoopers, 2009; Sujansky, 2002). These differences are notably reflected in Gen Ys' work values, job expectations and job motivation (Kim, *et al*., 2009; Kunreuther, 2003; Meier and Crocker, 2010; Weyland 2011). Subsequently, managers may need to reconsider their existing Human Resource (HR) practices as it may not adequately cater to the motivational needs of this new generation (Chester, 2002; Eisner, 2005; Glass, 2007; Miller, 2006; Smola and Sutton, 2002)

The HR practices that have an influence on Gen Ys' job motivation can be divided into four; Staffing and Recruitment, Training and Development, Rewards and Recognition and Retaining practices. Studies on Staffing and Recruitment practices showed that Gen Ys' take their parents' approval/input and peers/friends' recommendations into consideration when deciding to apply for a job in an organization (Eisner, 2005; Miller, 2006). It is also cited that the opportunity to gain new experiences, the opportunity to travel abroad, the opportunity to volunteer/contribute to society and the availability of up-to-date technology at work have a positive impact on Gen Ys' job application decisions (Hewlett, *et al*., 2009; Loughlin and Barling, 2001; PricewaterhouseCoopers, 2009; Szamosi, 2006). Apart from that, empirical evidences suggested that continuous training and development of new skills coupled with clear guidance from supervisors via coaching/mentoring and regular feedback on performance can motivate Gen Ys to work (Society for Human Resource Management (SHRM), 2009; Sujansky, 2002; Tulgan, 2004; Weyland, 2011; Zemke *et al*., 2000). Gen Ys' want opportunities for further education, career growth opportunities, and teamwork as well (Hay Group Malaysia, 2010; Hewlett, *et. al*., 2009; Zemke *et al*., 2000). In terms of Rewards and Recognition, some researchers maintained that financial rewards is the top motivator for Gen Ys' (Hay Group Malaysia, 2010; PricewaterhouseCoopers, 2009) while others argued that non-financial rewards matters more to Gen Ys' (Hewlett, *et al*, 2009; Tapscott, 1998). It is also reported that instant rewards, constant recognition and rapid promotions are important aspects of Gen Ys' job motivation (Ng, *et al*., 2010; Southard and Lewis, 2004). Additionally, being trusted with more responsibilities and pay-for-performance also

matters to them (Hill, 2002; Martin, 2005). Last but not least, the Retaining practices that keep them motivated at work include open and honest communication, freedom, flexibility, challenging/meaningful work, work-life-balance and a fun/casual work environment (Gursoy, *et al*., 2008; Hewlett, *et al*., 2009; Raines, 2002; Throckmorton and Gravett, 2007; Twenge, 2010).

Many described Gen Ys' as high maintenance as they seem to have exceptionally high expectations of their employers (Chester, 2002; Martin, 2005; Martin and Tulgan, 2006; Ng, *et al*., 2010; PricewaterhouseCoopers, 2009). Subsequently, they have earned themselves the label of being the most demanding generation of employees in the workplace (Earle, 2003; Eisner, 2005; Howe and Strauss, 2000; Lowe, *et al*., 2008; Zemke, *et al*., 2000). Predominantly, Gen Ys' have been reported to prefer working in Multinational Corporations (MNCs) over Small and Medium Enterprises (SMEs) (Brindley and Ritchie, 2000; Moy and Lee, 2002; Szamosi, 2006; Zemke, *et al*., 2000). Brindley and Ritchie's (2000) research paper concluded that Gen Ys' find working in SMEs less appealing and Moy and Lee (2002) agreed too that Gen Ys' will typically choose to work for MNCs over SMEs if they were given a choice. They found that young graduates have the perception that the job attributes, opportunities and rewards offered by SMEs are inferior. Clearly, the inability to attract, motivate and retain these young talents poses a huge threat to Malaysian SMEs, particularly in today's competitive business environment (Chester, 2002; Moy and Lee, 2002). As Lowe, *et al*. (2008) emphasized, a motivated and engaged workforce is essential to an organization's success.

Based on generational studies done in Malaysia, these claims also hold true for Gen Ys' here (Hay Group Malaysia, 2010; PricewaterhouseCoopers, 2009). Evidently, their entrance into the labor market brings forth numerous challenges to their organizations (Chester, 2002; Eisner, 2005; PricewaterhouseCoopers, 2009; Weyland, 2011). It is reported that Gen Ys are generally less satisfied about their jobs and are more likely to switch employers compared to any of the older generations (Eisner, 2005; Kofman and Eckler, 2005; PricewaterhouseCoopers, 2009). Therefore, HR managers in Malaysian SMEs ought to be extra conscious of the needs of their Gen Y workforce if they wish to harness the full potential of their young talent (Hay Group Malaysia, 2010; Lowe, *et al*., 2008; Miller, 2006). Not recognizing this can be an extremely costly mistake for SMEs

as they may risk losing their young talent to competitors (Brindley and Ritchie, 2000; Kofman and Eckler, 2005; PricewaterhouseCoopers, 2009). Gen Ys' do present many great opportunities to their employers as they have such huge potential and unique competences which can help boost organization productivity and performance (Eisner, 2005; Kim, *et al.*, 2009; Kofman and Eckler, 2005; Myers and Sadaghiani, 2010; Weyland, 2011; Zemke, *et al.*, 2000). As the future leaders of the business world, they become the most important group of individuals in today's shrinking labor market (Eisner, 2005; Miller, 2006; PricewaterhouseCoopers, 2009). Conclusively, effective Human Resource Management (HRM) is the key to attracting, developing and retaining a highly engaged workforce which can become a valuable source of competitive advantage for SMEs (Barney, 1995; Neace, 1999; Pfeffer, 1995; Szamosi, 2006; Wagar and Rondeau, 2006; Wells, *et al.*, 2003).

1.2 Problem Statement

The war for talent due to shortage of labor subsequently worsens with the huge number of Baby Boomers retiring from the current work scene (Hewlett, *et al.*, 2009; Kofman and Eckler, 2005; Myers, 2007). Consequently, the public is quickly turning their attention to the latest entrant of the labor market; the Gen Ys' (Eisner, 2005; Miller, 2006; Zemke, *et al.*, 2000). Given the size of this generation, the implications they bring along into the workplace are immense and inevitable (Hewlett, *et al.*, 2009; Howe and Strauss, 2000). Their job expectations and motivational needs vastly differ from the generations before them (Glass, 2007; Kim, *et al.*, 2009; Kunreuther, 2003; Meier and Crocker, 2010). Traditional HR practices do not seem to work as well on them as it did for the older generations (Chester, 2002; Gursoy, *et al.*, 2008; Tulgan, 2004).

Given the current drought of talent, Malaysian SMEs have no choice but to begin addressing these generational differences or they may risk losing their young talent to the 'Giants from the West'; the MNCs (Hay Group Malaysia, 2010; PricewaterhouseCoopers, 2009; Szamosi, 2006). As Miller (2006) said, attracting and retaining the Gen Ys' is imperative in order to tackle labor shortages. Already, the Gen Ys' prefer working in MNCs because they perceive SMEs as mediocre and less favorable (Brindley and Ritchie, 2000; Moy and Lee, 2002). Lowe *et al.* (2008) found that Gen Ys' are more prone to job-hop when their needs are not met and this also holds

true for both of PricewaterhouseCoopers' (PWC) global and Malaysia survey (PricewaterhouseCoopers, 2009).

As a result, HR managers are finding it more and more challenging in trying to manage and motivate their Gen Y workforce due to gap that exist between the expectations of Gen Ys' and what their organizations currently offer them (Eisner, 2005; PricewaterhouseCoopers, 2009). Szamosi (2006) inferred that SMEs have to be more sensitive to the motivational needs of the younger generation in order to fill in the gap. Unfortunately, previous studies on Gen Ys' have so far yielded mixed results; leading to misunderstandings and confusion (Deal *et al*., 2010; Kim, *et al*., 2009). Meier and Crocker (2010) claimed that there is insufficient info and studies done on Gen Ys' in the workplace. He argued that although there are many claims regarding Gen Ys' distinctive characteristics, the older generations could have possibly portrayed similar characteristics too when they were very much younger. Researchers noted that there is lack of studies on the HR practices in SMEs as well (Heneman, *et al*., 2000; Zakaria, *et al*., 2011). Therefore, there is a need for further investigation in order to clarify these contradictory and stereotypical allegations made on Gen Ys'.

This study will build on existing literature on Gen Ys'. A quantitative study will be executed on a sample of Gen Ys' in Malaysian SMEs to examine the HR practices that influence their motivation at work. The results will then be compared with existing literature in order to derive recommendations for HR managers in Malaysian SMEs. This will help managers gain a clearer understanding on how to better manage and motivate this new generation. The findings will also contribute to existing pool of knowledge on Gen Ys' motivational needs in the context of SMEs.

1.3 Research Question

Main Research Question:

"What are the HR practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs?"

Sub Research Questions:

(I)   What are the Staffing and Recruitment practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs?

(II)   What are the Training and Development practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs?

(III)   What are the Rewards and Recognition practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs?

(IV)   What are the Retaining practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs?

1.4 Research Objective

Main Research Objective:

"To examine the HR practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs."

Sub Research Objectives:

(I)   To examine the Staffing and Recruitment practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs.

(II)   To examine the Training and Development practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs.

(III)   To examine the Rewards and Recognition practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs.

(IV)   To examine the Retaining practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs.

1.5 Scope and Limitation of the Studies

Some of the limitations of this research are due to the uneven distribution of demographic categories of the respondents. For example, the majority of the respondents comprised of single, unmarried Gen Ys' that do not have family obligation. The gender and race distribution is also uneven as well. There were more males than female respondents and a large majority of the respondents were Chinese. As a result, the data collected could have been biased (Greener, 2008).

Apart from that, there were lack of existing academic research and data available on Gen Ys' in Malaysian SMEs (Heneman, *et al.*, 2000; Zakaria, 2011). Hence, there is insufficient empirical evidence of Gen Ys' in Malaysian SMEs for us to compare the findings with. Hence, there is no certainty that the deductions made will indefinitely be consistent for every other Gen Ys' in Malaysian SMEs.

1.6 Significance of the Study

The Gen Y cohort group is substantially large in size and is entering the workforce in great numbers (Miller, 2006; Zemke, *et al.*, 2000). Their impact on the labor market is extensive and HR managers have no choice but to address the implications they bring along with them into their workplace (Allen, 2004; Hewlett, *et al.*, 2009). Academic literature suggested that existing HR policies ought to be modified accordingly to suit the distinctive motivational needs of this generation (Smola and Sutton, 2002). However, existing researches on Gen Ys' are predominantly qualitative in nature while the very few quantitative ones produced mixed and conflicting results (Kim, *et al.*, 2009). There also appears to be lack of research done on the HR practices in SMEs (Heneman, *et al.*, 2000). And so, this study will provide invaluable insights that can help HR managers in Malaysian SMEs manage and motivate their Gen Y workforce more effectively in order to fuel labor shortages and boost organization performance in the long run. The findings from this study will also add to existing pool of knowledge on the HR practices that influence Gen Ys' job motivation and provide a platform for further researches on generational differences.

1.7 Organization of the Thesis

In this report, chapter 1 provided an introduction. Introduction explained the overview of this project. Main reason why this research being conducted and about the HR practices that have an influence on Gen Ys' job motivation. It also outlines the Research Questions, Research Objectives, Significance of Research and Limitations of the study. The literature review of this report is presented in Chapter 2 and covers a brief overview of SMEs and the role of HRM. It is then followed by the characteristics of Baby Boomers, Gen Xs' and Gen Ys'. It also includes an in-depth literature of the HR practices that have an influence on Gen Ys' job motivation. The research question, research objective and the main theory about the SMEs, HR practices, Gen Ys' and

Motivation are explained in this chapter. The research methods, data collection and data analysis process that has been used in this project is presented in Chapter 3. Chapter 4 reports the statistical analysis results and findings of the data collected from the research questionnaire. Chapter 5 discusses the findings and compares them with the literature review, highlight the managerial implications and recommendations that can help SMEs manage and motivate Gen Ys' more effectively.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In this chapter, some areas that covered on this project were reviewed. These areas included the Human Resource practices of SMEs in Malaysia, brief about SMEs in Malaysia, Human Resource Management, Generation/Cohort groups, Human Resource practices that influence Gen Ys' job motivation. Motivation al Models and theories have been discussed and used to address the various motivational needs of Gen Ys' employees towards achieving organizational goals. The published information related to this studies subject also been further explained.

2.2 SMEs in Malaysia

In Malaysia, businesses are categorized as SMEs if they fulfill either one of the following conditions (Table 1):

Table 1: Categorization of SMEs in Malaysia (SME Corp. Malaysia, 2013).

INDUSTRY	SMALL ENTERPRISES	MEDIUM ENTERPRISES
Manufacturing	No. of full-time employees: 5 →74 OR Sales turnover: RM300,000 → less than RM15 million	No. of full-time employees: 75→ 200 OR Sales turnover: RM15 million → RM50 million
Service and Others	No. of full-time employees: 5 →29 OR Sales turnover: RM300,000 → less than RM3 million	No. of full-time employees: 30 →75 OR Sales turnover: RM3 million → RM20 million

SMEs play an exceptionally vital role in contributing to the nation's economy and employment rate as it comprises of more than 90% of all businesses establishments (Moy and Lee, 2002; National SME Development Council, 2013; Saleh and Ndubisi, 2006; Zakaria, *et al*., 2011). Malaysian statistics show that 97.3% of all enterprises in Malaysia comprise of SMEs and they contribute about 32.7% to the country's overall GDP (National SME Development Council, 2013). SMEs play

an important part in creating the link between the supply of goods and services to the end users (Saleh and Ndubisi, 2006). It is also apparent that SMEs create more job opportunities and employments than MNCs (National SME Development Council, 2013; Saleh and Ndubisi, 2006). Recognizing this, the Malaysian government has invested RM18.4 billion and offers up to 155 programs to aid SMEs' businesses (TheStar, 2013). To date, the government has provided start-up loans to over 250,000 SMEs in the country from its Entrepreneur Group Economic Fund (TEKUN) to encourage entrepreneurs to enter the SMEs sector (Bernama, 2013). The National SME Development Council (NSDC) and SME Corporation Malaysia were incorporated by the government in 1996 to provide information and advices to aid the growth of SMEs and ultimately boost the country's wealth (SME Corp. Malaysia, 2013). In working towards the country's vision to becoming a high income nation by Year 2020, Prime Minister Datuk Seri Najib Tun Razak launched the SMEs Masterplan 2012-2020 to boost the SMEs sector in order to achieve a 41% contribution to overall GDP (Lee, 2013). Undeniably, the growth of the country's economy is very much dependent on SMEs (Moy and Lee, 2002; National SME Development Council, 2013; Saleh and Ndubis 2006; Zakaria, *et al*., 2011). Sadly, Malaysian SMEs face numerous challenges in acquiring the financial and human resources they require as a result of inadequate expertise and intensive competition (Saleh and Ndubisi, 2006). Hence, Zakaria, *et al*. (2011) insisted that Malaysian SMEs need to learn how to manage their resources strategically to gain a competitive edge and boost their performance.

2.3 Human Resource Management

HRM serves to attract, develop, motivate and retain the most important assets of an organization; the human capital (Pfeffer, 1995; Szamosi, 2006; Zakaria, *et al*., 2011). HRM improves the knowledge, skills and attitudes of employees which can influence the productivity, performance, survival, growth and success of an organization (Hornsby and Kuratko, 2003; Huselid, 1995; Pfeffer, 1998; Zakaria, *et al*., 2011). Pfeffer's (1998) Seven Best Practices of HRM that can boost performance through human capital is as shown in Figure 1.

Figure 1: Pfeffer's 7 Best Practices of HRM (1998).

Pfeffer's 7 Best Practices Of HRM

1) Employment security

2) Selective hiring and sophisticated recruitment of employees

3) Self-managed teams and decentralized decision-making

4) Comparatively high pay based on performance

5) Reduction of status differentiation and barriers

6) Extensive learning, training and development

7) Extensive information sharing throughout the organization

→ **Enhanced Organization Performance**

More importantly, the resource-based view approach to strategic HRM proposed that human assets can become an invaluable source of competitive advantage because it is not easily imitated by competitors (Barney, 1995; Wagar and Rondeau, 2006, Zakaria, *et al.*, 2011). Barney's (1995) VRIO framework proposed that resources that meet the criteria shown in Figure 2 can become a source of sustainable competitive advantage for an organization to boost its performance.

Figure 2: VRIO Framework (Barney, 1995

VRIO

1)**V**aluable

2)**R**are

3)Difficult to **I**mitate

4)**O**rganized to Create Competitive Advantage

→ **Sustainable Competitive Advantage** → **Enhanced Organization Performance**
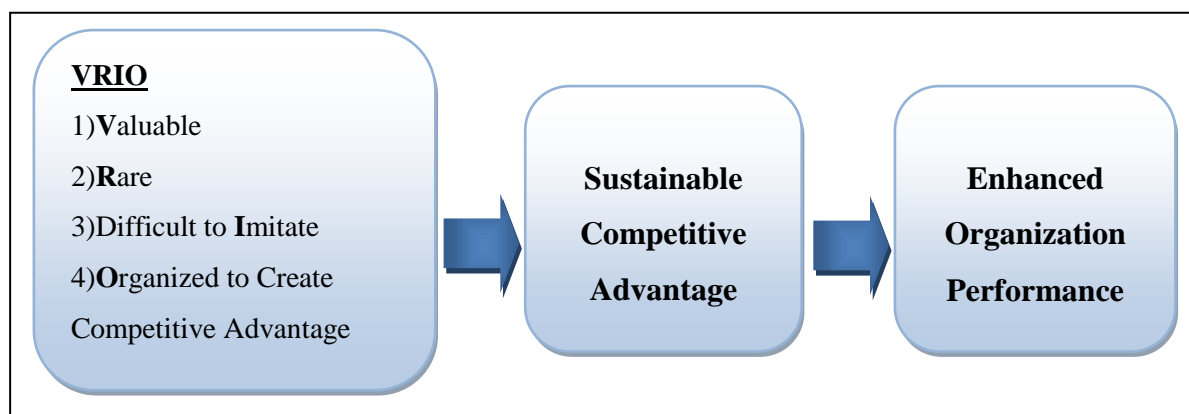
2.3.1 HRM and SMEs

Many authors insisted that human resources are of the essence for SMEs (Baron, 2003; Neace,1999; Wells, *et al*., 2003; Zakaria, *et al*., 2012). It is an imperative determinant of SMEs' performance and success in such a competitive business environment (Baron, 2003; Zakaria, *et al*., 2012). Sadly, many SMEs lack effective management of its human resources because they lack understanding of the importance of HRM (Ahmed, *et al*., 2011; Brindley and Ritchie, 2000; Hornsby and Kuratko, 2003; Saleh and Ndubisi, 2006). Indeed, ineffective management of the human resource has led to the downfall of many SMEs (Baron, 2003). Several researchers also established that there is increasing concern pertaining to young graduates' preference of working for MNCs instead of SMEs (Brindley and Ritchie, 2000; Moy and Lee, 2002; Szamosi, 2006; Zemke, *et al*., 2000). Unsurprisingly, Zemke, *et al*. (2000) said that Gen Ys' feel more at home in bigger corporations compared to smaller ones. Brindley and Ritchie (2000) mentioned that SMEs fail to attract young talent because of they lack experience and expertise. Saleh and Ndubisi (2006) agreed that SMEs do fall short in terms of managerial competence and technological systems compared to larger organizations. Ahmed, *et al*. (2011) explained that SMEs in South Asia struggles due to lack of training, knowledge, financial resources and lack of support groups. It does not help either that there is insufficient prior research conducted on HRM practices in SMEs (Heneman, *et al*., 2000; Hornsby and Kuratko, 2003; Zakaria, *et al*., 2011). Accordingly, HR managers in SMEs may end up becoming too reliant stereotypical labels of their young workforce and end up mismanaging their human resource (Eisner, 2005; Sujansky, 2002). PricewaterhouseCoopers (2009) had therefore questioned the understanding of HR managers on their young Malaysian talent.

Even though countless researchers have sent words of caution about over generalizing according to generational stereotypes, they do agree that the apparent differences among the age groups should not go unnoticed (Chester, 2002; Martin and Tulgan, 2006; Strauss and Howe, 1991; Zemke, *et al*., 2000). All in all, HR managers may have no choice but to address these generational differences, if they wish to harvest a highly motivated and productive workforce to boost their organization performance (Eisner, 2005; Gursoy, *et al*., 2008; Hay Group Malaysia, 2010; Kofman and Eckler, 2005; Smola and Sutton, 2002).

2.4 Generations/Cohort Groups

A generation or a cohort group is a group of individuals who are born during a specific year range (roughly 20 successive years) that share similar characteristics, personalities, behavior and attitudes due to the occurrences they experience throughout their upbringing (Meier and Crocker, 2010; Strauss and Howe, 1991). There are currently three primary generations in the labor market today; the Baby Boomers, the Gen Xs' and the Gen Ys'.

2.4.1 Baby Boomers

The Baby Boomers are those born from 1943 till 1960 during the post-war and they make the largest generation to date (Zemke, *et al*., 2000). Therefore, they have strong, influential power and are indeed responsible for setting most of the organization policies that exists today. They grew up in the television age and struggle tremendously to keep up with rapid changing technology due to their lack of experience with ICT (Howe and Strauss, 2000; Zemke, *et al*., 2000). They are so accustomed to face-to-face communication such that, they find telecommunicating and remote working less conducive than working in the office (Glass, 2007).

Baby Boomers are optimistic, idealistic, reliable, ambitious and competitive in nature (Eisner, 2005; Zemke, *et al*., 2000). They are infamously known as due-paying workaholics who worked extremely hard for long hours by sacrificing their personal lives along the way just to please their bosses and climb the corporate ladder (Eisner, 2005; Zemke, *et al*., 2000). They believe that hard work and sacrifice is the path to financial success (Glass, 2007).

As employees, they demand very little from their employers and patiently waited to be rewarded and recognized by their bosses (Martin and Tulgan, 2006). Boomers require little feedback from their managers and may even find it demeaning when being given specific work instructions (Glass, 2007; Zemke, *et al*., 2000). Glass (2007) also stated that Boomers want to be acknowledged and respected for their rank in the organization and are very keen to coach/teach their younger subordinates. However, they have very low tolerance for laziness and have the tendency to micromanage their subordinates (Francis-Smith, 2004). They seem more familiar with

the 'do or die' management style but make very loyal employees because job security is of great importance to them (Martin and Tulgan, 2006).

2.4.2 Generation X

The Gen Xs' are those born from 1960 to 1980 and are considered the most prevented generation since birth control pills were introduced in 1962 (Zemke, *et al*., 2000). They are commonly termed as latchkey kids because they were constantly left alone at home while both their parents were busy at work (Eisner, 2005; Zemke, *et al*., 2000). In accordance to being the most unsupervised generation, they grew up to become independent and self-reliant individuals (Eisner, 2005; Howe and Strauss, 1993; Martin and Tulgan, 2006; Zemke, *et al*., 2000). At work, the individualistic Gen Xs' developed a skeptical attitude such that they dislike working in teams and prefer to work autonomously (Eisner, 2005; Glass, 2007; Martin, 2005). They however do possess several positive traits such as being entrepreneurial in nature and technologically literate given that they are the first generation to be socialized during the development of ICT (Krug, 1998; Martin and Tulgan, 2006; Pekala, 2001; Zemke, *et al*., 2000). Gen Xs' actively seeks for work-life-balance and appears to be less loyal to their organizations compared to the Baby Boomers (Glass, 2007; Smola and Sutton, 2002; Zemke, *et al*., 2000). They do not want to be like their workaholic parents who had to sacrifice their personal time with family and friend just for work (Pekala, 2001). They also distrustful of organizations and do not feel it is worth to stay loyal to an organization for long (Krug, 1998). They are self- reliant and do not do well with micromanagement (Eisner, 2005). Development of new skills is more important to them than earning monetary rewards and status (Eisner, 2005).

2.4.3 Generation Y

The Gen Ys' are born between 1980 to 2000 and is also known as Gen Ys', Echo Boomers, Nexters and Generation Why (Chester, 2002; Howe and Strauss, 2000; Zemke, *et al*., 2000). Chester (2002) referred to them as the Generation Why because they are inquisitive by nature and are always curious to know why before they decide to do anything. They are the next largest generation after the Baby Boomers and are likely to have the power to shape society (Allen, 2004; Howe and Strauss, 2000; Zemke, *et al*., 2000).

Gen Ys' are deemed to be extremely unique and has very different set of attitudes/values compared to older generations (Caudron, 1997; Eisner, 2005; Glass, 2007; Meier and Crocker, 2010; PricewaterhouseCoopers, 2009; Weyland, 2011). They are somewhat confident, ambitious, optimistic and competitive just like their parents, the Baby Boomers (Eisner, 2005; Glass, 2007; Martin and Tulgan, 2001; Zemke, *et al.*, 2000). They are very talented and do portray some of Gen Xs' entrepreneurial behavior (Eisner, 2005). On the other hand, they can also be very impatient, blunt, lazy, rude and disrespectful (Buckley, *et al.*, 2001; Chester, 2002; Weyland, 2011). They get bored rather quickly and detest restrictions (Lowe, *et al.*, 2008; Pekala, 2001). All the same, they can be relatively motivated when they are extremely passionate about something (Pekala, 2001; Weyland, 2011).

They owe much of who they are today to their upbringing and environment. Gen Ys' are very sociable and appear to be the most culturally diverse generation since globalization has exposed them to so many different races, religions and ethnicity (Buckley, *et al.*, 2001; Eisner, 2005; Glass, 2007; Lowe, *et al.*, 2008; Zemke, *et al.*, 2000). They enjoy fairly good quality of lives as they grew up in times of economic prosperity (Eisner, 2005; Martin and Tulgan, 2006; Myers and Sadaghiani, 2010). As oppose to the Gen Xs', Gen Ys' were brought into this world by Boomer parents during the most child-centered period (Weyland, 2011; Zemke, *et al.*, 2000). Their Boomer parents are financially well-off but only have very few offspring to splurge on (Glass, 2007). Gen Ys' led relatively stressful lives as their parents constantly pressure them to perform well in school (Eisner, 2005; Strauss and Howe, 2006; Zemke, *et al.*, 2000). Their parents tend to be overprotective of them because they live in a dangerous and violent world where there is drugs, AIDS, guns, shootings, bombings and terrorists attacks as well (Chester, 2002; Eisner, 2005; Glass, 2007; Zemke, *et al.*, 2000). Naturally, Gen Ys' turned out to be the most wanted, most sheltered and most pampered generation of children among the three generations (Glass, 2007; Strauss and Howe, 2006).

Chester (2002) stated that ICT depicts the key difference between Gen Ys' and the generations before them. They are the first to be born into homes that already have computers, grew up playing computer games and are connected to the ICT twenty four hours a day (Eisner, 2005; Gorman, *et al.*, 2004; Zemke, *et al.*, 2000). Naturally,

they are exceedingly tech-savvy and are comfortable with new technology (Chester, 2002; Eisner, 2005; Gorman, *et al*., 2004; Martin and Tulgan, 2001; Tapscott, 1998; Zemke, *et al*., 2000). They prefer using email and instant messaging to communicate and interact with others (Glass, 2007; Gorman, *et al*., 2004; Lowe, *et al*., 2008; Tapscott, 1998).

Anyhow, ICT seem to have adversely altered Gen Ys' perception on speed and time, turning them into impatient individuals (Howe and Strauss, 2000; Huntley, 2006). Gen Ys' are so used to getting instant access to everything that is at the tip of their fingers thus explaining their intolerance towards slowness (Francis-Smith, 2004; Howe and Strauss, 2000; Zemke, *et al*., 2000). Huntley (2006) stated that this impatient behavior of theirs contributes to poor long- term planning ability. Conversely, Chester (2002) argued that this made them efficient multi- taskers that are able to achieve fast results in within short periods of time using technology. This claim that Gen Ys' possess extraordinary multi-tasking ability is supported by a couple of other renowned authors as well (Sujansky, 2002; Meier and Crocker, 2010; Zemke, *et al*., 2000). Even so, some said that that there appears to be a digital divide called The Chasm which separates those who grew up in poverty with no computer and internet with those that seem to have it all; causing a prominent gap in the characteristics of this generation (Howe and Strauss, 2000; Zemke, *et al*., 2000).

2.5 HR Practices that Influence Gen Ys' Job Motivation

The Gen Ys' are entering the workplace in large numbers as we speak and this brings forth numerous implications to their organizations (Allen, 2004; Meier and Crocker, 2010; Zemke, *et al*., 2000). It has been reported that the way to motivate the Gen Y workforce differs from before (Eisner, 2005; Glass, 2007; Kim, *et al*., 2009; Kunreuther, 2003, Meier and Crocker, 2010). Traditional HRM practices are being deemed obsolete because it does not effectively motivate the Gen Ys' at work (Cantrell, 2007; Chester, 2002).

There is a growing concern amongst HR managers as they find it increasingly challenging to manage and motivate this misunderstood generation (Chester, 2002; Eisner, 2005; Hewlett, *et al*., 2009; Weyland, 2011). Many authors claimed that Gen Ys' make awfully demanding employees as they have great expectations and seem to

want it all (Eisner, 2005; Lowe, *et al*., 2008; Zemke, *et al*., 2000). They demand for parent's approval/input, peers/friends' recommendations, opportunities to gain new experiences, opportunities to travel abroad, opportunities to volunteer/contribute to society, the availability of up-to-date technology, continuous training and development of new skills, opportunities for further education, career growth opportunities, clear guidance from supervisors via coaching/mentoring, regular feedback on performance, teamwork, financial rewards, non-financial rewards, instant rewards, constant recognition, rapid promotions, being trusted with more responsibilities, pay-for-performance, open and honest communication, freedom, flexibility, work-life-balance, challenging/meaningful work and a fun/casual work environment (Chester, 2002; Eisner, 2005; Gursoy, *et al*., 2008; Hay Group Malaysia, 2010; Hewlett, *et al*., 2009; Jamrog and Stopper, 2002; Kofman and Eckler, 2005, Loughlin and Barling, 2001; Martin, 2005; Martin and Tulgan, 2006; Miller, 2006; Ng, *et al*., 2010; PricewaterhouseCoopers, 2009; Raines, 2002; Society for Human Resource Management (SHRM), 2009; Southard and Lewis, 2004; Szamosi, 2006; Tapscott, 1998; Throckmorton and Gravett, 2007; Twenge, 2010; Zemke, *et al*., 2000).

If Gen Ys' are dissatisfied at work, they will not hesitate to leave their organization (Martin, 2005; PricewaterhouseCoopers, 2009). They will switch jobs as many times as they need to in search for an organization that can meet their expectations (Kofman and Eckler, 2005; PricewaterhouseCoopers, 2009). According to PWCs' Malaysian survey, 78% of its respondents revealed that they will only stay loyal to an organization if their needs are fulfilled and this is consistent with PWCs' global survey as well (PricewaterhouseCoopers, 2009).

Even more so in today's tight labor market, managers may be forced to pay heed to the needs of Gen Ys' because these young talents can help enhance organization performance (Eisner, 2005; Kofman and Eckler, 2005; Myers and Sadaghiani, 2010; Weyland, 2011). Therefore, HR managers may have to rethink their existing practices so that it can cater to Gen Ys' motivational needs and turn them into a highly productive workforce (Chester, 2002; Eisner 2005; Glass, 2007; Meier and Crocker, 2010; Smola and Sutton, 2002; Tulgan, 2004; Weyland, 2011; Zakaria, *et al*., 2011). The HR practices that have an influence on Gen Ys' job motivation can be divided

into four; Staffing and Recruitment, Training and Development, Rewards and Recognition and Retaining practices as elaborated below.

2.5.1 Staffing and Recruitment

Staffing and Recruitment focuses on identifying, attracting and selecting suitable candidates to fit the right job (Buchanan and Huczynski, 2010). It ensures that an organization has sufficient amount of manpower, with the appropriate skills, for the suitable job, at the correct timing, in order to achieve organizational goals (Mondy, 2012). Pfeffer's (1998) Seven Best Practices of HRM stated that selecting hiring of staffs can enhance organization performance. Chester (2002) stated that this HR practice is crucial since the right recruitment strategies can prevent up to 95% of staffing-related problems. Poor staffing practices can lead to low performance/productivity, disciplinary issues and high staff turnover (Marchington and Wilkinson, 2008). The Staffing and Recruitment factors that have an influence on Gen Ys' job application decisions include parents' approval/input, peers/friends' recommendations, opportunities to gain new experiences, opportunities to travel abroad, opportunities to volunteer/contribute to society and the availability of up-to-date technology as shown in (Table 2).

Table 2: Summary of Staffing and Recruitment practices that influence Gen Ys' job motivation.

(I) Staffing and Recruitment factors	Descriptions	References
1) Parents' approval/input	The term 'helicopter parents' describe Gen Ys' parents continue to hover around even after they have entered adulthood and started working.	Glass, 2007
	Gen Ys' value family; closely bonded with their parents as they continue to live together with their parents even after they have entered the work scene.	Miller, 2006; Zemke, *et al.*, 2000
	Job application decision influenced by their parents influences.	Miller, 2006

(I) Staffing and Recruitment factors	Descriptions	References
	Often seek their parents' advice and making important decisions such as career.	Miller, 2006
	More reliant on their parents compared to any of the earlier generations.	Glass, 2007; Miller, 2006; Zemke, *et al.*, 2000
	Some claimed that Gen Ys' and their parents treat each other more like friends than mothers/fathers.	Lowe, *et al.*, 2008; Zemke, *et al.*, 2000
	Job offerings should appeal to both Gen Ys' and their parents in order to attract them to join the organization.	Miller, 2006
	Claimed that Gen Ys' are self-reliant and independent like Gen Xs'.	Pekala, 2001
2) Peers/friends' recommendations	Rewarding Gen Y employees for each successful friend/family job referral to motivate them further.	Chester, 2002
	They are very social beings that have an incredibly wide network of friends.	Eisner, 2005; Glass, 2007
	Experts at spreading word-of-mouth like bushfires via their extensive connections.	Weyland, 2011
	Job application decision influenced by their peers' word-of-mouth recommendations.	Miller, 2006
	PWC's survey revealed 96% of respondents having social networking accounts.	PricewaterhouseCoopers, 2009
	Employers implement employee referral initiatives to reach out more potential Gen Y candidates.	Chester 2002; Eisner, 2005; Miller, 2006
3) Opportunities to gain new experiences	Eager to try new things and explore various career paths. Doing work out of job scope in which they do not have any experience in.	Kofman and Eckler, 2005; PricewaterhouseCoopers, 2009
	Opportunity to gain new experiences can motivate Gen Ys' more than financial rewards can.	Hewlett, *et al.*, 2009
	Largest pharmaceutical company in the U.S, Up to over a one thousand of their employees has signed up for the Snowbird program that gives opportunity transfer to any outlets in the organization.	Hewlett, *et al.*, 2009
	Giving cross-boundaries experiences in organization to motivate at work.	Kofman and Eckler, 2005

(I) Staffing and Recruitment factors	Descriptions	References
4) Opportunities to travel abroad	Global assignments rated as top three motivators to join an organization because they are looking for international exposure.	Hay Group Malaysia, 2010
	Gen Ys' yearn for mobility. 88% indicated that they wish to work overseas and 91% believe that they are more likely to travel abroad for work compared to their parents.	PricewaterhouseCoopers, 2009
	Mobility does not have big impact on Gen Ys' job motivation. Ng, *et al*.'s (2010) findings showed that mobility was ranked last on Gen Ys' list of desired work features. Mobility is only had a slight impact on Gen Ys' job motivation.	Meier and Crocker, 2010; Ng, *et al*., 2010
	Employers provide Gen Ys' with the opportunity to travel abroad for work keep them happy and satisfied.	Weyland, 2011
5) Opportunities to volunteer/ contribute to society	Volunteerism is an important motivating factor for 86% of the Gen Ys'. This factor is more important to Gen Ys' than Gen Xs'. Employers are advised to use volunteerism as a means to retain Gen Ys' interest to work in the organization.	Hewlett, *et al*., 2009
	Gen Ys' are more socially and environmentally conscious than any other generation.	Eisner, 2005; Szamosi, 2006; Tapscott, 1998
	Gen Ys' put more importance on CSR than financial rewards.	Szamosi, 2006
	They have been educated and made aware of social and environmental concerns by their parents and teachers since they were young.	Zemke, *et al*., 2000
	They now feel that they are obligated to give back to society by doing volunteer work.	Hewlett, *et al*., 2009; Martin and Tulgan, 2002; Myers and Sadaghiani, 2010
	Gen Ys' do not demonstrate a significant difference in terms of volunteerism compared to other generations; hence, giving them the opportunity to volunteer will not be very meaningful at all.	Twenge, 2010

(I) Staffing and Recruitment factors	Descriptions	References
	Volunteerism has impact on Gen Ys' job selections. 86% of them said their choice of employers depends on the Corporate Social Responsibility (CSR) efforts of the organization and 77% of them mentioned they will leave the organization if the organization values do not meet their expectations.	PricewaterhouseCoopers, 2009
	One way this can be done is by giving Gen Ys' time off work to get involved with volunteer work.	Lowe, *et al.*, 2008
	Employers offer Gen Ys' chance to contribute to society to attract them to work for the organization.	Loughlin and Barling, 2001; Lowe, *et al.*, 2008
	Ernest and Young's Corporate Responsibility Fellows program which gives employees an opportunity to reach out and assist many small enterprises using their knowledge and experiences.	Hewlett, *et al.*, 2009
	Found that CSR is not one of the most significant work values Gen Ys' seek for in their employment.	Ng, *et al.*, 2010; Szamosi, 2006
6) The availability of up-to-date technology	Gen Ys' cannot live without technological devices since they grew up in a digital world where hand phones, computers and internet are a necessity.	Eisner, 2005; PricewaterhouseCoopers, 2009; Zemke, *et al.*, 2000
	Found that every single one of their Gen Y survey respondents own at least one hand phone.	PricewaterhouseCoopers, 2009
	Gen Ys seem to be much more connected to the virtual world as oppose to the real world.	Eisner, 2005
	They spend at least 6 hours daily on the internet and habitually communicate with everyone via email or instant messaging.	Eisner, 2005; Glass, 2007; Lowe, *et al.*, 2008; Tapscott, 1998
	Undoubtedly, it is essential that organizations make sure they have up-to-date technology if they wish to connect with Gen Y workers.	Kofman and Eckler, 2005
	Many organizations have taken the initiative to go to internet cafes in attempts to bond with Gen Ys'.	Chester, 2002; Eisner, 2005; Lowe, *et al.*, 2008

(I) Staffing and Recruitment factors	Descriptions	References
	Gen Ys' have low tolerance towards slow and outdated technology.	Weyland, 2011
	Availability of up-to-date technology can effectively retain the Gen Y workforce in the organization.	Lowe, *et al*., 2008
	Glass (2007) and Meier and Crocker (2010) admitted that this form of communication may not always be the most conducive for business-related matters but the fact is that Gen Ys' are not like the Boomers who favor meeting up in person instead. They wants to access themselves in a technology era and keep the information up to date always to perform well.	Glass, 2007; Meier and Crocker, 2010

2.5.2 Training and Development

Training and Development initiatives focus on the learning and skill advancements of employees in an organization (Marchington and Wilkinson, 2008). It helps produce a highly proficient workforce through the cultivation of knowledge, skills and attitudes (Fitzgerald, 1992). Extensive training is also one of Pfeffer's (1998) Seven Best HRM Practices that can contribute to greater staff involvement and organization performance. Even so, SMEs often put too little emphasis on this imperative HR practice (Zakaria, *et al*., 2012). The Training and Development initiatives that have an influence on the job motivation of Gen Ys' comprises of continuous training and development of new skills, opportunities for further education, career growth opportunities, clear guidance from supervisors via coaching/mentoring, regular feedback on performance and teamwork as shown in Table 3.

Table 3: Summary of Training and Development practices that influence Gen Ys' job motivation.

(II) Training and Development factors	Descriptions	References
1) Continuous training and development of new skills	Evidences indicating that continuous learning and development of skills is a top priority for Gen Y employees.	Lowe, *et al*., 2008; Ng, *et al*., 2010; Weyland, 2011
	HR managers have to provide Gen Ys' with continuous training and development of new skills to motivate and retain their young workforce.	Kofman and Eckler, 2005; Martin and Tulgan, 2001; Zemke, *et al*., 2000
	Most preferred employment benefits by Gen Ys' working in PWC all over the world and the third most preferred employment benefits by Gen Ys' working in PWC Malaysia.	PricewaterhouseCoopers, 2009
	Hay Group reported new skills development is chosen as the second most important reason Gen Ys' to join an organization and the third most important reason to stay with the organization.	Hay Group Malaysia, 2010
	Organizations may risk losing gifted group of employees competitors.	Chester, 2002; Martin, 2005
	It also is the third most important feature for the Gen Ys' on SMEs' employments and the top five most favored work features for the Gen Ys'.	Ng, *et al*., 2010; Szamosi, 2006
	Found that training and development have only a mild influence on the job motivation of the Gen Ys' they surveyed.	Meier and Crocker, 2010
2) Opportunities for further education	Gen Ys' seek for opportunities to further their education even after they have entered the work scene.	Zemke, *et al*., 2000
	One way this can be done is by giving them reimbursements for their education fees.	Lowe, *et al*., 2008
	Amount of supervision provided is considered a crucial aspect of Gen Ys' future employment at SMEs.	Szamosi, 2006
	Postponing their career and marriage life in order to complete their studies.	Szamosi, 2006
	Managers should not ignore Gen Ys' need for further education because continuous learning can increase their motivation.	Meier and Crocker, 2010

(II) Training and Development factors	Descriptions	References
	HR managers are advised to provide Gen Y employees with the opportunity to pursue their studies to motivate them to work.	Zemke, *et al.*, 2000
	Believed to be the best-educated generation as they were constantly reminded by their parents and teachers about the importance of education ever since they kids.	Eisner, 2005; Martin and Tulgan, 2001; Strauss and Howe, 2006; Zemke, *et al.*, 2000
3) Career growth opportunities	It appears to be one of the top three factors that can attract Gen Ys' to work in an organization.	Throckmorton and Gravett, 2007
	The biggest mistake HR managers can make is to not provide Gen Ys' with adequate career growth opportunities.	Chester, 2002
	A career development program is also one of the key practices used by HR managers to keep Gen Ys' motivated because career development is very closely linked to Gen Ys' job satisfaction.	Einer, 2005; Kofman and Eckler, 2005
	Career growth opportunities is the second biggest motivator at work whereas limited growth opportunities is the number one cause of turnover Gen Ys'.	Hay Group Malaysia, 2010
	Gen Ys' strive for career development and growth opportunities at work.	Eisner, 2005; Miller, 2006
	There was an online research that only found a meek relationship between career growth and Gen Ys' job motivation.	Meier and Crocker, 2010
4) Clear guidance from supervisors via coaching/ mentoring	Baby Boomers and Gen Xs', Gen Ys' want their supervisors to give them clear instructions and guidance.	Eisner, 2005; Glass, 2007; Szamosi, 2006; Zemke, *et al.*, 2000
	Similarity they share with Gen Xs' is that they prefer supervision to be given via coaching and mentoring management style instead of micromanagement.	Eisner, 2005; Meier and Crocker, 2010; PricewaterhouseCoopers, 2009
	Academic literatures have posited the importance of establishing a coaching and mentoring relationship between supervisors and Gen Y employees to motivate and retain them in the organization.	Eisner, 2005; Lowe, *et al.*, 2008; Martin and Tulgan, 2001; Sujansky, 2002; Tulgan, 2004; Weyland, 2011; Zemke, *et al.*, 2000

(II) Training and Development factors	Descriptions	References
	98% of Gen Ys' in Malaysia and around the globe agreed that having strong coaches/mentors is essential because it assists them in their personal development.	PricewaterhouseCoopers, 2009
	Mentoring successfully implemented via this program, HP mentors have managed to helped support and motivate thousands young mentees.	Zemke, *et al*., 2000
	This can be effectively done by pairing up Gen Y employees with Boomer mentors because Gen Ys' look up to the Baby Boomers. They both share a very familiar bond like the ones Gen Ys' have with their Boomer parents. More than three quarter of the Gen Ys' surveyed said that they are very fond of working with Baby Boomers.	Hewlett,*et al*., 2009; Kofman and Eckler, 2005; Pekala, 2001; Zemke, *et al*., 2000
	Found that supervisors are the most prominent job motivator for Gen Ys'.	Meier and Crocker, 2010
5) Regular feedback on performance	It is reported that timely feedbacks have an influence on the job motivation of the Gen Ys' surveyed by Meier and Crocker (2010).	Meier and Crocker, 2010
	Gen Ys' require consistent feedback from their managers because they appear to be aimless without specific guidelines.	Eisner, 2005; Glass, 2007; Lowe, *et al*., 2008; Meier and Crocker, 2010
	The 360 degrees feedback system used to retrieve anonymous feedbacks from internal and external customers to enhance performance. It is renowned feedback system that eminently integrated by Johnson and Johnson Advanced Behavioral Technology (JJABT).	Bohlander and Snell, 2010
	They are so accustomed to being heavily guided by their overly-attentive parents throughout their lives.	Glass, 2007; Weyland, 2011
6) Teamwork	Gen Ys' actively seek for a workplace that is conducive to team efforts.	Kofman and Eckler, 2005
	Used terminologies such as collaborative, cooperative and team-oriented to describe Gen Ys' ability to work in teams.	Eisner, 2005; Strauss and Howe, 2006; Tapscott, 1998

(II) Training and Development factors	Descriptions	References
	Gen Ys' exposure to globalization made them most accepting towards diversity.	Buckley, *et al*., 2001; Zemke, *et al*., 2000
	Team/group assignments seem to work very well for Gen Y employees.	Lowe, *et al*., 2008; Myers and Sadaghiani, 2010; Weyland, 2001
	Gen Ys' were assigned to do group projects in school and even claim that working in teams is more fun than working alone.	Gursoy, *et al*., 2008; Lowe, *et al*., 2008
	Reported that 78% of its Gen Y respondents are comfortable working in diverse teams and ranked teamwork as the top motivating factor.	Hewlett, *et al*., 2009
	To motivate and retain the Gen Y HR managers have been advised to grow their team efforts and ensure that their workplace encourages sharing of information/ideas amongst team.	Lowe, *et al*., 2008; Zemke, *et al*., 2000
	The Gen Y respondents in Meier and Crocker's (2010) survey also used the term team-oriented to describe the type of work	Meier and Crocker, 2010

2.5.3 Rewards and Recognition

Rewards refer to the all compensation and incentives (financial and non-financial) given by organizations to employees in return for their services (Mondy, 2012). Recognition refers to acknowledgment given to employees when they perform well (Phillips and Edwards, 2008). Rewards and Recognition packages serve to motivate employees to perform well in order to achieve organizational goals (Zakaria, *et al*., 2012). According to Pfeffer's (1998), competitive rewards are one of the Seven Best Practices of HRM that can enhance organization performance.

The Gen Ys' declared that both tangible and intangible rewards are important aspects of their job motivation (Szamosi, 2006). They grew up thinking that they are entitled to be rewarded for all their efforts (Ng, *et al*., 2010; Pekala, 2001). Meier and Crocker (2010) called them the trophy generation as every one of them were given at least a participatory prize when they were kids even if they did not win. The Rewards and Recognition packages that have an impact on Gen Ys' job motivation include

financial rewards, non-financial rewards, instant rewards, constant recognition, rapid promotions, being rewarded with more responsibilities and pay-for-performance as shown in Table 4.

Table 4: Summary of Rewards and Recognition practices that influence Gen Ys' job motivation.

(III) Rewards and Recognition factors	Descriptions	References
1) Financial rewards	Recent study in Malaysia, financial rewards ranked as the top choice of rewards for Gen Ys'. 77% of the survey respondents admitted that cash is the biggest job motivator for them. 82% of them stated that competitive pay is the number one reason to join an organization and 69% of said that competitive pay has the biggest influence on their motivation to continue working for the organization.	Hay Group Malaysia, 2010
	Salary is also one of the leading job motivator for Gen Ys'. Salary is one of the top three most attractive job aspects for Gen Ys'.	Meier and Crocker, 2010; Throckmorton and Gravett, 2007
	Survey done in Malaysia found that Gen Ys' are more motivated by financial rewards than non-financial rewards.	PricewaterhouseCoopers, 2009
	It is not uncommon to hear people saying that 'Cash is king' for Gen Ys'.	Chester, 2002; PricewaterhouseCoopers, 2009
	PWC's global survey on Gen Ys' showed that they chose training and development over financial rewards as their preferred employment benefits; implying that non-monetary benefits matter Gen Ys'	PricewaterhouseCoopers, 2009
	Using cash as a reward for Gen Ys' good performance and as a retention tool as well.	Chester, 2002
	As the executive vice president of the Harris organization, David Krane stated; Gen Ys' appear to be materialistic, money-oriented individuals.	Zemke, *et al.*, 2000

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(III) Rewards and Recognition factors	Descriptions	References
2) Non-financial Rewards	Many of them came from families that already have extra disposable income so they do not feel the need to work as hard for money as their parents did.	Weyland, 2011
	Gen Ys' may not be satisfied with just money alone.	Myers and Sadaghiani, 2010
	Many of these Gen Y employees have not yet become breadwinners and are still receiving financial support from their parents.	Hewlett, *et al.*, 2009; Myers and Sadaghiani, 2010
	Many authors argue that although financial rewards are important, it does not necessary mean it is number one on Gen Ys' priority list.	Hewlett, *et al.*, 2009; PricewaterhouseCoopers, 2009; Szamosi, 2006; Tapscott, 1998
	Salary came in second after supervisory role; implying that salary may not be the most influential factor for Gen Ys'.	Meier and Crocker, 2010
	The Northwestern Mutual Life/Louis Harris research showed that only 1/3 of the Gen Ys' thought that salary is important to them.	Zemke, *et al.*, 2000
	Authors argue that Gen Ys' are more motivated by non-financial rewards such as recognition, additional time off, new experiences, challenging work, work-life-balance and volunteerism.	Eisner, 2005; Hewlett, *et al.*, 2009
	They do not see money as the one and only reason to work and stay with an organization.	Glass, 2007; Hewlett, *et al.*, 2009
	Study conducted on the qualities Gen Ys' look for in their future employment in SMEs. The respondents ranked financial rewards after advancements opportunities, new skills developments, respect, support and guidance, technological gadgets, empowerment and open communication.	Szamosi, 2006
	Employers have to let go of the notion of using money as the sole job motivator for employees and modify their compensation/rewards packages to suit the needs of these young talents.	Hewlett, *et al.*, 2009

(III) Rewards and Recognition factors	Descriptions	References
3) Instant Rewards	Gen Ys' demand for instant rewards also because they are relatively short-sighted.	Meier and Crocker, 2010
	They expect to receive rewards immediately after producing good results. They are not like the due-paying Baby Boomers who unwearyingly wait to be rewarded by their employers.	Eisner, 2005; Martin and Tulgan, 2006; Ng, *et al.*, 2010; Southard and Lewis, 2004; Weyland, 2011
	Gen Ys' are impatient because they are used to getting everything they want in a jiffy with the help of modern technology. This affected their expectations on the rewards given by their employers.	Chester, 2002; Howe and Strauss, 2000; Zemke, *et al.*, 2000
	They have little confidence in long-term rewards and are causing a prominent shift in demand from long-term rewards to short-term rewards.	Eisner, 2005; Tulgan, 2004
	To motivate the Gen Y workforce, HR managers should think of offering instant rewards whenever they do well.	Lowe, *et al.*, 2008
	Revealed that short-term rewards can effectively retain Gen Y employees.	Hay Group Malaysia, 2010
	Instant cash can improve the performance and retention of Gen Y employees.	Chester, 2002
4) Constant recognition	Gen Ys' claim that being recognized for efforts encourages them to work harder. Lack of recognition is one of the main reasons Gen Ys' leave their organizations.	Meier and Crocker, 2010
	Gen Ys' look forward to being acknowledged for their contribution to the organization.	Glass, 2007; Ng, *et al.*, 2010
	They are like their Boomer parents who regard recognition as one of the best rewards their organizations can give to them.	Hewlett, *et al.*, 2009
	This habit was cultivated in them since they were kids because their Boomer parents frequently praised them in attempts to encourage them whenever they did something right.	Strauss and Howe, 2006

(III) Rewards and Recognition factors	Descriptions	References
	They crave to receive recognition on a consistent and timely basis as they feel that it will lose its meaning if it is delayed.	Ng, *et al.*, 2010; PricewaterhouseCoopers, 2009
	Punctuality is one of the four P's of rewards and recognition apart from personal, proportionate and public.	Chester, 2002
	Gen Ys' need to be motivated constantly through recognition since they get bored and lose focus fairly quickly.	Meier and Crocker, 2010; Weyland, 2011
	Gen Ys' have complained that lack of praise and recognition is one of the most un-motivating factors at their workplace.	Meier and Crocker, 2010
	Managers should provide Gen Ys' with the constant recognition they require whenever they perform well because it will boost motivation.	Lowe, *et al.*, 2008
5) Rapid promotions	Gen Ys' impatient nature, they eager to become successful and cannot wait to be promoted.	Chester, 2002; Gursoy, *et al.*, 2008; Lowe, *et al.*, 2008; Ng, *et al.*, 2010
	Gen Ys' begin to complain about not being offered a higher position in the organization in just merely half a year into their tenure.	Erickson, 2009
	Rapid promotions only had a slight impact on Gen Ys' job motivation they still will become de-motivated if they get stuck at one position for too long because they tie advancements opportunities to career growth and success.	Meier and Crocker, 2010
	HR managers might need to reconsider their current career	Chester, 2002; Gursoy, et al., 2008; Lowe, et al., 2008; Ng, et al., 2010
	Have exceedingly high expectations when it comes to their career advancements such that they place rapid promotions at the top of their priority list. Nearly 70% of them believe that they will be advanced within one and the half years into their first job.	Ng, *et al.*, 2010

(III) Rewards and Recognition factors	Descriptions	References
	Gen Ys' are no longer buying into the concept of paying dues which their Boomer parents and managers are accustomed to. This soon-to-be obsolete concept puts the Gen Ys' off because it bores them to death.	Zemke, *et al.*, 2000
	Rapid promotion is one of the main reasons Gen Ys' stay in an organization.	Hay Group Malaysia, 2010
6) Being trusted with more responsibilities	Gen Ys' are all geared up and eagerly waiting to be entrusted with work responsibilities.	Meier and Crocker, 2010
	Gen Ys' are keen to accept more responsibilities and do not perceive it as a burden to them.	Martin and Tulgan, 2001
	He even suggested rewarding Gen Y employees with more responsibilities when they perform well. They will surely use it as the golden opportunity to prove themselves worthy of the given responsibilities.	Martin, 2005
	Loading them with bigger responsibilities can be intellectually stimulating and motivating to them.	Martin, 2005; Weyland, 2011
	Gen Ys' may even put in extra effort by working longer hours when they believe that they are assigned to work on very important tasks.	Weyland, 2011
	This can make Gen Ys' more engaged and committed to their work.	Myers and Oetzel, 2003
	If Gen Ys' talent is not fully maximized, they will lose interest in their work and eventually leave the organization.	Lowe, *et al.*, 2008; Martin, 2005
	End of the day, managers might have to trust Gen Ys' with more responsibilities to motivate them to work harder and perform better.	Chester, 2002
7) Pay-for-performance	HR managers need to embrace the idea of rewarding Gen Ys' based on performance to turn them into a highly engaged and productive workforce.	Eisner, 2005; Hill, 2002; Meier and Crocker, 2010
	Gen Ys' expect to be rewarded based on performance and not only based on age, experience or ranking.	Hill, 2002

(III) Rewards and Recognition factors	Descriptions	References
	They will choose employers that reward performance instead of ranking because they feel incredibly de-motivated if they are required to wait for years in an organization before achieving a particular ranking.	Meier and Crocker, 2010
	Gen Ys' have a higher regard for big accomplishments and lesser for ranking.	Eisner, 2005
	Identified pay-for-performance as one of the Seven Best Practices of HRM.	Pfeffer, 1998

2.5.4 Retaining practices

HR Retaining practices aim to reduce staff turnover by creating a loyal and committed workforce (Phillips and Edwards, 2008). Staff turnover is the opposite of staff retention and it occurs when staffs leave the organization (Bohlander and Snell, 2010). Poor HRM can lead to high staff turnover which can be very costly to organizations as they will then need to invest more to recruit and train new employees (Bohlander and Snell, 2010; Saad, *et al*., 2010). What is worse is that staff turnover means that organizations risk losing their valuable human assets whom they have spent so much money and time to recruit and develop (Marchington and Wilkinson, 2008). The Retaining practices that have an influence on Gen Ys' job motivation include honest and open communication, freedom, flexibility, work-life-balance, challenging/meaningful work and a fun/casual work environment as shown in Table 5.

Table 5: Summary of Retaining practices that influence Gen Ys' job motivation.

(IV) Retaining Practices factors	Descriptions	References
1) Open and honest communication	They demand for transparency and expect managers to be a 100% honest and open with them at all times, even pertaining to information that are meant for senior employees only.	Eisner, 2005; Gursoy, *et al*., 2008

(IV) Retaining Practices factors	Descriptions	References
	Gen Y employees demand for open and honest communication with their colleagues, supervisors, managers and even with their bosses.	Gursoy, *et al*., 2008; Society for Human Resource Management (SHRM), 2009
	They will not be satisfied being told what employers think they should know only.	Myers and Sadaghiani, 2010
	Findings revealed that openness of management only ranked 11th out of 17 traits of Gen Ys' future SME employers.	Szamosi, 2006
	Gen Ys' have always felt comfortable expressing themselves to adults as their parents have encouraged them speak their mind.	Tapscott, 1998; Zemke, *et al*., 2000
	Implementing an open door policy that facilitates communication and info-sharing in order to retain Gen Ys' in the organization.	Chester, 2002; Glass, 2007; Lowe, *et al*., 2008
	This can help instill a sense of trust and commitment in them given that honesty and open communication truly matters to them.	Chester, 2002; PricewaterhouseCoopers, 2009
2) Freedom	Gen Ys' appreciate having the freedom to carry out work autonomously, in their way.	Chester, 2002; Lowe, *et al*., 2008
	Findings that implied that freedom might not be one of the leading attributes Gen Ys' desire but researchers did not deny that freedom still matters to Gen Ys'.	Meier and Crocker, 2010; Szamosi, 2006
	It makes them feel more motivated and energized at work.	Hewlett, *et al*., 2009; Meier and Crocker, 2010
	Freedom is an important aspect of Gen Y's job motivation as 83% of them stated that it can give them the will to work harder.	Hewlett, *et al*., 2009
	Rigid rules and regulations do not work well on Gen Y employees. Just like the Gen Xs', Gen Ys' do not favor micromanagement too.	Chester, 2002; Eisner, 2005; Lowe, *et al*., 2008; Meier and Crocker, 2010
3) Flexible work Schedules	Gen Ys' job satisfaction is more highly dependent on work flexibility compared to the other generations before them. Gen Ys' loathed the idea of having to clock in at 9 to 5 on a daily basis.	Eisner, 2005

(IV) Retaining Practices factors	Descriptions	References
	They despise restrictions and will fight for freedom if it is not given to them. They want to have the freedom to decide how to do their own work.	Chester 2002; Eisner, 2005
	Talented generation of workers strive to look for organizations that can give them the flexibility they desire.	Martin, 2005
	Studies conducted in Malaysia and in other parts of the world as well showed that work flexibility is considered a very important job motivator for Gen Ys' employees.	Hay Group Malaysia, 2010; PricewaterhouseCoopers, 2009
	An inflexible work schedule is perceived as an un-motivating factor to the Gen Y respondents.	Meier and Crocker, 2010
	It does look like employers have no choice but to move away from the traditional working hours and introduce flexible work schedules to keep their Gen Y workforce engaged and committed.	Chester, 2002; Eisner, 2005; Kofman and Eckler, 2005; PricewaterhouseCoopers, 2009; Smola and Sutton, 2002; Weyland, 2011
	Specified that Gen Ys' seek for flexible working hours in attempts to achieve work-life-balance; which the next Retaining factor Gen Ys' look is for.	Buckley, *et al*., 2001
	Only a mere 15% of the Gen Y employees surveyed by PWC expect to work from 9 to 5 throughout their working life. They expectantly hoped that Asian employers would begin emulating the flexible work schedules since it has not widely practiced here yet.	PricewaterhouseCoopers , 2009
4) Work-life-Balance	Resembling the Gen Xs', Gen Ys' strive to maintain a balance between their career lives and personal lives.	Eisner, 2005; Loughlin And Barling, 2001; Meier and Crocker, 2010; Pekala, 2001; Twenge, 2010
	Gen Ys' try very hard to achieve work-life-balance because they value their families, relationships and the quality of life over money.	Buckley, *et al*., 2001; Eisner, 2005; Tulgan, 2004; Weyland, 2011
	Surveyed rated work-life-balance as their top five most favored work features.	Ng, *et al*., 2010

(IV) Retaining Practices factors	Descriptions	References
	They have developed a 'work to live' and not a 'live to work' mentality after seeing how their Boomer parents have sacrificed their personal lives just because of work.	Eisner, 2005; Loughlin And Barling, 2001; PricewaterhouseCoopers, 2009; Weyland, 2011
	A survey revealed that 87% of its Gen Y respondents agree that work-life-balance has a considerable influence on their motivation at work.	Hewlett, *et al*., 2009
	Work-life-balance is only accentuated more in Western cultures whereas Asian countries show little shifts in such cultures	PricewaterhouseCoopers, 2009
	This is practiced in Procter and Gamble where employees are allowed to take family leaves in order to care for their elderly or children.	Weyland, 2011
5) Challenging/ meaningful work	Gen Ys' welcome challenging work with open arms as they find it more interesting and meaningful to them. This made them very similar to their Boomer parents.	Eisner, 2005; Hewlett, *et. al*, 2009; Lowe, *et al*., 2008
	Claimed that Gen Ys' will perform better when being assigned with challenging tasks that can push them to their limit.	Eisner ,2005; PricewaterhouseCoopers; 2009
	Gen Ys' dread boredom the most and constantly need to be challenged intellectually.	Eisner, 2005; Kofman and Eckler, 2005; Sujansky, 2002; Weyland, 2011
	They regard such work as boring, pointless and somewhat de-motivating.	Meier and Crocker, 2010
	Challenging work also gives them a sense of accomplishment. Up to 79% of the Gen Ys' acknowledged that interesting work is an important motivating factor to them.	Meier and Crocker, 2010
	Assigning new, challenging tasks on a regular basis to prevent work from becoming monotonous. They believe that this can boost the motivation of the Gen Y workforce.	Meier and Crocker, 2010
	It is also feasible that challenging/meaningful work can be regarded as a bigger motivator than money is to Gen Ys'.	Hewlett, *et al*., 2009

(IV) Retaining Practices factors	Descriptions	References
	Many organizations have begun using this as a strategic retention tool for their Gen Y workforce. Then again, it was ranked 10 out of 16 most desired work attribute.	Eisner, 2005; Hewlett, *et al*., 2009; Kofman and Eckler, 2005; Lowe, *et al*., 2008; Martin and Tulgan, 2001; Ng, *et al*., 2010
6) A fun/casual work environment	When asked to describe their ideal work environment, Gen Ys' responded that a fun and casual atmosphere is imperative to them as it make them feel enthusiastic to go to work.	Meier and Crocker, 2010
	Other include organizing sports activities, parties, movie days, company trips/outings and casual dress codes to maintain the interest of the Gen Ys'.	Glass, 2007; Meier and Crocker, 2010
	A fun work environment is said to reduce stress, increase satisfaction levels and ultimately improve the productivity of Gen Y employees.	Chester, 2002; Lowe, *et al*, 2008
	Casual work environment as is one of the top three methods to attract Gen Y employees.	Throckmorton and Gravett, 2007
	Managers incorporate elements of fun and humor to connect with their Gen Y employees.	Eisner, 2005
	Creating fun work experiences in order to tackle retention issues relating to Gen Ys'. This can be done by hosting fun activities and frequent celebrations throughout the year.	Chester, 2002
	Ample of organizations have started to use this method to keep their Gen Y workforce engaged including Yahoo Inc. which encourages its employees to personalize their desks with their favorite cartoon character or sports idols	Weyland, 2011
	Google Inc. topped the list of Fortune 100 Best Companies to Work For as it created a fun workplace by allowing employees to bring pets to work, providing entertainment and gaming rooms, spas/massages and even sleeping pods.	CNN Money, 2014

2.6 Motivation Models

Motivation is defined as the psychological force that drives an individual's behavior, determination and persistence in an organization (Jones and George, 2008). It is the process that directs, encourages and sustains behavior and performance (Luthans, 1998). Hornsby and Kuratko (2003) cited that a motivated workforce can enhance the competitiveness of SMEs. Marchington and Wilkinson, (2008) stated that de-motivated employees are likely to perform poorly and leave an organization in the end. They also mentioned that understanding what and how to motivate employees at work is certainly a very complex endeavor. Thus, many motivational theories have been widely discussed and used to address the various motivational needs of employees towards achieving organizational goals.

Figure 3: Maslow's Hierarchy of Needs (1943).
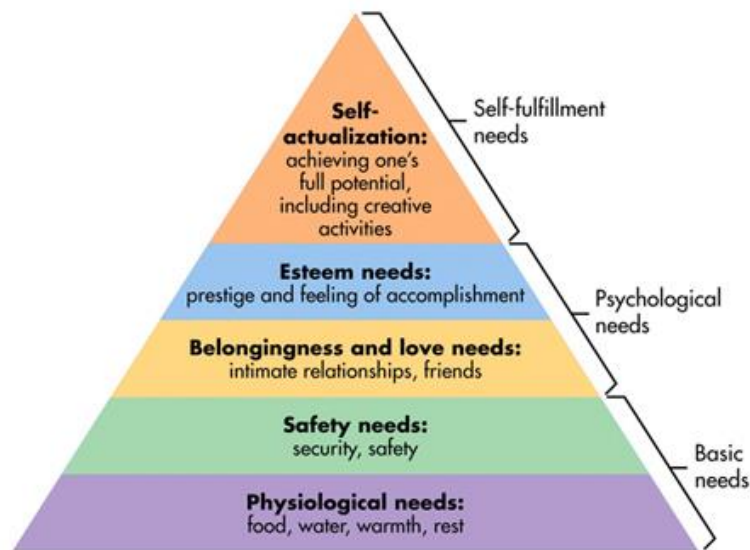
For example, Maslow's (1943) Hierarchy of Needs advocates that individuals are motivated by five levels of needs starting from physiological needs, safety and security needs, love and belongingness, self-esteem needs and lastly, self-actualization (Figure 3). Physiological and safety needs are lower order, basic needs of a human being. Love/belonging and esteem needs are higher order, psychological needs and self-actualization is the highest, self- fulfillment need of a human being. This model illustrates that individuals will seek to fulfill their lower order needs before moving on to their higher order needs. Once a need has been met, it no longer

serves as an effective motivator. Hence, an individual's level of motivation will ultimately depend on which stage of the hierarchy he/she is at (Maslow, 1943).

Figure 4: Herzberg's Two-Factor Theory (Herzberg, et al., 1959).

Satisfaction

MOTIVATORS

1) Achievement
2) Recognition
3) Responsibility
4) Growth
5) Advancement
6) Work itself

1) Status
2) Salary
3) Security
4) Supervision
5) Interpersonal relationships
6) Company policy
7) Administration

HYGIENE FACTORS
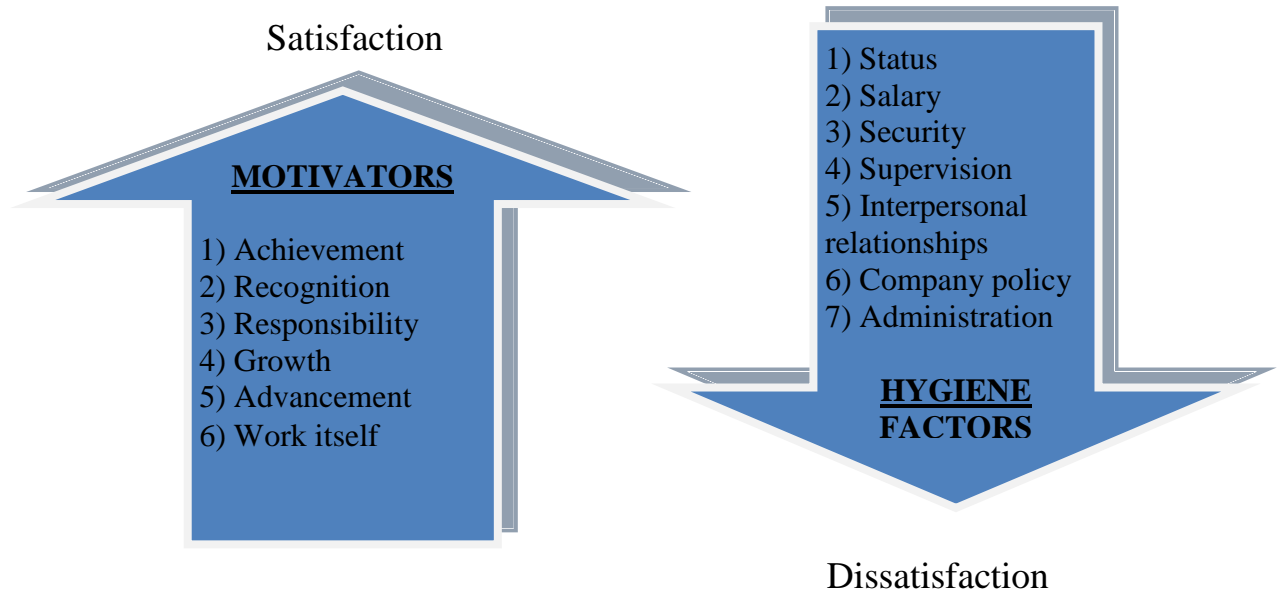
Dissatisfaction

Herzberg's Two-Factor Theory on the other hand suggests that motivators are factors that create job satisfaction and are independent from hygiene factors that create job dissatisfaction (Herzberg, et al., 1959). Motivators are intrinsic rewards and hygiene factors include extrinsic rewards as shown in Figure 4.

Figure 5: Vroom's Expectancy Theory (1964)

Force = Valence ×Instrumentality ×Expectancy

- **Force**
  the motivation to accomplish the goal
- **Valence**
  the perceived value of the final outcome
- **Instrumentality**
  the perceived likelihood that good performance will lead to good rewards
- **Expectancy**
  the perceived likelihood that good efforts leads to good performance
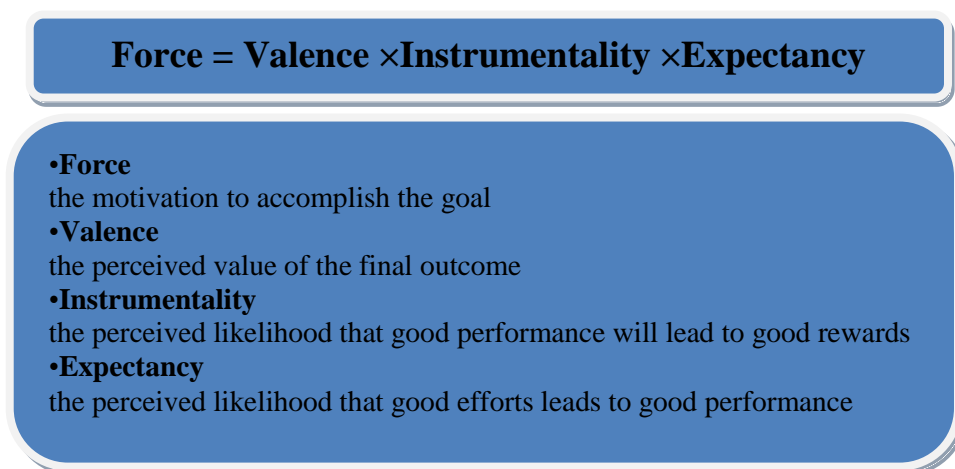
Vroom's (1964) Expectancy Theory on the other hand states that motivational forces rely on the perceived strength of the expectation and the attractiveness of the end

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result. This theory entails that goals ought to be explicit and tied to attractive rewards. Also, a cafeteria reward system would be most beneficial (Lunenburg, 2011). The formula for this theory is as shown in Figure 5.

Given the elaborations thus far, it is possible to conclude that job motivation is about the internal and external forces that influence individual's degree of willingness and choice to engage in a certain specified behavior and action (Mitchell, 1982, p.82). The purpose of motivational theories, then, is to analyze and predict the reasons that arouse and direct people to choose certain behaviors over others. Standing on the shoulders of these theories, aimed to develop tactics that can help increase gen Ys' motivational behavior in Malaysian SMEs.

2.7 Conclusion

In this chapter, some areas that covered on this project were reviewed. These areas included the HR practices that influence Gen Ys' job motivation, brief about SMEs, what are the factors that can motivate Gen Ys', discussed about the main term of the studies which are SMEs, Human Resource Management, Generation/Cohort groups and HR practices that influence Gen Ys' job motivation has been discussed. Motivation Models and theories that able to motivate employees also been discussed. The research presented in this thesis compares these alternative explanations to determine which best explains HR practices that influence Gen Ys' job motivation discussion to create most influential practices in SMEs to motivate gen Ys'. The published information related to this studies subject also been further explained.

CHAPTER 3
RESEARCH METHODOLOGY

3.1 Introduction

This chapter will cover the Research Methodology, Research Design and Instrument, Data Collection and Data Analysis procedures. In brief, a quantitative approach was chosen for this study. Primary data was collected using a survey questionnaire that was designed based on variables obtained from existing literature. The questionnaires were distributed electronically via email, social media network and instant messages to individuals that fulfill the requirements of the target group; Gen Ys' working in SMEs in Malaysia. The data was then analyzed using SPSS. This chapter will then close with the Limitations of the Research Methodology and Ethical Considerations.

3.2 Research Methodology

Numerous scholarly journals claim that Gen Ys' are far different from older generations and it is crucial for organizations to adapt their HR practices accordingly given that traditional ones are considered ineffective on Gen Ys' (Eisner, 2005; Smola and Sutton, 2002; Tulgan, 2004). Thus, this study aims to examine the impact of HR practices on the job motivation of Gen Ys' in order to help HR managers of Malaysian SMEs make the most out of their young talent. This survey primarily focuses on using a quantitative approach but also integrated some element of qualitative approach in the study. Quantitative research is a study that uses mathematical/ descriptive statistics to make inferences from observations regarding a particular subject of interest (Aliaga and Gunderson, 1999). This is done by collecting data, analyzing them and making logical deductions from the evidence collected (Balnaves and Caputi, 2001). On the other hand, qualitative research is descriptive in nature and the data collected is either verbal or written, which is then recorded in text format (Greener, 2008). Qualitative methods were incorporated in this study to compliment the quantitative research.

A quantitative approach was chosen for this study to test if there is a correlation between the HR practices and Gen Ys' job motivation in Malaysian SMEs as depicted by academic literature. One advantage quantitative researches have over qualitative

researches is that the findings can be used as a general representation of the population more straightforwardly than the latter (Galyani Moghaddam and Moballeghi, 2008). This approach allows the researcher to study large populations via sampling methods within a short period of time (Balnaves and Caputi, 2001). However, Balnaves and Caputi (2001) also pointed out that all quantitative researches are not free from error and biasness. Therefore, many researchers have recently begun combining both quantitative and qualitative methods in their studies (Bryman, 2006; Greener, 2008).

Correspondingly, this study integrated an optional comment section at the end of the survey to collect qualitative information from the sample. Informal interviews were also carried out with three experienced managers from three different Malaysian SMEs to compliment the quantitative study. The interviews are used to fill in the gaps in the quantitative study. As suggested by Carter, *et al*. (2012), post subjective approaches can help to validate the statistical result of a survey. Two interviews were conducted prior to the quantitative data collection because to reconfirm about the valid variables that be using in the research and one interview was carried out after data analysis to get additional information in research area.

3.3 The Research Framework

Figure 6: The Research Framework.
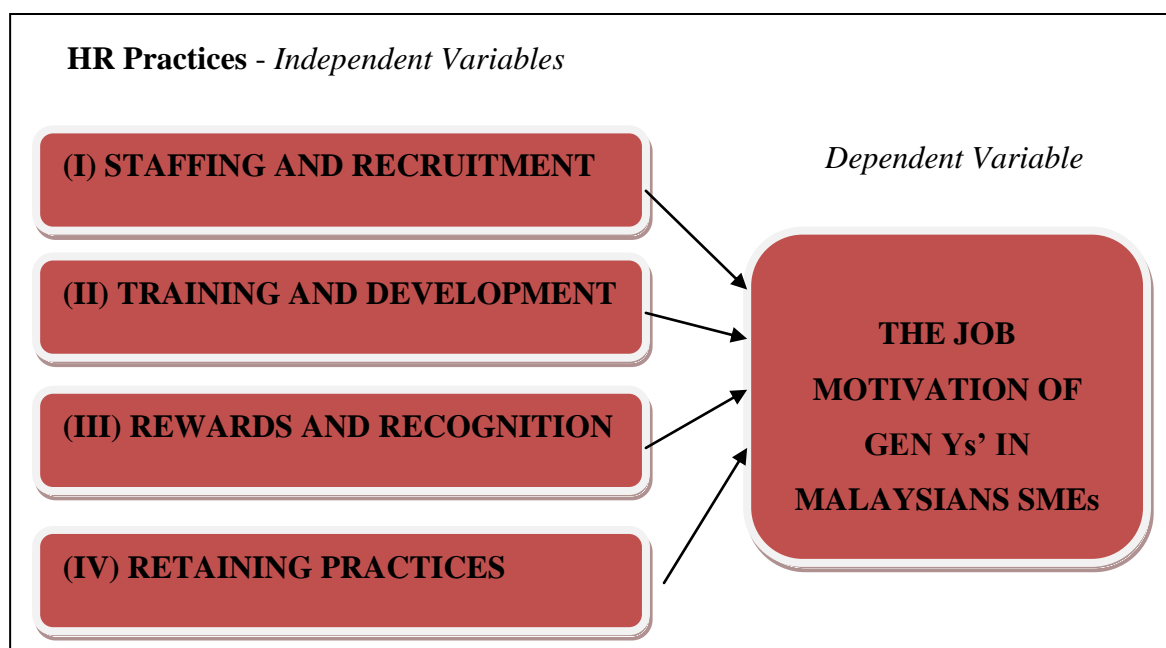
The main objective of this study is to examine the relationship between SMEs human resource practices and generation Y's job motivation. The HR practices are divided into four HR practices that make the independent variables for this study; Staffing and Recruitment, Training and Development, Rewards and Recognition and Retaining practices. These HR practices are broken down further into several items could be categorized as motivating factors are summarized in Table 6. The dependent variable for this study is; The Job Motivation of Gen Ys' in Malaysian SMEs. The research framework for this study is as shown in Figure 6.

Table 6: Items of the Independent Variables.

HR PRACTICES	MOTIVATING FACTORS
(I) Staffing and Recruitment	1) Parents' approval/input 2) Peers/friends' recommendations 3) Opportunities to gain new experiences 4) Opportunities to travel abroad 5) Opportunities to volunteer/contribute to society 6) The availability of up-to-date technology
(II) Training and Development	1) Continuous training and development of new skills 2) Opportunities for further education 3) Career growth opportunities 4) Clear guidance from supervisors via coaching/mentoring 5) Regular feedback on performance 6) Teamwork
(III) Rewards and Recognition	1) Financial rewards 2) Non-financial rewards 3) Instant rewards 4) Constant recognition 5) Rapid promotions 6) Being trusted with more responsibilities 7) Pay-for-performance
(IV) Retaining practices	1) Open and honest communication 2) Freedom 3) Flexibility 4) Work-life-balance 5) Challenging/meaningful work 6) A fun/casual work environment

3.3.1 Hypothesis

According to the information the researcher discovered during the literature review was used to identify hypotheses. Gen Ys' job motivation relate to various HR practices. These hypotheses will examine the relationship between Gen Ys' job motivation and the four core HR practices; Staffing and Recruitment, Training and Development, Rewards and Recognition and Retaining practices. These HR practices had been used in organization to motivate the gen Ys'. These HR practices are identified as independent variables to study and conduct experiment, since it play vital role in motivating generation Ys' in SMEs. As an outcome, hypotheses are:

(H1) Malaysian SMEs Staffing and Recruitment strategies have positive relationship with the job motivation of Gen Ys'.

(H2) Malaysian SMEs Training and Development initiatives have positive relationship with the job motivation of Gen Ys'.

(H3) Malaysian SMEs Rewards and Recognition packages have positive relationship with the job motivation of Gen Ys'.

(H4) Malaysian SMEs Retaining practices have positive relationship with the job motivation of Gen Ys'.

3.4 Instrument and Research Design

3.4.1 Quantitative Research

This study attempted to quantify HR practices and Gen Ys' job motivation in Malaysian SMEs. Quantitative data can be transposed into numbers, in a formal, objective, systematic process to obtain information and describe variables and their relationships (Brink and Wood 1998; Burns and Grove 1993)

The instrument used to measure the variables is an online survey questionnaire. A survey is a tool used to gather information from a sample to make deductions about the larger population. The questions in a questionnaire are standardized, making it a time and cost efficient means to collect data from a large sample (Balnaves and

Caputi, 2001). The online survey questionnaire was developed as a result of an analysis of previous studies, discussions with practitioners in the field, and a review of the literature.

The online survey questionnaire was developed and formatted using Google Docs and is segregated into three sections; Section A - Respondent's Profile, Section B - HR Practices that Influence the Job Motivation of Generation Y and Section C – Motivation (refer to Appendix A).

Section A serves to gather demographic information of the respondents; gender, year of birth, marital status, race, highest education achievement, work experience, size of organization, type of industry, designation and monthly income.

Section B is divided into four HR practices as presented in Table 7. This section is designed to assess the degree of influence of these HR practices on the job motivation of Gen Ys'. Respondents were asked to respond to the items by indicating their level of agreement with the statements in the questionnaire using a 5 - point Likert scale (1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, 5 – Strongly Agree). This category of scale was chosen because based on Hair *et al*. (2007), respondents usually avoid the extremes in responding to the questionnaire items.

Section C measures the overall job motivation level of Gen Ys' with respect to the HR practices of their current organization using a 5-point Likert scale as well. At the end of the questionnaire, an optional section is included for respondents to give additional comments with regards to the subject matter. In addition to using open-ended questions, qualitative interviews are usually loosely structured, and aim to get an in-depth account of the topic (Kvale, 1996; Patton, 2002; Taylor and Bogdan, 1998).

Table 7: Research Design for Section B.

HR PRACTICES	OBJECTIVES	MOTIVATING FACTORS
(I) Staffing and Recruitment	To measure the level of influence Staffing and Recruitment strategies have on Gen Ys' decision to a join a company.	Parents' approval/input Peers/friends' recommendations Opportunities to gain new experiences Opportunities to travel abroad Opportunities to volunteer/contribute to society The availability of up-to-date technology
(II) Training and Development	To measure the level of influence Training and Development initiatives have on Gen Ys' motivation to work.	Continuous training and development of new skills Opportunities for further education Career growth opportunities Clear guidance from supervisors via coaching/ mentoring Regular feedback on performance Teamwork
(III) Rewards and Recognition	To measure the level of influence Rewards and Recognition packages have on Gen Ys' job motivation.	Financial rewards Non-financial rewards Instant rewards Constant recognition Rapid promotions Being trusted with more responsibilities Pay-for-performance
(IV) Retaining practices	To measure the level of influence Retaining practices have in keeping Gen Ys' motivated at work.	Open and honest communication Freedom Flexibility Work-life-balance Challenging/meaningful work A fun/casual work environment

3.4.2 Qualitative Research

Qualitative research is an umbrella concept that includes several research strategies (Bogdan and Knopp Biklen, 2006, p. 2; Merriam, 1998, p. 5). Research strategies are flexible combinations of techniques to obtain valid and reliable data. Qualitative methods emphasize aspects of meaning, process and context: the 'why' and the 'how', rather than the 'how many' (Cohen and Manion, 1994; Litoselliti, 2003). Qualitative research has an unravelling capacity to generate data that have richness, depth, nuance, context, multi-dimensionality and complexity (Denzin and Lincoln, 2000, p. 10; Flick *et al*., 2004, p. 3; Mason, 2002, p. 1). Qualitative approaches aim at enriching our understanding of human experience (De Koning, Ashworth and Giorgi,

1986; Elliot, Fischer and Rennie, 1999). A qualitative approach recognizes that human experience has meaning in terms of involvement and values and does not start from an absolute origin or certain unquestionable 'observations', but from a perspective of an everyday understanding of people and events (De Koning, *et al*. 1986; Kvale, 1992, 1996)

To gain general insight into a topic on which little literature exists, the managers were interviewed and asked to share their experience with regards to the challenges they face in managing the Gen Ys' workforce. They were also asked to describe some of the strategies they used in their SMEs in order to tackle these challenges. An interview aimed to gathering additional information about the scope of the study. The literature review were used as a basis to draw up the questionnaire that was used to establish the SMEs managers opinions about their company HR practices and gen Ys' job motivation. Qualitative interviews differ from other interviews in that they aim to be more flexible in a lack of prior assumptions whilst elucidating the meaning of lived experience (Berg, 1995). The interview is one of the most used methods in social research, with a history of extensive application in selection, counselling and therapy (Labov, 1972; Kvale, 1992; McLeod, 1997; Rose, 2001). The aim of these interviews is not to measure or quantify something, but to improve understanding of the phenomenon by obtaining information from experts on personal experiences and critical incidents. The interview questions are presented in Appendix B.

3.4.3 Pilot Study

A pilot study is a mini version of data collection before the final data collection commences to test for validity and reliability. Reliability and validity verification of a methodology is an integral part of a research regardless of the chosen research approach (Morse, *et al*., 2002). It helps researchers find out if anything could go wrong with their survey and this helps reduce the failure risks of the research (van Teijlingen and Hundley, 2001). This study uses Cronbach's Alpha Coefficient to measure the internal consistency of the scale. Optimally, the Cronbach's Alpha Coefficient should not be lower than 0.7 for a scale to be considered valid and reliable (DeVellis, 2003).

The pilot test for this study was administered on a sample of 30 workers of AEP Technologies Sdn. Bhd. in Subang Jaya. The Cronbach's Alpha Coefficient is as shown in Table 8. All scales have Cronbach's Alpha Coefficients 0.7 and above. This signifies that the scales are valid and reliable.

Table 8: Cronbach's Alpha Coefficient for pilot study.

HR PRACTICES	CRONBACH'S ALPHA	NO. OF QUESTIONS
(I) Staffing and Recruitment	0.700	6
(II) Training and Development	0.790	6
(III) Rewards and Recognition	0.788	7
(IV) Retaining practices	0.767	6
(V) Motivation	0.870	5

3.5 Data Collection

Data collection consists of primary data. Quantitative data collection started 7th June 2014 and ended 7th July 2014. The research was targeted at SMEs within Malaysia. Online questionnaires were sent to relevant SMEs listed in Malaysia SME Corporate website in order to obtain the viewpoints from workers in SMEs. Denscombe (2006) encouraged social researchers to use web-based questionnaires with confidence, and therefore online questionnaires were distributed digitally via email to SMEs in Malaysia. 50 Human Resource Managers and hiring managers in selected SMEs companies within Malaysia asked for their participation in the study. Each email contained a URL to the online survey. The participants were directed to a website, and the surveys were completed online. This method of data collection was chosen because it is one of the few most cost and time effective channels to reach out to target groups. A recent poll conducted on PWC Malaysia's Gen Y workforce revealed that all of the respondents possess a mobile phone and an email account with 90% having at least two or more email accounts and 96% of them owning social network accounts (PricewaterhouseCoopers, 2009).

Two of the qualitative interviews with the SME managers were conducted on 4th May 2014, prior to the quantitative survey. One was a written interview and the other was a telephone interview. The last interview was conducted on the 10th July 2014, after the statistical data analysis and was a face-to-face interview.

3.5.1 Population and Sample Size

Sampling is therefore an element of data collection, and is defined by Bryman and Bell (2007) as the fragment or section of the population that is selected for the research process. Gill and Johnson (2010), however, warn that the sample size and selection are major concerns for researchers when designing and planning the research design. According to United Nations estimates, there are approximately 2,018,000 Gen Ys' (born between 1980 and 2000) in Malaysia (United Nations, Department of Economic and Social Affairs, Population Division, 2011). The exact number of Gen Ys' working in SMEs in Malaysia is not known. The sample size of the population includes 160 Gen Ys' who works in Malaysian SMEs. 126 completed questionnaires were returned. 1 response was omitted from the sample because a respondent mistakenly submitted 2 responses. According to the Central Limit Theorem; if a sample size is sufficiently large, it can be approximated to a normal distribution. And for the normal distribution assumption to hold, the sample size has to be a minimum of 30 and above (Greener, 2008). Therefore, 125 usable responses seem to be a reasonable sample size for this study. The response rate is approximately 78%. It has been reported that questionnaires that are short and straightforward have higher completion rate and unbiased answers (Galyani Moghaddam and Moballeghi, 2008). Therefore, the questionnaire was kept as simple as possible to ensure a higher rate of completion. As for the qualitative part, a total of 3 managers with at least 8 years of managerial experience were interviewed for this study.

3.5.2 Sampling Technique

One of the most important parts of the survey process is to determine the sample. There are various methods of selecting the sample and they are categorized as the probability and non-probability (Sekaran, 2003) for this research study the targeted population is Gen Y cohort group (born between 1982 and 2000) and should be working in a Malaysian SME. Convenience random sampling method was used for the purpose of this study. Convenience random sampling is one of the main types of

non-probability sampling methods. Non-probability sampling is considered as a range of techniques where the probability of selection each sampling unit is not known and the selection of sampling units is done according to the researcher judgement or knowledge. It therefore follows a subjective approach, according to Cooper and Schindler, 2006; Hair, *et al.*,2000. A convenience random sample is made up of people who are easy to reach. According to Changing Minds (2009), convenience random sampling generally assumes a homogeneous population that one person is pretty much like another. A convenience random sample that was chosen at the convenience of the study was randomly selecting respondents that are currently working in Malaysian SMEs that fit the gen Ys' group. This method is most suitable when there are limited time and budget constraints (Greener, 2008). The convenience random sampling method would yield too many unusable responses which would delay the data collection duration. The informal interviews, on the other hand, where managers working in SMEs who willingly volunteers to be interviewed for the purpose of this study.

3.6 Data Analysis

The quantitative data collected was transferred from Google Docs into Microsoft Excel and then converted into Statistical Package for the Social Science (SPSS 19.0) software to be analyzed. SPSS is computer software commonly used by researchers to run statistical analysis. SPSS is a good statistical package for people wanting to perform quantitative research in social science because it is easy to use and can be a good starting point to learn more advanced statistical packages (Harvard-MIT Data Center, 2009). The frequency, mean and standard deviation is computed to measure the average and the variations of the results. A correlation test is carried out for the HR practices and the level of motivation of the respondents to see if there is a significant relationship between the two.

3.7 Limitations of Methodology

Since the survey questionnaire was solely conducted online, the respondents were confined to only those who have access to internet. This means that the sample will not include the views of those without internet access. According to PricewaterhouseCoopers, 2009, found that every single one of their Gen Y survey

respondents own at least one hand phone. Academic literature also have pointed out that there is a gap in the stereotypical characteristics of Gen Ys' because of the digital divide between the haves and the have-nots which authors refer to as 'The Chasm' (Howe and Strauss, 2000; Zemke, *et al*., 2000).

Another limitation is that the questionnaire and interviews were constructed in English language only. English is actually the second language in Malaysia after the national language; Bahasa Melayu (TheExpatGroup.com, 2013). Yet, it is widely used in Malaysia and assumed that all respondents understood English well enough to comprehend the questions correctly. There is therefore, a small risk that some respondents may misinterpret the questions, leading to inaccurate responses. To minimize this risk, precautions were taken by using only simple, layman English terms and avoiding the usage of complex jargons.

Using the quota sampling method also means that this study may have biases tendencies. This is because the quota sampling method is unlike random sampling, where every individual has an equal chance of being selected to participate in the study (Greener, 2008). It is however one of the popular methods used in opinion polls and market research.

And like all other surveys, the accuracy of this research is also subject to several sources of sampling and non-sampling errors. Sampling error is inevitable because all samples of the population are heterogeneous and may therefore produce slightly different results when the survey is replicated with another sample (Balnaves and Caputi, 2001). The only way to overcome this is to perform a census of the entire population which will be too time consuming and costly. Non-probability sampling errors include non-response, inaccurate responses and mistakes done by the researcher while constructing the questionnaire or processing the data (Greener, 2008). Errors resulting from respondents are normally out of the research control. However, the latter is minimized by carrying out this study under close supervision from the supervisor and by being extra meticulous while coding and keying in the data.

3.8 Ethics

Participation in this research is completely voluntary and respondents have every right to pull out of the study at any time. The cover letter of the questionnaire clearly states the purpose of this study. It also informs the respondents that this is an anonymous research. The questionnaire and interviews did not ask the respondents for their names or any personal identifiable information.

Respondents were also assured that the data collected will be treated with strict confidence and will be used for the purpose of this study only. Studies have shown that respondents are more willing to participate and provide an honest answer if a survey is anonymous (Hise and McGinnis, 1976). Honesty is an imperative aspect of the primary data collection as it affects the integrity of the answers which ultimately determines the accuracy of the data analysis. No third party was involved in handling the survey and interview data; hence the researcher alone has full control over the data collected. The data were keyed in personally, ensuring the integrity of the responses and then deleted/destroyed at the end of the study

3.9 Conclusion

This chapter discussed the research methodology employed in the quantitative and qualitative study. A pilot study, a survey and a series of interviews have been conducted to learn about HR practices in relation to Gen Ys job motivation. Also included information on the data collection process as well as data analyses. Finally, this chapter discussed the limitations of the methodology, and ethical assurances.

CHAPTER 4
FINDINGS

4.1 Introduction

This chapter contains the key findings of the data collected from the online survey questionnaire and compares them with the literature review in Chapter Two. Based on the findings, it reports the results of the data analysis that was generated using Statistical Package for the Social Science (SPSS 19.0) software. The first section presents the respondents' profile. It contains an overview of respondents' demographic characteristics. Next will be the summary of descriptive statistical analysis of all the independent and dependent variables in this study. The mean of the variables measures the centrality of the variable while the standard deviation gauges the spread of the variable from the mean (Balnaves and Caputi, 2001; Hill, *et al.*, 2001). This chapter will end with the results of the correlation tests between the independent and dependent variables. Correlation analysis measures the direction and the magnitude of the liner association between the independent and dependent variables (Pallant, 2011).

4.2 Demographic Profile

A total of 125 responses were collected, analyzed and summarized in Table 9. Out of the 125 Gen Y respondents, 61.6% were male and 38.4% were female. Most of the respondents (77.6%) were single, 21.6% were married and only 0.8% were divorced. As for the race distribution, huge majorities of 85.6% were Chinese, 6.4% were Indian, 4.8% were Malay and 3.2% consisted of other races. In terms of highest education achievement, 60.8% of the respondents had an undergraduate degree, 14.4% had a diploma certificate, 13.6% had a postgraduate degree, 8% were high school graduates and the remaining 3.2% had other types of education achievements. Subsequently, 32.8% of them had more than 8 years of working experience, 28.0% had 5 to 7 years of working experience, 21.6% had 2 to 4 years of working experience and 17.6% had less than 2 years working experience. The results also revealed that 32.0% of the respondents were working for an organization that had 5 to 29 employees, 28.0% were working in an organization that had more than 201 employees, 16.8% had 75 to 200 employees, 13.6% had 30 to 74 employees and only 9.6% were working for an organization that had less than 5 employees.

Table 9: Summary of Demographic profiles.

DEMOGRAPHICS	CHARACTERISTICS	FREQUENCY	PERCENTAGE
Gender	Male	77	*61.6%*
	Female	48	38.4%
Marital Status	Single	97	*77.6%*
	Married	27	21.6%
	Others	1	0.8%
Race	Malay	6	4.8%
	Chinese	107	*85.6%*
	Indian	8	6.4%
	Others	4	3.2%
Highest Education Achievement	High School	10	8.0%
	Diploma	18	14.4%
	Undergraduate	76	*60.8%*
	Post-graduate	17	13.6%
	Others	4	3.2%
Work Experience	Less than 2 years	22	17.6%
	2 to 4 years	27	21.6%
	5 to 7 years	35	28.0%
	More than 8 years	41	*32.8%*
Size of Organization	Less than 5 employees	12	9.6%
	5 to 29 employees	40	*32.0%*
	30 to 74 employees	17	13.6%
	75 to 200 employees	21	16.8%
	More than 201 employees	35	28.0%
Type of Industry	Manufacturing	10	8.0%
	Service	61	*48.8%*
	Retail and Wholesale	13	10.4%
	Others	41	32.8%
Designation	Non-executive	18	14.4%
	Executive	58	*46.4%*
	Manager	40	32.0%
	Others	9	7.2%
Monthly Income	Less than RM 2,001	13	10.4%
	RM 2,001 to RM4,000	47	*37.6%*
	RM4,001 to RM 6,000	36	28.8%
	More than RM6,001	29	23.2%

Nearly half (48.8%) of the respondents were working in the service industry, 8.0% were in the manufacturing industry, 10.4% were in the retail and wholesale industry and 32.8% were working in other types of industries. As for the designation of the respondents, 46.4% of them were executives, 32.0% of them were managers, 14.4% held a non-executive position and 7.2% held other positions in their organizations. Lastly, 37.6% were earning about RM 2,001 to RM 4,000 per month, 28.8% earned RM 4,001 to RM 6,000 per month, 23.2% earned more than RM 6,001 per month and 10.4% earned less than RM 2,001 per month. The birth year of the respondents ranged

from 1980 to 1993; which is within the range of the Gen Ys' birth year (1980 to 2000). On average, the respondents were mainly born in between 1983 to 1985.

To sum up the Demographic profiles, a majority of the Gen Y respondents are single, Chinese, males, with at least an undergraduate qualification. More than half of them had over 5 years of working experience and earned at least RM 2,001 on a monthly basis. The average age of the respondents at the time the research was conducted was approximately 29 to 31 years old.

The profiles of the interviewees from the informal interviews are summarized in Table 10. In short, all three managers worked in a Malaysian SME and had at least 8 years of managerial experience.

Table 10: Summary of Interviewees' Profile.

	Manager A	**Manager B**	**Manager C**
Designation	HR Director	Senior Manager	Project Manager
Year of birth	1960	1981	1982
Years of experience	34	8	8
Type of industry	Service	Service	Information Technology
Size of Organization	Medium	Small	Medium

4.3 Findings

The main research objective of this study is to examine the HR practices that have an influence on Gen Y's job motivation in Malaysian SMEs. Academic literature claimed that there is a correlation between the four HR practices (Staffing and Recruitment, Training and Development, Rewards and Recognition and Retaining practices) and the job motivation of Gen Ys'. Hence, this study aims to establish if there is a relationship between these four HR practices and the Gen Ys' job motivation in the context of Malaysian SMEs.

A 5-point Likert scale (1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, 5 – Strongly Agree) was used to determine how strongly the respondents agree or disagree to a particular HR factor has an influence on their job motivation. The mean, commonly called the average, is a mathematically computed value which represents a

central value of a given data set. The mean is computed by adding all the data values together and dividing by n, where n represents the total number of data values (nationalatlas.gov, 2013). The mean of the variables signifies the expected average value if the study is carried out in repeated samples (Hill, *et al*., 2001). For this study, mean of below 2.5 would signify that the respondents generally do not agree that the HR factor has an influence on their job motivation while a mean above 3.5 would imply that the respondents generally agrees that the HR factor influences their job motivation. Any other values in between the two would indicate that the respondents are indifferent about the influence of that particular HR factor on their job motivation. The standard deviation here measures how far the values of the variable vary from the mean (Hill, *et al*., 2001). The bigger the value of the standard deviation, the more the values are expected to vary from the mean.

Pearson Correlation is used to test the correlation between the independent and dependent variables. The Pearson correlation coefficient (r) ranges from − 1.00 to + 1.00 (Pallant, 2011). The negative symbol signifies a negative correlation while a positive symbol signifies a positive correlation between the two variables (Pallant, 2011). The absolute value on the other hand represents the magnitude of the correlation (Pallant, 2011). According to Cohen (1988), an r-value of 0.10 to 0.29 suggests a weak correlation, an r-value of 0.30 to 0.49 suggests a moderate correlation and an r-value of 0.50 to 1.0 suggests a strong correlation.

4.3.1 Findings for Staffing and Recruitment

Research Objective is to examine the Staffing and Recruitment strategies that have an influence on Gen Ys' job motivation in Malaysian SMEs. The descriptive statistics for Staffing and Recruitment are presented in Table 11. The survey questionnaire for this independent variable is included in Appendix A - Section B: (I) Staffing and Recruitment.

Table 11: Descriptive Statistics for Staffing and Recruitment.

(I) Staffing and Recruitment	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev.
1) Parents' approval/input	22 17.6%	20 16.0%	49 39.2%	25 20.0%	9 7.2%	2.83	1.155
2) Peers/friends' recommendations	8 6.4%	14 11.2%	55 44.0%	43 34.4%	5 4.0%	3.18	0.919
3) Opportunities to gain new experiences	2 1.6%	2 1.6%	8 6.4%	60 48.0%	53 42.4%	*4.28*	0.789
4) Opportunities to travel abroad	4 3.2%	8 6.4%	32 25.6%	50 40.0%	31 24.8%	3.77	1.001
5) Opportunities to volunteer /contribute to society	4 3.2%	14 11.2%	44 35.2%	51 40.8%	12 9.6%	3.42	0.927
6) The availability of up-to-date technology	4 3.2%	6 4.8%	33 26.4%	53 42.4%	29 23.2%	3.78	0.966
Average Staffing and Recruitment						**3.54**	**0.609**

The Average Staffing and Recruitment mean is 3.54 and most of the respondents seek for the opportunities to gain new experiences as it has the largest mean of 4.28. Parents' approval/input appears to have little influence their job motivation as it scored a low mean of 2.83. The standard deviation shows that the responses vary at only 0.609 about the average mean. A small standard deviation demonstrates that the responses do not vary much from the mean.

Table 12: Correlation between Staffing and Recruitment and Motivation.

		Average Motivation
Average Staffing and	Pearson Correlation (r)	0.420**
Recruitment	p-value (2-tailed)	0.000

The Pearson Correlation coefficient of 0.420 indicates a moderate, positive correlation between the Average Staffing and Recruitment strategies of Malaysian SMEs and the Average Motivation of the Gen Ys' (refer to Table 12). The respondents somewhat agree that Staffing and Recruitment strategies have an impact on their job motivation. A p-value of 0.000 means that the test result is significant at 99% confidence interval. Among all the independent variables, the Staffing and

Recruitment strategies of Malaysian SMEs have the strongest correlation with the current job motivation of Gen Ys' in because it has the biggest r-value.

4.3.2 Findings for Training and Development

Research Objective II is to examine the Training and Development initiatives that have an influence on Gen Ys' job motivation in Malaysian SMEs. The descriptive statistics for Training and Development are presented in Table 13. The survey questionnaire for this variable is included in Appendix A - Section B: (II) Training and Development.

Table 13: Descriptive Statistics for Training and Development.

(II) Training and Development	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev.
1) Continuous training and development of new skills	3 2.4%	2 1.6%	16 12.8%	63 50.4%	41 32.8%	4.10	0.856
2) Opportunities for further education	4 3.2%	16 12.8%	37 29.6%	46 36.8%	22 17.6%	3.53	1.028
3) Career growth opportunities	2 1.6%	0 0.0%	11 8.8%	55 44.0%	57 45.6%	*4.32*	0.768
4) Clear guidance from supervisors via coaching / mentoring	3 2.4%	0 0.0%	19 15.2%	55 44.0%	48 38.4%	4.16	0.856
5) Regular feedback of performance	2 1.6%	2 1.6%	25 20.0%	69 55.2%	27 21.6%	3.94	0.791
6) Teamwork	3 2.4%	2 1.6%	19 15.2%	51 40.8%	50 40.0%	4.14	0.904
Average Training and Development						**4.03**	**0.666**

The Average mean of Training and Development is 4.03 and career growth opportunity is the most influential factor as it has the largest mean value of 4.32. Opportunities for further education scored the lowest mean value of 3.53 which indicates that it had the least influence on the respondents' job motivation. The standard deviation shows that the responses vary at only 0.666 about the average mean.

Table 14: Correlation between Training and Development and Motivation.

		Average Motivation
Average Training and Development	Pearson Correlation (r)	0.356**
	p-value (2-tailed)	0.000

The Pearson Correlation coefficient of 0.356 indicates a moderate, positive correlation between the Average Training and Development initiatives of Malaysian SMEs and the Average Motivation of Gen Ys' (refer to Table 14). Respondents agree that Training and Development initiatives of Malaysian SMEs have an influence on their job motivation. A p-value of 0.000 again means that the test result is significant at 99% confidence interval. The Training and Development initiatives of Malaysian SMEs ranked third among the other independent variables in terms of strength of correlation with the job motivation of Gen Ys'.

4.3.3 Findings for Rewards and Recognition

Research Objective III examines Rewards and Recognition packages that have an influence on Gen Ys' job motivation in Malaysian SMEs. The descriptive statistics for Rewards and Recognition are presented in Table 15. The survey questionnaire for this variable is included in Appendix A- Section B: (III) Rewards and Recognition.

Table 15: Descriptive Statistics for Rewards and Recognition.

(III) Rewards and Recognition	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev.
1) Financial rewards	3 2.4%	0 0.0%	12 9.6%	35 28.0%	75 60.0%	*4.43*	0.855
2) Non-financial rewards	4 3.2%	2 1.6%	15 12.0%	62 49.6%	42 33.6%	4.09	0.898
3) Instant rewards	4 3.2%	5 4.0%	39 31.2%	44 35.2%	33 26.4%	3.78	0.991
4) Constant recognition	3 2.4%	4 3.2%	27 21.6%	59 47.2%	32 25.6%	3.90	0.902
5) Rapid promotions	3 2.4%	6 4.8%	42 33.6%	46 36.8%	28 22.4%	3.72	0.947
6) Being trusted with more responsibilities	3 2.4%	2 1.6%	20 16.0%	62 49.6%	38 30.4%	4.04	0.865
7) Pay-for-performance	3 2.4%	2 1.6%	21 16.8%	40 32.0%	59 47.2%	4.20	0.942
Average Rewards and Recognition						**4.02**	**0.723**

The Average Rewards and Recognition mean of 4.02. With a mean of 4.43, financial rewards appears to have the most influence on the job motivation of the respondents. Both rapid promotions and instant rewards seem to be the least influential although the respective means of 3.72 and 3.78 indicate that these factors have a moderate influence on the respondents' job motivation. The standard deviation shows that the responses vary at 0.723 about the average mean.

Table 16: Correlation between Rewards and Recognition and Motivation.

		Average Motivation
Average Rewards and Recognition	Pearson Correlation (r)	0.225*
	p-value (2-tailed)	0.012

The Pearson Correlation coefficient of 0.225 indicates a weak, positive correlation between the Average Rewards and Recognition packages of their current SMEs and the Average Motivation of the Gen Ys' (refer to Table 16). A p-value of 0.012 means that the test result is significant at 95% confidence interval. The Rewards and Recognition packages of Malaysian SMEs appears to have the weakest correlation with the job motivation of Gen Ys' because it has the smallest r-value.

4.3.4 Findings for Retaining Practices

Research Objective IV examines the Retaining practices that have an influence on Gen Ys' job motivation in Malaysian SMEs. The descriptive statistics for Retaining practices are presented in Table 17. The survey questionnaires for this variable are included in Appendix A - Section B: (IV) Retaining practices.

The Average Retaining practices mean of 4.18. All six Retaining factors have a mean of above 4.0, implying that the respondents agree that every single one of these Retaining practices have an influence on their job motivation. The standard deviation shows that the responses vary at 0.743 about the average mean.

Table 17: Descriptive Statistics for Retaining Practices.

(III) Retaining Practices	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev.
1) Open and honest communication	3 2.4%	1 0.8%	17 13.6%	60 48.0%	44 35.2%	4.13	0.852
2) Freedom	4 3.2%	1 0.8%	11 8.8%	62 49.6%	47 37.6%	4.18	0.871
3) Flexibility	3 2.4%	3 2.4%	16 12.8%	53 42.4%	50 40.0%	4.15	0.907
4) Work-life-balance	5 4.0%	4 3.2%	11 8.8%	42 33.6%	63 50.4%	*4.23*	1.017
5) Challenging / meaningful work	3 2.4%	4 3.2%	9 7.2%	62 49.6%	47 37.6%	4.17	0.877
6) A fun/casual work environment	3 2.4%	4 3.2%	10 8.0%	53 42.4%	55 44.0%	4.22	0.906
Average Retaining Practices						**4.18**	**0.743**

Table 18: Correlation between Retaining practices and Motivation.

		Average Motivation
Average Retaining practices	Pearson Correlation (r) p-value (2-tailed)	0.368** 0.000

The Pearson Correlation coefficient of 0.368 here signifies a moderate, positive correlation between the Average Retaining practices of Malaysian SMEs and the current Average Motivation of the Gen Ys' (refer to Table 18). A p-value of 0.000 means that the test result is significant at 99% confidence interval. The Retaining practices of Malaysian SMEs is the second most influential HR practices on the Gen Ys' job motivation because it has the second largest r-value compared to the other independent variables.

4.3.5 Findings for Overall Motivation

The descriptive statistics for the dependent variable, Motivation, are presented in Table 19. The respondents were asked to answer if they agree or disagree that they are generally happy and motivated by the current HR practices of their organization. The survey questionnaire for this variable is included in Appendix A - Section C: Motivation.

The Average Motivation mean of 3.21 imply that the respondents mostly answered that they feel neutral about the HR practices of their current organization. The standard deviation shows that the responses vary at 0.759 about the average mean.

Table 19: Descriptive Statistics for Overall Motivation.

Overall Motivation from Current Organization's HR Practices	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev.
(I) Overall motivation from Staffing and Recruitment	5 4.0%	17 13.6%	61 48.8%	38 30.4%	4 3.2%	3.15	0.843
(II) Overall motivation from Training and Development	7 5.6%	16 12.8%	52 41.6%	47 37.6%	3 2.4%	3.18	0.892
(III) Overall motivation from Rewards and Recognition	7 5.6%	18 14.4%	45 36.0%	51 40.8%	4 3.2%	*3.26*	0.832
(IV) Overall motivation from Retaining practices	6 4.8%	10 8.0%	58 46.4%	48 38.4%	3 2.4%	3.22	0.930
(V) Overall Motivation in current organization	9 7.2%	10 8.0%	54 43.2%	45 36.0%	7 5.6%	3.25	0.947
Average Motivation						**3.21**	**0.759**

4.4 Summary of Findings

In summary, the key findings of this study are as shown in Table 20 and Table 21. The Gen Ys' in Malaysian SMEs generally agreed that Retaining practices, Training and Development initiatives and Rewards and Recognition packages (in descending order) have an influence on their job motivation. Staffing and Recruitment is somewhat important for their job motivation as well. Nevertheless, the respondents mostly felt neutral about their overall motivation from their current organization's HR practices. Anyhow, all four HR practices (in descending order: Staffing and Recruitment, Retaining practices, Training and Development and Rewards and Recognition) have a significant correlation with the Gen Ys' job motivation in Malaysian SMEs.

Table 20: Summary of HR Practices Means and Ranking.

HR Practices	Mean	Rank
(I) Staffing and Recruitment	3.54	4th
(II) Training and Development	4.03	2nd
(III) Rewards and Recognition	4.02	3rd
(IV) Retaining practices	4.18	1st
(V) Motivation	3.21	5th

Table 21: Summary of Correlation Tests for HR Practices with Motivation.

HR Practices	Pearson Correlation (r)	Rank
(I) Staffing and Recruitment	0.420**	1st
(II) Training and Development	0.356**	3rd
(III) Rewards and Recognition	0.225*	4th
(IV) Retaining practices	0.368**	2nd

** Significant at 1% level of confidence

* Significant at 5% level of confidence

4.5 Conclusion

On this chapter explained the research results that were collected from the targeted respondents through online survey. The results could help the research to understand the relationship between SMEs HR practices and Gen Ys' job motivation.

CHAPTER 5
DISCUSSION AND RECOMMENDATIONS

5.1 Introduction

The aim of this study is to examine the HR Practices that have an influence on Gen Ys' job motivation in Malaysian SMEs. This chapter will provide Discussion for the study according to findings. Key findings for this study from Chapter Four are compared with the literature review in Chapter Two. Based on the findings, managerial implications and recommendations will be derived to help SMEs manage and motivate their Gen Y workforce.

The main objective for this study is to examine the HR practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs. The sub research objectives are as follows:

I. To examine the Staffing and Recruitment strategies that have an influence on the job motivation of Gen Ys' in Malaysian SMEs.

II. To examine the Training and Development initiatives that have an influence on the job motivation of Gen Ys' in Malaysian SMEs.

III. To examine the Rewards and Recognition packages that have an influence on the job motivation of Gen Ys' in Malaysian SMEs.

IV. To examine the Retaining practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs.

5.2 Discussion

By comparing the literature review (refer to Chapter Two) and the key findings for this study, the following arguments and justifications were conferred.

5.2.1 Discussion for Staffing and Recruitment

Research Objective I is to examine the Staffing and Recruitment strategies that have an influence on the job motivation of Gen Ys' in Malaysian SMEs. Hypothesis 1 (H1) is Malaysian SMEs Staffing and Recruitment strategies have positive relationship with the job motivation of Gen Ys'. The key finding for Staffing and Recruitment is summarized in Table 22:

Table 22: Key findings for Staffing and Recruitment.

(I) STAFFING AND RECRUITMENT	MEAN
1) Parents' approval/input	2.83
2) Peers/friends' recommendations	3.18
3) Opportunities to gain new experiences	4.28
4) Opportunities to travel abroad	3.77
5) Opportunities to volunteer/contribute to society	3.42
6) The availability of up-to-date technology	3.78
Average Staffing and Recruitment	**3.54**
Correlation between Staffing and Recruitment and Motivation (r)	**0.420****

The findings showed that the current Staffing and Recruitment strategies of Malaysian SMEs are positively correlated with the job motivation of Gen Ys' in Malaysian SMEs. Among the four HR practices, the Staffing and Recruitment of Malaysian SMEs have the strongest relationship with Gen Ys' job motivation. This advocates that Malaysian SMEs can motivate Gen Ys' to work for them with their Staffing and Recruitment strategies. This is quite a significant discovery. As denoted by Marchington and Wilkinson (2008), Staffing and Recruitment practices are tied to employees' productivity, performance and turnover as well. According to Pfeffer (1998), Selective hiring and recruitment is one of the Seven Best HRM Practices that can boost organization performance through human assets. A renowned online recruitment company in Malaysia named JobStreet.com reported that it is indeed very challenging for SMEs to recruit Gen Y employees yet it is tremendously fundamental for tackling labor shortages (Jobstreet.com, 2012). Hence, it is really important that Staffing and Recruitment strategies of Malaysian SMEs can motivate Gen Ys' to work for them.

The Staffing and Recruitment factor that have the biggest impact on the job motivation of Gen Ys' in Malaysian SMEs is opportunities to gain new experiences. At least 90% of the respondents agreed that this factor is an important aspect of their job application. This is consistent with findings from existing researches mentioned in Chapter Two. Prior researches revealed that Gen Ys' are motivated by opportunities

to gain new experiences because they like to explore new things (Hewlett, *et al*., 2009; Kofman and Eckler, 2005; PricewaterhouseCoopers; 2009). In the interview, Manager A also agreed that Gen Ys' have the longing to experiment and discover new things. From personal experience, it is not uncommon to hear Gen Y candidates use seeking for opportunities to gain new experiences as a primary justification for them to switch jobs. This is also supplementary to Gen Ys' desire for opportunities to travel abroad. Manager B explained that Gen Ys' are still young and do not have commitments that ties them down. Thus, they use this privilege to venture into as many new things as they can and travel as much as they can while they can still afford to. Moreover, Gen Ys' often complained about not wanting to be stuck doing boring, repetitive work (Kofman and Eckler, 2005; Lowe, *et al*., 2008; Weyland, 2011). They become extremely de-motivated when work become stale and monotonous (Meier and Crocker, 2010). Therefore, it is not surprising that an opportunity to gain new experiences is found to be the leading job motivator for Gen Ys' in Malaysian SMEs.

Astonishingly, the results implied that parents' approval/input has little influence on the respondents' job motivation. Merely 27% admitted that this factor affects their job application decisions. This contradicts Miller (2006) and Glass's (2007) arguments pertaining to the involvement of Gen Ys' parents in their career decisions. This also contradicts Manager C's argument about the significant role Gen Ys' parents supposedly play in influencing Gen Ys' career choices. As it happens, Manager A has encountered quite a few parents who actually tagged along with their children to the job interviews held at her organization. A possible explanation for this is as stated by Manager C about Gen Ys' not wanting to admit that they do actually rely on their parents when making career decision because they wish to prove that they are independent enough to make it on their own. This gives them a sense of accomplishment; which is also considered one of the motivating factors found in Herzberg's Two-Factor Theory (Herzberg, *et al*., 1959). Manager C also added that Gen Ys' want to feel empowered in making their own decisions and determining their own career paths. This somehow supports Pekala's (2001) claims about Gen Ys' being as self- reliant and independent as Gen Xs'. It has also been reported that parents' influence tends to decline when children grow older (Berndt, 1979). The demographic profiles showed that respondents were aged 21 to 34 years old and have

already entered adulthood. Hence, parents' approval/input may play a slightly less prominent part in the career choices of the Gen Ys' in Malaysian SMEs.

Another unexpected discovery was the weak association found between peers/friends' recommendations and the job motivation of Gen Ys' in Malaysian SMEs. Only 38% stated that this factor influence their career choices. If this was really the case, it would be difficult to justify Chester (2002), Eisner (2005) and Miller's (2006) proclamations on employers who use Gen Y employee referrals to recruit young talents. Manager C argued that Gen Ys' personally may not feel that their peers/friends' influence their career choices but they could have underestimated the power of their peers/friends' word-of-mouth, that could essentially lead them to choose a workplace recommended by their peers/friends who work there. As Eisner (2005) and Glass (2007) claimed, Gen Ys' are very sociable and have a very wide social network. An article from a market research firm called In Sites Consulting confirmed that social media is considered the most important network to them (Van den Bergh, 2013). Therefore, Manager C, who is also a member of the Gen Y cohort, has personally recruited many of his peers to become his project teammates and he tries to create a sense of belongingness, as described in Maslow's (1943) Hierarchy of Needs, amongst his teammates in order to increase their engagement towards their work and the organization. Nevertheless, an explanation as to why peers/friends' recommendations were not regarded as an impactful motivator for the Gen Ys' surveyed could be related to their age and maturity. Studies pointed out that the strength of peer influence tends to decline after adolescence (Berndt, 1979; Costanzo and Shaw, 1966; Gardner and Steinberg, 2005). And since the Gen Ys' surveyed in this study were at least 21 years and above, it is positively conceivable that peers/friends' recommendations do not have a strong influence on their job motivations.

Next, the survey found that the opportunity to volunteer/contribute to society have a mild influence on the Gen Ys' job motivation in Malaysian SMEs. Half of the respondents agreed that volunteerism is important to them while the after half felt otherwise. There has been mixed results in existing empirical evidences with regards to volunteerism as well. Numerous prior researchers discovered that many Gen Ys' expressed their interest to contribute to society (Hewlett, *et al*., 2009; Martin and

Tulgan, 2002; Myers and Sadaghiani, 2010; PricewaterhouseCoopers, 2009; Szamosi, 2006). However, some of these studies yielded differing results in different scenarios. For starters, the PWC's survey revealed that the Gen Ys' in its global survey put more importance in CSR compared to those in the Malaysian survey (PricewaterhouseCoopers, 2009). Indeed, their survey noted an increase in social awareness amongst the younger generation in recent years but only 12% of them actually chose volunteerism as their top three most desired work benefits. Similarly, Ng, *et al.*'s (2010) survey showed that majority of Gen Ys' value CSR but very few actually gets themselves involved in CSR activities. Furthermore, the Gen Ys' in Szamosi's (2006) research did not consider CSR as a primary requirement of their employment in SMEs though they did not deny that it is still somewhat important to them. The reasoning for this is that Malaysia is still a developing country whereas Western countries are far ahead of us in terms of economic prosperity and CSR initiatives (Lu and Castka, 2009). Malaysia still have ample room for improvement in the CSR region and is therefore not as CSR conscious as the more developed countries (Lo and Yap, 2011; United Nations Children's Fund (UNICEF), 2009). If we apply Maslow's (1943) Hierarchy of Needs Theory here, we will notice that majority of Malaysians are middle-income individuals who are only just met their basic needs and are currently trying to fulfill their psychological needs as well (Ramakrishnan, 2014; The Malay Mail Online, 2014; The World Bank Group, 2014). Therefore, it explains why the opportunity to volunteer/contribute to society only has a mild influence on the Gen Ys' job motivation in Malaysian SMEs since quite a few do not have the capacity to pursue their high order, philanthropic needs yet even if they want to.

In terms of the availability of up-to-date technology, the findings affirmed that Gen Ys' in Malaysian SMEs deemed it relatively essential to them. This is consistent with Kofman and Eckler, (2005) and Lowe, et *al.*'s (2008) opinions. Manager A labeled Gen Ys' as the Computer Generation while Manager B argued that Gen Ys' dislike doing things manually the old fashion way because they are so accustomed to having things made easy for them with the existence of advanced technology. Meanwhile, the Baby Boomers are complaining about having trouble keeping up with latest technology as the Gen Ys' complain about not being provided with up-to-date technology at work. Hargrave (2014) also advised SMEs to make sure they offer up-

to-date technology if they wish to attract and recruit Gen Y talents. Evidently, managers should take note of these differences and ensure that they constantly update the technological devices at the work place to motivate the Gen Ys' (Kofman and Eckler, 2005; Lowe, *et al*., 2008).

5.2.2 Discussion for Training and Development

Research Objective II is to examine Training and Development initiatives that have an influence on the job motivation of Gen Ys' in Malaysian SMEs. Hypothesis 2 (H2) is Malaysian SMEs Training and Development initiatives have positive relationship with the job motivation of Gen Ys'. The key findings for Training and Development are summarized in Table 23:

Table 23: Key findings for Training and Development.

(II) TRAINING AND DEVELOPMENT	MEAN
1) Continuous training and development of new skills	4.10
2) Opportunities for further education	3.53
3) Career growth opportunities	4.32
4) Clear guidance from supervisors via coaching/mentoring	4.16
5) Regular performance feedback	3.94
6) Teamwork	4.14
Average Training and Development	**4.03**
Correlation between Training and Development and Motivation (r)	**0.356****

The findings revealed that Training and Development initiatives of Malaysian SMEs are positively correlated with Gen Ys' job motivation. A guide written by Hargave (2014) reinforced that SMEs should provide Gen Ys' with ample Training and Development programs. On average, the respondents agreed that Training and Development initiatives have an impact on their job motivation. This denotes that HR managers should be aware that Training and Development initiatives can motivate Gen Ys' in Malaysian SMEs. Correspondingly, extensive training and development is also another one of Pfeffer's Seven Best HRM Practices that can improve

organization performance through the development of the human capital (Pfeffer, 1998).

A career growth opportunity is the most influential motivator for the Gen Ys' in Malaysian SMEs. Approximately 90% of the respondents agreed that a career growth opportunity is an important aspect of their job motivation. One respondent explicitly mentioned that managers should provide ample opportunities for Gen Ys' to grow within the organization. This supports the claims of numerous Western authors listed in Chapter Two such as Chester (2002), Eisner (2005), Kofman and Eckler (2005), Miller (2006) and Throckmorton and Gravett (2007). Herzberg's Two-Factor Theory also identified growth as one of the intrinsic factors that creates job motivation and job satisfaction (Herzberg, *et al*., 1959). The findings confirm that career growth is equally significant not only to Gen Ys' in large organizations but in Malaysian SMEs as well (Hay Group Malaysia, 2010). Growth is particularly important to Gen Ys' since they inherited their Boomer Parents' ambitious and competitive nature due to their large numbers (Eisner, 2005; Zemke, *et al*., 2000). Their parents have always pushed them to dream big and aim for the stars (Strauss and Howe, 2006; Zemke, *et al*., 2000). Therefore, they will not feel complacent in a stagnant career and will persistently seek for opportunities to develop their careers further. And if an organization cannot offer them with such opportunities, they will not hesitate to move on to another organization that offers it (Chester, 2002).

Unexpectedly, only 53% of the respondents agreed that opportunities for further education have an influence on their job motivation. This is inconsistent with Meier and Crocker (2010) and Zemke, *et al*.'s (2000)'s inferences. As Meier and Crocker (2010) argued, Gen Ys' constantly look for ways to improve their knowledge and skills. Even Manager B mentioned that education and certification gives Gen Ys' a sense of accomplishment. Manager C clarified that the reason why nearly half of the respondents did not agree that further education matters to them is because these individuals currently put more emphasis on building their career over further education. This does substantiate the findings on their need for career growth opportunities as mentioned above. From the demographic profiles, it is apparent that majority of the respondents were 29 years of age and older. Many of them have been in the work field for more than 8 years and have already obtained at least an

Undergraduate degree. Therefore, it makes sense that many of them no longer demand for opportunities for further education. Likewise, Manager A did encounter several Gen Y employees in the past that chose to leave her organization in pursuit of continuing their education but they mostly consisted of those fresh out of high school and are in their late teens to early twenties.

Alternatively, Gen Ys' in Malaysian SMEs choose to improve themselves via continuous training and development of new skills. This brings us to the next motivating factor; continuous training and development of new skills. According to Vroom's Expectancy Theory, knowledge, skills and attitude enhancements are closely linked to the motivation of employees (Wagner and Hollenbeck, 2001). Over 80% of the respondents agreed that this factor has an influence on their job motivation. This is parallel to the studies conducted by Hay Group Malaysia (2010), Ng, *et al*., (2010), PricewaterhouseCoopers (2009) and Szamosi (2006). As stated earlier, this group of individuals wants to progress and build a strong career. For that reason, they put great importance in obtaining new, job-related skills. And because of their large numbers, they face very intense competition and they strive to maintain their marketability in the industry through continuous training and development of new skills. A large majority of the Gen Ys' surveyed confirmed that the remaining factors; clear guidance from supervisors via coaching/mentoring, regular feedback on performance and teamwork, all have an impact on their job motivation. These are all consistent with the literature review in Chapter Two. Manager A and B both established that Gen Ys' need to be given proper guidelines and directions. Manager B added that dictatorship will not work well on Gen Ys'. This is as a result of the Boomer parenting style they evidently grew up with (Zemke, *et al*., 2000). One respondent conveyed that he will be more motivated if he is working under a positive leader instead of a boss. Herzberg's Two-Factor Theory construed that employees' relationship with their superiors plus the amount of supervision given are hygiene factors that have an effect on employees' job dissatisfaction (Herzberg, *et al*., 1959). Successively, managers ought to imitate the coaching styles the Gen Ys' are comfortable with by establishing mentor-mentee relationships and provide them with proper guidance at work.

With reference to Gen Ys' need for regular feedback on performance, it is quite apparent that they differ from the Baby Boomers who did not favor receiving feedbacks from their superiors (Glass, 2007; Zemke, *et al.*, 2000). Correspondingly, the Job Characteristics Model included feedback as one of the five core principles of job expectations that can increase job satisfaction and job motivation as well (Hackman and Oldham, 2005). More than ever for the Gen Y employees, Manager B make it a point to converse with them on a monthly basis to gauge their performance and provide constructive advice if deemed necessary.

Last but not least, Gen Ys' in Malaysian SMEs disclosed that they favor teamwork as well. Self-managed teams are one of the important components of Pfeffer's (1998) Seven Best HRM Practices that enhances organization performance. As mentioned by Manager C earlier on, sense of belonging is a strong contributing factor to the commitment of Gen Ys' in his organization. Gen Ys' had early exposure to diversity through globalization such that they socialize and get along well with diverse teams (Buckley, *et al.*, 2001, Eisner, 2005; Glass, 2007; Lowe, *et al.*, 2008; Zemke, *et al.*, 2000). This again, makes them the exact opposite of the preceding generation, the Gen Xs', who prefers to work autonomously on their own (Eisner, 2005; Glass, 2007; Martin, 2005). Accordingly, managers in Malaysian SMEs should focus on including more teamwork into the organization if they wish to motivate their Gen Y workforce at work (Hewlett, *et al.*, 2009; Kofman and Eckler, 2005; Lowe, *et al.*, 2008; Meier and Crocker, 2010; Myers and Sadaghiani, 2010; Zemke, *et al.*, 2000).

5.2.3 Discussion for Rewards and Recognition

Research Objective III is to examine the Rewards and Recognition packages that have an influence on the job motivation of Gen Ys' in Malaysian SMEs. Hypothesis 3 (H3) is Malaysian SMEs Rewards and Recognition packages have positive relationship with the job motivation of Gen Ys'. The key findings for Rewards and Recognition are summarized in Table 24:

Table 24: Key findings for Rewards and Recognition.

(III) REWARDS AND RECOGNITION	MEAN
1) Financial rewards	4.43
2) Non-financial rewards	4.09
3) Instant rewards	3.78
4) Constant recognition	3.90
5) Rapid promotions	3.72
6) Being trusted with more responsibilities	4.04
7) Pay-for-performance	4.20
Average Rewards and Recognition	**4.02**
Correlation between Rewards and Recognition and Motivation (r)	**0.225***

The findings indicate that Rewards and Recognition packages of Malaysian SMEs have a small but significant positive correlation with the Gen Ys' job motivation. In fact, the current Rewards and Recognition packages of Malaysian SMEs appears to have the weakest relationship with the respondents' job motivation. Even though the correlation is mild, it is still significant as the respondents on generally agree that Rewards and Recognition is an important aspect of their job motivation. As Pfeffer (1998) stated, Good rewards and compensation is one of the Best Practices of HRM that can boost the performance of an organization.

A financial reward is found to be the biggest motivator for the Gen Ys' in Malaysian SMEs. 88% of the respondents identified financial rewards as an important aspect of their job motivation. There has been mixed literature review pertaining to the effect financial rewards have on the job motivation of Gen Ys'. Chester, (2002), Hay Group Malaysia (2010), Meier and Crocker (2010) and PricewaterhouseCoopers (2009) found that financial rewards are a top priority for the Gen Ys'. Paradoxically, Eisner (2005), Glass (2007); Hewlett, *et al*., (2009), Szamosi, (2006), Tapscott (1998), Weyland (2011) and Zemke, *et al*., (2000) found that money is not the leading motivator for Gen Ys'. Herzberg's Two-Factor Theory identified salary as an extrinsic factor that have an effect on job dissatisfaction (Herzberg, *et al*., 1959). But

for the Gen Ys' in Malaysia, money is still a very critical factor because majority of the citizens are only middle-income earners (Ramakrishnan, 2014; The Malay Mail Online, 2014; The World Bank Group, 2014). Conferring to Maslow's (1943) Hierarchy of Needs, physiological needs is the first utmost basic necessity human beings need to fulfill before anything else. Obviously, money is very much needed to pay for food, water, housing and shelter as well. Hence, the Gen Ys' in Malaysian SMEs still considered financial rewards as their first choice of rewards.

A non-financial reward is also nearly as influential as financial rewards to the Gen Ys' in Malaysian SMEs. An estimate of 82% of them answered that non-financial rewards can motivate them to work. This is predominantly applicable to those from families with higher disposable income (Weyland, 2011). In the modern world today, it is not uncommon to see both husband and wife working to earn more money (Zemke, *et al.*, 2000). Furthermore, Gen Ys' these days depend quite heavily on their parents for financial support (Weyland, 2011; Zemke, *et al.*, 2000). As mentioned by Manager B, Gen Ys' are not yet responsible for putting food on the table. Thus, they tend to seek for non-monetary rewards as well. Manager A exposed that money is not of the essence for this group of individuals. Again, we refer to Maslow's (1943) Hierarchy of Needs which clearly depicts that individuals who have met their lower order needs may demand for higher order needs such as social and esteem needs. For that reason, HR managers in Malaysian SMEs ought to also offer non-financial rewards to Gen Ys' in order to keep them motivated.

The second most motivating Rewards and Recognition factor for the Gen Ys' in Malaysian SMEs is 'pay-for-performance'. Close to 80% of the respondents want to be rewarded based on their performance instead of their ranking. This discovery coincides with many of the characteristics Gen Ys' possess. As Eisner (2005) elucidated, Gen Ys' respect accomplishments more than hierarchy. They grew up believing in equality regardless status and ranking (Chin, 2014). Because of that, some older generations criticized that Gen Ys' appear disrespectful to them (Chester, 2002). Truth is, they are just more confident and result-oriented than the rest (Eisner, 2005; Glass, 2007; Martin and Tulgan, 2001; Zemke, *et al.*, 2000). Over the years, Manager A has also seen her Gen Y employees portraying similar traits. I reckon that Gen Ys' impatient nature motivated them to impress through performance rather than

choosing to climb the ladder one step at the time. Also, as new entrants to the labor market, the only way they think they can get what they deserve to get is if they are evaluated and rewarded based on their performance and not their age, tenure or experience. Of course, this shows how naïve and inexperience they truly are but it does explain a lot about their motivational needs (Zemke, *et al*., 2000).

This study also revealed that most Gen Ys' in Malaysian SMEs are motivated by being trusted with more responsibilities and constant recognition. Like Martin and Tulgan (2001) said, it is funny how Gen Ys' view responsibilities as a privilege rather than a burden to them. Weyland (2011) clarified that bigger responsibilities stimulates Gen Ys' intellectual minds and motivate them to work harder. One respondent said that he wanted to be given the opportunity to show his full potential and capabilities as also stated by Martin (2005). Manager C justified that rewarding Gen Ys' with more responsibilities makes them feel more empowered for doing something that really matters, which is again consistent with what Weyland (2011) deduced. This meets their need for esteem (achievement and competence) as depicted by Maslow's (1943) Hierarchy of Needs. Herzberg's Two-Factor Theory also deemed responsibility as an intrinsic motivating factor that can increase job satisfaction (Herzberg, *et al*., 1959). In my opinion, I believe that this only works for those who are more committed and self-directed. If we apply McGregor's (1960) Motivational Model, we will notice that the Gen Ys' I described falls under Theory Y category and are more likely to accept additional responsibilities. Theory X individuals will clearly avoid responsibility as much as they can. Hence, only Gen Ys', who appears to portray Theory Y characteristics, will gleam at the thought of being trustworthy of bigger responsibilities and accountabilities.

It is also without a doubt that Gen Ys' in Malaysian SMEs expect to receive constant recognition for their hard work and efforts. In line with existing literature (Glass, 2007; Hay Group Malaysia, 2010; Lowe, *et al*., 2008; Meier and Crocker, 2010; Ng, *et al*., 2010; Strauss and Howe, 2006; PricewaterhouseCoopers, 2009), Manager A also felt that Gen Ys' need to be consistently motivated with due acknowledgements. As Strauss and Howe (2006) emphasized, it is all thanks to the parents of the Gen Ys' who often praised their children for every little accomplishment they achieved. And although it is possible that every other generation wants to be equally recognized for

their contributions as posited in Herzberg's (1959) Two-Factor Theory, they are quite unlikely to need it as often as the overly-praised Gen Ys'. Unmistakably, constant recognition also fulfills Gen Ys' need for recognition (esteem needs) in Maslow's (1943) Motivation Model.

Lastly, the findings revealed that 'instant rewards and rapid promotions are comparatively influential on the job motivation of the Gen Ys' in Malaysian SMEs. Approximately two thirds of the respondent agreed that these two factors are both equally important to them. Instant rewards and rapid promotions go hand in hand with Gen Ys' impatient behavior and intolerance towards slowness. Francis-Smith (2004) and Lowe, *et al.,* (2008) both expressed Gen Ys' frustration with regards to sluggishness. They want it all and want it now especially when it comes to their rewards and promotion (Ng, *et al.,* 2010). Also, their competitiveness will make them fight to climb the corporate ladder faster than the others. Hence, rewards and promotions should be given to them immediately to motivate the Gen Ys' in Malaysian SMEs to work.

5.2.4 Discussion for Retaining practices

Research Objective IV is to examine the Retaining practices that have an influence on the job motivation of Gen Ys' in Malaysian SMEs. Hypothesis 4 (H4) is Malaysian SMEs Retaining practices have positive relationship with the job motivation of Gen Ys'. The key findings for Retaining practices are summarized in Table 25:

This study found that the current Retaining practices of Malaysian SMEs have a significant, moderate correlation with the Gen Ys' job motivation. In fact, Retaining practices was the rated the second biggest motivator for the respondents. On average, the respondents seem to agree that every single one of the Retaining factors listed is important to them. More than 80% of the respondents confirmed that work-life-balance, a fun/casual work environment, freedom, flexibility, challenging/meaningful work and open and honest communication can keep them motivated at work.

Table 25: Key findings for Retaining Practices.

(IV) RETAINING PRACTICES	MEAN
1) Open and honest communication	4.13
2) Freedom to do work their own way	4.18
3) Flexible work schedules	4.15
4) Work-life-balance	4.23
5) Challenging and meaningful work	4.17
6) Fun and casual work environment	4.22
Average Retaining practices	**4.18**
Correlation between Retaining practices and Motivation (r)	**0.368****

The survey result strongly supports the deductions made by authors and researchers about Gen Ys' motivational needs for work-life-balance, a fun/casual work environment, freedom, flexibility, challenging/meaningful work and open and honest communication (Buckley, *et al*., 2001; Chester, 2002; Eisner, 2005; Glass, 2007; Gursoy, *et al*., 2008; Hewlett, *et al*., 2009; Kofman and Eckler, 2005; Loughlin and Barling, 2001; Lowe, *et al*., 2008; Meier and Crocker, 2010; Pekala, 2001; Throckmorton and Gravett, 2007; Tulgan, 2004; Twenge, 2010; Weyland, 2011). This contradicts Zemke, *et al*.'s (2000) claims about Gen Ys' being hardworking and willing to sacrifice their personal life. But since Zemke's *et al*.'s (2000) deduction was made in the year 2000 when the oldest of the Gen Y cohort group was merely 20 years old, it is admissible that these assumptions may not hold true for today's Gen Y employees.

Gen Ys' need for freedom and flexibility is tied to their goal to achieve work-life-balance. With the freedom to choose where, when and how to carry out their job-related tasks, they can efficiently juggle their personal agendas while producing the work-outcome they are required to. After all, Gen Ys' are very good at multi-tasking (Meier and Crocker, 2010; Sujansky, 2002; Zemke, *et al*., 2000). And with the access to advanced technology such as Wi-Fi and portable laptops, it is now possible for Gen Ys' to work remotely while they are attending to their personal matters (Hewlett, *et*

al., 2009). Manager A said that the younger generations these days are less bounded by religious beliefs compared to the older generations. They are also born after the Malaysian Independence Day in 1957 and benefited from freedom of democracy (New Straits Times, 2014; The Star Online, 2014). So, they grew up fearless, not knowing what the World War was like back in those days. As a result, they dare to question every religious views, protocols and regulations they come face to face with. Manager A added that Gen Ys' are inquisitive and will seek for answers to all their questions. Chester (2002) named them the Generation Why for the same reason as well.

In a way, their inquisitive nature contributes to their overall need for open and honest communication. Manager A said that Gen Ys' expect clear communication at every level of the management. One respondent commented that clear communication with his colleagues is a crucial aspect of his job motivation because it promotes clarify and understanding. Manager C construed that Gen Ys' want to be informed of what is going on in the organization as they do not want to be kept in the dark. This is also as a result of the accessibility to internet and technology. With the rapid advancements of ICT in the current world, is it remarkably easy to obtain transparent information via the World Wide Web. We can find information on almost anything in an instant via search engines such as Google and Yahoo (Google, 2014; Yahoo, 2014). Manager A and B see eye to eye with Eisner (2005), Howe and Strauss (2000) and Huntley (2006) when it comes to Gen Ys' having immediate access to information online. Therefore, it is no wonder two other respondents also expressed their need for transparency and unequivocal information regarding their company's strategic goals/direction.

As for challenging/meaningful work, Manager A advocated that Gen Ys' feel motivated when they are being challenged intellectually; just as Weyland (2011) alleged earlier on. Gen Ys' are so used to living a highly pressured and stressed life such that they perceive challenging tasks more positively than previous generations (Miller, 2006). They are optimistic, competitive, confident and ambitious individuals who will not back away from challenging situations (Eisner, 2005; Glass, 2007; Martin and Tulgan, 2001; Zemke, *et al*., 2000). Manager C reaffirmed that Gen Ys' want to feel empowered by doing meaningful work in order to meet their esteem

needs (Maslow, 1943). One respondent even commented that he feels motivated when doing meaningful work especially when he gets to see the magnitude of his contribution. As commented by one other respondent, his motivation comes from the satisfaction of a good job well done. This is parallel to the Job Characteristic Theory that identified task significance as one of the principles of job enrichment that can lead to job satisfaction and job motivation (Hackman and Oldham, 2005). In Herzberg's Two-Factor Theory, achievement is the leading motivating factor that has an impact on the job satisfaction of employees. Therefore, Gen Ys' get enthusiastic when tackling work challenges in aims to savor the sweet taste of victory they get in the end (Eisner, 2005; Glass, 2007; Martin and Tulgan, 2001; Zemke, *et al*., 2000).

Last but not least, Gen Ys' look for a fun/casual work environment in which the Western culture has severely embedded in Asians' mind-sets thus influencing the perception of the ideal workplace amongst the younger generation these days (Ralston, *et al*., 1999). Western movies and advertisements often portray fun and informal working conditions such as 'The Internship' by Owen Wilson (IMDb.com, *Inc*., 2014). Even Western kids get to wear casual clothes to their schools as opposed to school uniforms the Asian students are required to wear here. (Meadmore and Symes, 1997). The new and popular work culture demonstrated by Google and Groupon has inspired many Asian youngsters who did not have the liberty of enjoying such working conditions (CNN Money, 2014). Many MNCs have infiltrated Malaysia and begun introducing bits and pieces of their work culture here as well (Goh, 2013). For example, Manager C who once worked in Digi Telecommunications Malaysia before he transferred over to his current SME cited that his previous employer practices casual dress codes, relaxed work schedules and free-seating at the workplace. Thus, Gen Ys' in Malaysian SMEs will be inclined to seek for such fun/casual working environment as well.

5.2.5 Discussion for Overall Motivation

The key findings for Overall Motivation of the Gen Ys' in Malaysian SMEs are summarized in Table 26.

Table 26: Key findings for Overall Motivation of Gen Ys' in Malaysian SMEs.

OVERALL MOTIVATION	MEAN
(I) Overall motivation from Staffing and Recruitment strategies.	3.15
(II) Overall motivation from Training and Development initiatives.	3.18
(III) Overall motivation from Rewards and Recognition packages.	3.26
(IV) Overall motivation from Retaining practices.	3.22
(V) Overall motivation in current organization.	3.25
Average Motivation	**3.21**

It is interesting to note that though the results show a significant correlation between all four HR practices and Gen Ys' job motivation in Malaysian SMEs, the respondents mostly chose a mid-point answer when asked if they were motivated and satisfied with the HR practices of their current organization. Researchers would normally expect a mean below 2.5 if the respondents have a negative perception of the given statements and a mean above 3.5 if the respondents felt positively about the given statements. However, the respondents in this survey answered 3 (Neutral) on average for this particular section. The question here is; why did the respondents choose a mid-point answer when they were asked whether they felt motivated and satisfied with the HR practices of their current organization?

Prior cross-national studies done by researchers reported that respondents in Western countries are more prone to extreme response style whereas respondents in Asian countries have higher tendency to provide mid-point responses (Chen, *et al*., 1995; Chun, *et al*., 1974; Harzing, 2006; Lee and Green, 1991; Takahashi, *et al*., 2002). Extreme responses refer to those that are at both extreme ends of the scale; Strongly Disagree or Strongly Agree while mid-point responses refer to neutral answers (Harzing, 2006). Harzing (2006) elaborated that the survey respondents' response styles are subjected to the difference in culture between the countries.

Western cultures tend to be more individualistic and assertive but Asian cultures tend to be more modest, introvert and collectivistic (Niikura, 1999). Therefore, Asians are inclined to avoid confrontation, discourage opinions and can result in slightly biased responses as they would rather choose neutral answers that to disagree (Hofstede, 2001).

Another explanation why the respondents answered neutral for these questions is because they intended to convey that these HR practices were Not Available in their SMEs. Manager B argued that many SMEs in Malaysia do not have very well-developed HRM systems in place. It is common to even find some that do not even provide any sort of training programs or any other form of rewards apart from the basic pay as supported by numerous academic literatures such as (Daud and Mohamad, 2010; Hamid, *et al*., 2006; Osman, *et al*., 2011; (Zakaria, *et al*., 2012). Thus, many of the respondents were not able to comment whether or not they felt motivated by the current HR practices of their organization given the absence of such practices.

All in all, these results clearly show that there is a gap between what the Gen Ys' in Malaysian SMEs and what their current employers are offering them. Apart from the three Staffing and Recruitment factors mentioned above (parents' approval/input, peers/friends' recommendations and opportunities to volunteer/contribute to society), the respondents generally agreed that all the other Staffing and Recruitment, Training and Development, Rewards and Recognition and Retaining practices have an influence on their job motivation. This would indicate that these HR practices do have an impact on their job motivations. There should not be a reason as to why they did not answer that they agree to the corresponding statements if they were indeed satisfied and motivated by the HR practices of their current organization. Instead, not even half of the respondents answered that they agree which means that more than half of them gave a neutral or negative response. Figure 8 shows the means and correlations between the HR factors and the Job Motivation of Gen Ys' in Malaysian SMEs.

Figure 7 illustrates the gap that exists between Gen Ys' expectations/motivational needs and the current HR practices of Malaysian SMEs. Literature review suggested

that there is a misunderstanding and mismatch of expectations between organizations and their Gen Yworkforce (Brindley and Ritchie, 2000; Eisner, 2005; Lowe, *et al*., 2008; PricewaterhouseCoopers, 2009). Studies conducted in UK, Malaysia, China, India and the Middle East also showed that there is a gap between the expectations of managers and the Gen Ys' (Honoré and Schofield, 2012). Congruently, a study by Jobstreet.com also revealed that 78% of Malaysian employees which consisted mainly of Gen Ys' are dissatisfied with their current organizations (Jobstreet.com, 2012). Evidently, managers in SMEs will need to have a closer look at their existing HR practices if they wish to meet the expectations of their Gen Y workforce and effectively motivate them to improve organization performance.

Figure 7: Gap between Gen Ys' Expectations and the HR Practices of Malaysian SMEs.
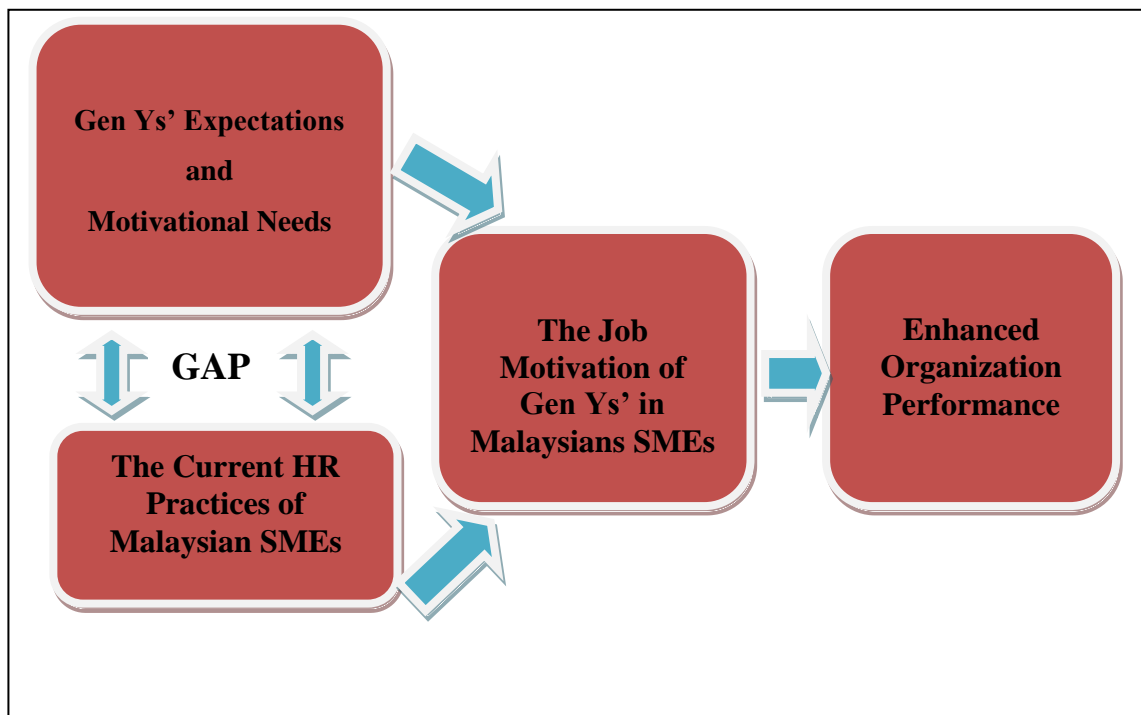
Figure 8: Means and Correlations between HR Practices and Job Motivation.

HR Practices - *Independent Variables*

(I) STAFFING AND RECRUITMENT
(Mean = 3.54)

$r_I = 0.420$

(II) TRAINING AND DEVELOPMENT
(Mean = 4.03)

$r_{II} = 0.356$

(III) REWARDS AND RECOGNITION
(Mean = 4.02)

$r_{III} = 0.225$

(IV)) RETAINING PRACTICES
(Mean = 4.18)

$r_{IV} = 0.368$

Dependent Variable

THE JOB MOTIVATION OF GEN Ys' IN MALAYSIANS SMEs
(Mean = 3.21)
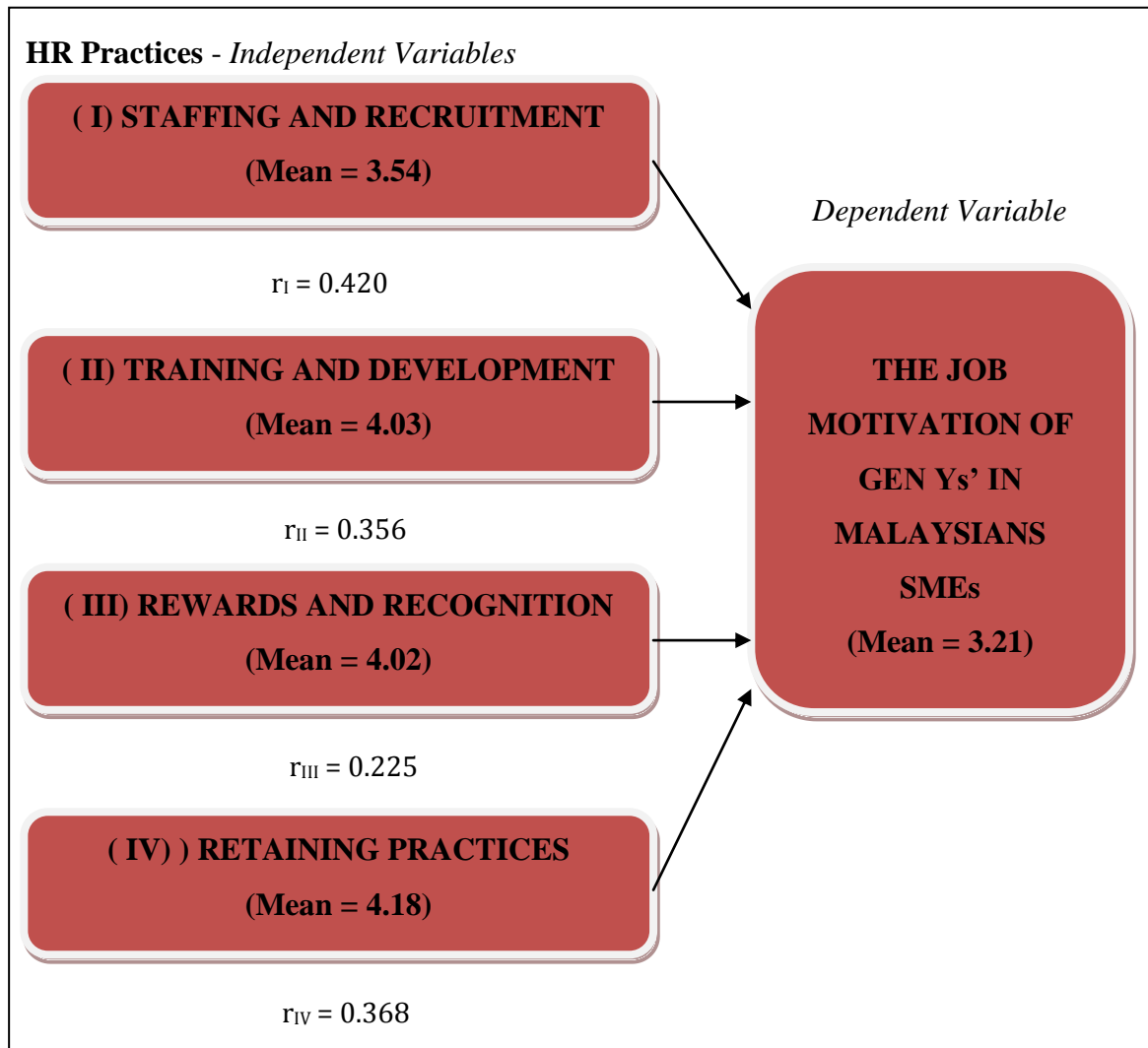
In conclusion, this study found that Gen Ys' in Malaysian SMEs regard Retaining practices, Training and Development initiatives and Rewards and Recognition as influential HR factors for their job motivation. The Retaining practices (which are the most influential HR factor) that keep Gen Ys' in Malaysian SMEs motivated at work (in descending order) comprises of work-life-balance, a fun/casual work environment, freedom, challenging/meaningful work, flexibility and open and honest communication. The Training and Development initiatives that are important to their job motivation (in descending order) includes career growth opportunities, clear guidance from supervisors via coaching/mentoring, teamwork, continuous training and development of new skills and regular feedback on performance. An opportunity for further education is somewhat less important than the other Training and Development factors. The Rewards and Recognition packages that influence

the job motivation of Gen Ys' in Malaysian SMEs (in descending order again) include financial rewards, pay-for-performance, non-financial rewards, being trusted with more responsibilities, constant recognition, instant rewards and rapid promotions.

The Gen Ys' in Malaysian SMEs concurred that Staffing and Recruitment strategies are moderately important to their job motivation. The Staffing and Recruitment strategies that matters to them (in descending order) include opportunities to gain new experiences, the availability of up-to-date technology and opportunities to travel abroad. Parents' approval/input and peers/friends' recommendations did not seem to have much effect on their job motivation.

On the whole, there appears to be a big gap between the expectations of the Gen Ys' and the HR practices inherent in Malaysian SMEs today. Gen Ys' motivational needs differ from the generations before them and existing HR practices do not effectively satisfy their desires (Chester, 20002; Eisner, 2005; Glass, 2007; Hewlett, *et al*., 2009). Consequently, HR managers in Malaysian SMEs should take note of these differences and modify their HR policies if they wish to manage/motivate their Gen Y workforce more effectively. It is recommended that HR managers in Malaysian SMEs upgrade their technological devices from time to time and provide fun, digital training programs to keep Gen Ys' interested. HR managers could also provide Gen Ys' with the opportunity to become generalists via job rotation and job enlargement initiatives. Malaysian SMEs are also advised to leverage on flatter organization hierarchy, wider span of control and decentralized decision-making structures to motivate their Gen Y workforce. Next, HBDI can be used to create effective teams and mentor-mentee relationships. Additionally, cafeteria benefits and lucky draw rewards systems can be implemented as well. Last but not least, Malaysian SMEs should be prepared to adopt CSR polities since there appears to be an upcoming growing trend in this segment. With a deeper understanding and the appropriate HR practices, SMEs can produce a highly motivated workforce and achieve enhanced organization performance through the strategic management of their Gen Y employees.

5.3 Recommendations

This section will propose several recommendations for the HR practices that have an influence on Gen Ys' job motivation in Malaysian SMEs based on the findings in Chapter Four. These recommendations are devised to help HR managers of Malaysian SMEs to better manage and motivate their Gen Y employees in order to boost organization performance. Manager B pointed out that SMEs will have to be creative when it comes to figuring out how to manage and motivate the Gen Y workforce effectively. The fact is that Malaysian SMEs lack the resources; expertise and experience the Western MNCs possess (Saleh and Ndubisi, 2006). With the current shrinking labor market, it does not help at all that Gen Ys' perceive SMEs as being inferior to MNCs when it comes to becoming their potential employers (Moy and Lee, 2002). As such, SMEs will have to leverage ingeniously on what they have in hand, and use it wisely to their advantage.

Since, parents' approval/input, peers/friends' recommendations and opportunities for further studies did not appear to have a very strong relationship on Gen Ys' job motivations, Malaysian SMEs should focus on investing in other more significant HR factors in order to motivate their Gen Y workforce. Recommendations for the other significant motivating factors are as follows:

5.3.1 Up-to-Date Technology

First and foremost, HR managers in Malaysian SMEs should view Gen Ys' more as an opportunity rather than a challenge they need to tackle (Eisner, 2005; PricewaterhouseCoopers, 2009). This optimistic point of view can help managers turn Gen Ys' demands and motivational needs into a competitive advantage for the organization.

For example, Gen Ys' request for up-to-date technology may seem like an additional cost to SMEs since the newest technologies do not come cheap. However, we know that the older generations (particularly the Baby Boomers) groan profusely at the sight of new technologies (Howe and Strauss, 2000; Zemke, *et al*., 2000). The older employees in Manager A's organization have also been very reluctant to learn how to use latest gadgets because they too find it very time-consuming and troublesome to

adapt to new technologies. Nonetheless, it is still necessary to switch to faster, more advanced technology in order to simplify work, speedup processes and accommodate the younger generations who aims to attain mobility and work-life-balance through flexible working schedules and remote-working (Kofman and Eckler, 2005; Ng, *et al*., 2010; Twenge, 2010; Smola and Sutton, 2002). Therefore, managers can always opt to present the newest software/devices to the younger employees first and appoint them as guinea pigs to test it out before deciding whether or not there is a need to introduce it to the older employees. This method creates a win-win situation for both the young and old employees as the younger ones get to enjoy the privilege of experimenting with advance technology while the older ones are being spared the distress of trying to pick up the latest technology unless deemed necessary. By then, the Gen Ys' would have already mastered the mechanics of the new devices and would then be able to help and coach the older ones on how to use them. This will then indirectly create a reverse-mentoring relationship between Gen Ys' and the older generations just like in Time Warner (Hewlett, *et al*., 2009). I also find that there are many openings for transparency/open communication with advanced technology such as instant/web messaging, emails, shared networks and databases and even online calls/conferences. Hence, up-to-date technology can be used to give Gen Ys' the open and honest communication they desire at anytime and anywhere.

5.3.2 Digital Training and Learning

'ICT can also be incorporated into the Training and Development initiatives Malaysian SMEs to keep Gen Ys' motivated. As Zemke, *et al*. (2000) stated, many Gen Y kids picked up their motor skills and thinking abilities from video games. Fortunately, there are abundant cost- efficient options of digital training programs and software that are now easily accessible online. For one, the Duolingo application that can be downloaded and installed into computers, smartphones or even tablets is an award-winning application that lets people learn languages such as Spanish, French, Italian, German, Portuguese and English for free (Duolingo, 2014). It integrates the elements of fun and games with development of new skills through quizzes and achievements, which are both equally important to Gen Ys' job motivation. Not to mention, the Duolingo application is also portable when installed into portable gadgets, and this will indefinitely meet the needs of Gen Ys' who strive

to achieve flexibility, work-life-balance and opportunities to travel abroad through remote working.

Another option is the SimVenture gaming software that teaches players about entrepreneurship by learning how to run a simulated start-up business (SimVenture, 2013). HR managers can also give Gen Ys' the challenge they seek by hosting a friendly game amongst themselves. The winner can be awarded with the champion title that will give them a sense of triumph and recognition.

Alternatively, HR managers can also opt to obtain affordable e-learning programs from online deals websites such as the Microsoft Office, Accounting and Business courses delivered by Excel With Business (Excel With Business, 2014; Groupon, *Inc*., 2014), Optimistically, this strategy can motivate Gen Ys' to work in a fun setting using digital training to develop new skills.

5.3.3 Generalists – Job Rotation and Job Enlargement

In Prasad's (2009) study on job assignments, he compared generalists to specialists and managed to expose the suitability of jobs-related tasks with the characteristics for both types of employees. He described the specialists as those that are predominantly apt at one specific type of task while the generalists possess a broad spectrum of abilities to perform several different varieties of tasks. The role of generalists suits those with multi-tasking abilities and is crucial for managerial positions as well (Prasad, 2009). Therefore, it is a good fit for the Gen Ys' in Malaysian SMEs based on their alleged characteristics and motivational needs. Gen Ys' are accustomed to multi-tasking in their everyday lives and they require work variability to prevent them from getting bored (Chester, 2002; Lowe, *et al*., 2008; Sujansky, 2002). Subsequently, managers can attempt to transform Gen Ys' into generalists via job rotation and job enlargement practices (refer to Figure 9). Ng, *et al*.'s (2010) survey respondents rated task variety as their top ten most favored work feature. According to the Hackman and Oldham's (2005) Motivation Model, skill variety is one of the five core job enrichment characteristics that can create job satisfaction and job motivation. It can also lead to lower absenteeism, lower turnover and higher performances (Hackman & Oldham, 2005).

Figure 9: Gen Y Generalists workforce.
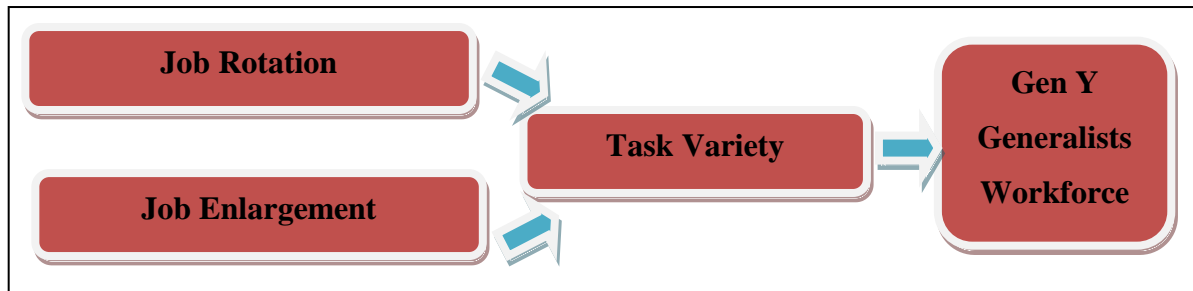
The list of benefits does not just end there. Job rotation and job enlargement can provide Gen Ys' with opportunities to gain new experiences and development of new skills as well. Transforming Gen Y employees into generalists will also be cost effective for SMEs because they get to save up on unnecessary salary expenses that they would incur if they were to outsource or hire additional staffs to perform specific tasks. Manager A purportedly practiced job rotation and job enlargement because she claimed that it is conducive to SMEs that only have a handful of skeleton staffs. She explained further that job rotation and job enlargement comes in very handy when colleagues are required to fill in for staffs that go on leave or worse; resign. Moreover, it also increases the responsibilities for each employee. Evidently, this also equips the Gen Y employees with the skills they require when they get promoted to senior managerial positions in the organization. Altogether, Gen Ys' can get opportunities to gain the new experiences, new skills development, career growth, rapid promotions and increased responsibilities they long for as well with the many job-related skills and knowledge they have obtained through this HR policy.

5.3.4 Flat Hierarchy, Wider Span of Control and Decentralization

The next thing SME managers will need to take note is to leverage on flatter organization hierarchies, wider span of control and decentralized decision-making. For Gen Ys' to progress and develop within a small organization that do not a tall corporate ladder to climb, the one way they can choose to grow is to become generalists through job rotation and job enlargement opportunities as proposed earlier. This can be made possible in SMEs with the implementation of flatter hierarchies, decentralized decision making and wider span of control. A wide span of control promotes freedom and autonomy, boosts creativity and improves communication between managers and employees (Koontz and Weihrich, 2006). With a wide span of control, higher level managers will be forced to delegate more

responsibilities and challenging work to their young subordinates. Managers will also need to empower Gen Ys' with the freedom to make decisions and decide how they can best accomplish their work goals. Creativity will be enhanced as Gen Ys' now will have to be innovative in troubleshooting issues they face without depending on their senior managers. Accordingly, employees will have to work closely together as an effective team and improve their communication skills. Open and honest communication will be unavoidable as managers will have to share as much information as possible, give clear guidance coupled with regular feedback on performance to their young subordinates to ensure that every member of the team is moving simultaneously in the right direction to achieve organization goals. Manager C finds it positive to have a transparent environment as it builds trusts within the cohorts which are also an important element in Zemke *et al.*'s (2000) flexible management style. As posited by Pfeffer's (1998), self-managed teams and extensive sharing of information are Best HRM Practices that can improve organization performance. With this management style, SMEs will also be applying Locke's Goal Setting Theory which identified SMART goals, challenging work and regular feedback on performance as the key principles of motivation (Locke and Latham, 1990). As we can see, this approach fulfills many of the Gen Ys' motivational needs such as their need for freedom, open and honest communication, regular feedback on performance, clear guidance from supervisors, challenging/meaningful work, being trusted with more responsibilities, career growth opportunities, teamwork, opportunities to gain new experiences and development of new skills.

5.3.5 Herrmann Brain Dominance Instrument (HBDI)

Subsequently, we look into constructive ways to promote good teamwork and mentor-mentee relationships in Malaysian SMEs. HR managers in Malaysian SMEs can look into utilizing the Herrmann Brain Dominance Instrument (HBDI) to assign the right Gen Y mentee to the right mentor, and place the right Gen Y employee into the right team. (Herrmann International, 2013). As Zemke, *et al*. (2000) said, finding the right match of individuals and teams is one of the seven key principles of the flexible management approach to account for generational differences. The HBDI model uses the application of the whole-brain approach to describe the cognitive inclinations of individuals in pursuit of creating high performing teams. This model divides

individuals into four sections (A – Analytical thinking, B – Sequential thinking, C – Interpersonal thinking, D – Imaginative thinking) as shown in Figure 10. Hermann (2013) discovered that a good mix of individuals with different thinking styles can complement each other well and produce outstanding results. So, to put this model into practice, SME employees will be asked to answer a set of questions obtained from the internet, which will help determine the category they each belong to. HR managers will just have to match the right mentee to the right mentor or the right employee to the right team which best compliments each other based on the HBDI test results and watch the magic happen. This instrument has been successfully adopted by many renowned MNCs such as Johnson and Johnson, Coca-Cola, Microsoft and IBM and it can easily be adopted   by Malaysian SMEs as well (Herrmann International, 2013).

Figure 10: HBDI (Herrmann International, 2013)

The Whole Brain® Model
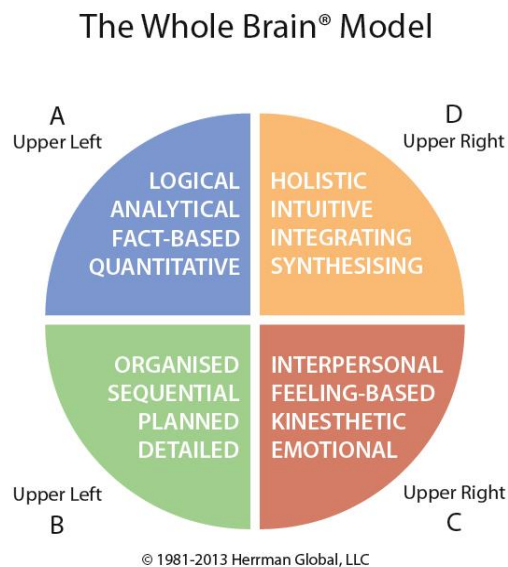
HR managers in SMEs can take this one step further by appointing senior Gen Y employees as mentors to junior Gen Y mentees or assigning senior Gen Y employees as advisor to assist Baby Boomers/Gen Xs' mentors in coaching junior Gen Y employees. This tactic will further ensure the success of mentor-mentee programs since senior Gen Ys' will definitely have a clearer understanding of junior Gen Y employees' motivational needs in comparison to the older generations. This will give senior Gen Ys' a sense of responsibility and ownership of a very meaningful and significant contribution to their SMEs. Effectively, this HR practice can motivate

Gen Ys' in Malaysian SMEs through meticulous assignments of teamwork and mentors-mentees, meaningful contributions and increased responsibilities

5.3.6 Cafeteria Benefits and Lucky Draw Rewards

To address Gen Ys' motivational need for both financial rewards and non-financial rewards, HR managers in Malaysian SMEs can offer their employees with an option to choose between available non-financial rewards and financial rewards of equivalent value. Academic authors termed this as cafeteria benefits (Kofman and Eckler, 2005; Ng, *et al.*, 2010; Smola and Sutton, 2002; Twenge, 2010). Given that SMEs normally have a lot smaller number of employees compared to large MNCs, the process of formulating optional Rewards and Recognition packages will be certainly be a lot less complicated/complex. The plus point of this Rewards system is that not only works for Gen Y employees alone but it caters to the different motivational needs of all the other generation of employees as well. HR managers in SMEs can use innovative and fun means to reward their employees such as having a lucky draw (refer to Figure 11). Depending on the magnitude of the job and performance the managers wish to reward, HR managers can come up with a mix of attractive non-financial rewards such as free spa treatments, fine dining/cuisine, weekend getaways, beauty care, household products and even designer goods, according to the relevant amount of budget allocated for that particular reward. All these are again easily and instantly available at affordable prices at Groupon Malaysia, MilkADeal, Mydeal.com.my, LivingSocial, and StreetDeal.my (Groupon, Inc., 2014; MilkADeal Sdn. Bhd., 2014; LivingSocial, Inc., 2014; StreetDeal.my, 2013). There are a wide variety of spa treatments (facial and massages) ranging from RM38 to RM88, local (Port Dickson) and international (Bangkok and Bali) getaway destinations as low as RM138 and All-You-Can-Eat Buffets at only RM50 per person. Employees will experience a sense of fun and anticipation when they get the chance to draw a reward from the hat. And if they do not like what they picked out, they will be allowed to exchange it for equivalent amount of cash instead. This simple yet fast rewards system evidently covers Gen Ys' motivational need for instant rewards, financial rewards and non-financial rewards in a fun/casual work environment.

Figure 11: Lucky Draw Rewards and Cafeteria Benefits.
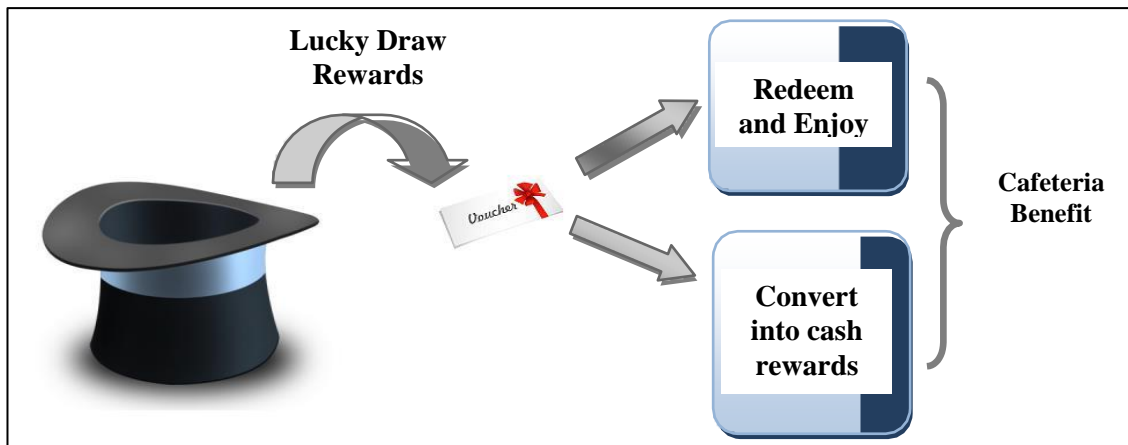
5.3.7 Partnerships with Charitable Bodies

In terms of opportunities to volunteer/contribute to society, this study revealed that Gen Ys' in Malaysian SMEs do not put such great emphasis in volunteerism as part of their job motivation. However, as mentioned, it has been reported that there are significant increase in CSR awareness in the country over the years (Lu and Castka, 2009; Thompson and Zakaria, 2004). For that reason, it would be eventually necessary for HR managers in Malaysian SMEs to prepare themselves for the likelihood of having to offer the new generation of employees with opportunities to volunteer/contribute to society. Malaysian SMEs can look into partnering with orphanages such as the Good Samaritan Home in Klang that needs volunteers to help the orphans with their homework. I personally have dedicated some of my time in the past to tutor the orphans in that very same orphanage. This practice gives Gen Ys' the opportunity to get involve in meaningful work by mentoring and coaching young orphans. Indefinitely, this effort will give SMEs the opportunity to build relationships with future potential candidates as these kids will quickly grow up and begin look for suitable employers close by for an internship or job vacancy.

Table 27: Summary of Recommendations and Gen Y's Motivational Needs.

RECOMMENDATIONS	Gen Ys' Fulfilled Motivational Needs
1) Up-to-date Technology	The availability of up-to-date technology Opportunities to travel abroad Open and honest communication Work-life-balance Flexibility Freedom Reverse mentoring
2) Digital Training / Gaming	The availability of up-to-date technology Continuous training and development of new skills A fun working environment Challenging work Work-life-balance Freedom Flexibility Opportunities to travel abroad Constant recognition
3) Generalist Job Rotation Job Enlargement	The opportunity to gain new experiences Continuous training and development of new skills Career growth opportunities Rapid promotion Being trusted with more responsibilities
4) Flatter organization Hierarchy Wider Span of Control Decentralized Decision-making	Freedom Open and honest communication Challenging/meaningful work Being trusted with more responsibilities Teamwork Regular feedback Clear guidance from supervisor via coaching/mentoring Career growth opportunities Continuous training and development of new skills The opportunity to gain new experiences
5) HBDI	Teamwork Coaching and mentoring Meaningful work Being trusted with more responsibilities
6) Cafeteria Benefits Lucky Draw Rewards	Financial rewards Non-financial rewards A fun working environment Instant rewards
7) Partnerships with Charitable Bodies	Opportunities to volunteer/contribute to society Meaningful work Coaching and mentoring

5.5 Suggestions for Future Research

The result analysis from this research project shall be of great interests of businesses in managing Gen Ys' workforce more effectively and efficiently. Due to the limitations of this research, in future research it would be advisable to rerun this survey again in similar context to test the consistency and applicability of these inferences on Gen Ys' in Malaysian SMEs. For better accuracy, researchers should attempt to collect data from larger samples to strengthen the inferences as well. Perhaps researchers can choose to focus on the factors that yielded contradictory viewpoints to gain a deeper understanding on the motivational needs of Gen Ys' in Malaysian SMEs. It may also help to repeat this survey on Gen Ys' in Malaysian SMEs in several more years to come to compare and see if these characteristics still remained unchanged once they get married and have kids of their own. Researchers may also want to look into the new, upcoming generation Glass (2007) calls the Generation Z, which comes after the Generation Y, given that there is scarce knowledge with regards to this new generation at this point of time.

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APPENDICES

Appendix A: Survey Questionnaire

Examining the Relationship between SMEs Human Resource Practices and Generation Ys Job Motivation

Dear Respondent,

I am a postgraduate student at The Universiti Utara Malaysia. As part of my MSc Thesis, I am conducting a study on Human Resource practices that influence the job motivation of Generation Y (born between 1980 to 2000) in Malaysian SMEs (Small and Medium Enterprises).

This questionnaire will take no longer than 10 minutes to complete. All responses are anonymous. The data collected will be treated with strict confidence and will be used for the purpose of this study only. Hence, I will appreciate it very much if you answer the questions as honestly as possible because the success of my research depends heavily on the accuracy of the results.

If you have any questions with regards to this questionnaire, feel free to contact me at devanis23@yahoo.com.

I sincerely thank you for the valuable time you took to fill out this questionnaire.

Yours truthfully,

Puganiswari

Universiti Utara Malaysia

Section A: Respondent's Profile

Please tick the appropriate box for each question.

1. Gender *

- ⬤ Male
- ⬤ Female

2. Year of birth * _____

3. Marital Status *

- ⬤ Single
- ⬤ Married
- ⬤ Other: [   ]

4. Race *

- ⬤ Malay
- ⬤ Chinese
- ⬤ Indian
- ⬤ Other: [   ]

5. Highest education achievement *

- ⬤ Secondary/High School
- ⬤ Diploma
- ⬤ Undergraduate/Bachelor Degree
- ⬤ Post-graduate
- ⬤ Other: [   ]

6. Work experience *

- ⬤ Less than 2 years
- ⬤ 2 to 4 years
- ⬤ 5 to 7 years
- ⬤ More than 8 years

7. Size of organization *

- ⬤ Less than 5 employees
- ⬤ 5 to 29 employees
- ⬤ 30 to 74 employees
- ⬤ 75 to 200 employees
- ⬤ More than 201 employees

8. Type of industry *

- ⬤ Manufacturing
- ⬤ Service

- ⚫ Retail and Wholesale
- ⚫ Other: [_____]

9. Designation *

- ⚫ Non-executive
- ⚫ Executive
- ⚫ Manager
- ⚫ Other:

10. Monthly Income *

- ⚫ Less than RM 2,001
- ⚫ RM 2,001 to RM 4,000
- ⚫ RM 4,001 to RM 6,000
- ⚫ More than RM 6,001

*Required

Section B: HR Practices that Influence the Job Motivation of Generation Y

Please answer the following questions using the scale shown below.

(I) Staffing and Recruitment

The following are factors that influence my decision to join a company. *

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. My parents' approval/input	●	●	●	●	●
2. My peers and friends' recommendations	●	●	●	●	●
3. Opportunities to gain new experiences	●	●	●	●	●
4. Opportunities to travel abroad	●	●	●	●	●
5. Opportunities to volunteer / contribute to society	●	●	●	●	●
6. The availability of up-to-date technology at work	●	●	●	●	●

(II) Training and Development

The following are factors that motivate me to work. *

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Continuous training and development of new skills	⬤	⬤	⬤	⬤	⬤
2. Opportunities for further education	⬤	⬤	⬤	⬤	⬤
3. Career Growth opportunities	⬤	⬤	⬤	⬤	⬤
4. Clear guidance from supervisors via coaching/mentoring	⬤	⬤	⬤	⬤	⬤
5. Regular feedback on my work performance	⬤	⬤	⬤	⬤	⬤
6. Teamwork	⬤	⬤	⬤	⬤	⬤

(III) Rewards and Recognition

The following factors are important aspects of my job motivation. *

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Financial rewards (Salary, cash bonus etc..)	●	●	●	●	●
2. Non-financial rewards (medical benefits, holidays, etc...)	●	●	●	●	●
3. Immediate / instant rewards	●	●	●	●	●
4. Constant recognition of my accomplishments	●	●	●	●	●
5. Being promoted quickly	●	●	●	●	●
6. Being trusted with more responsibilities	●	●	●	●	●
7. Being rewarded based on performance	●	●	●	●	●

(IV) Retaining practices

The following are factors that keep me motivated at work. *

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Honest and open communication	●	●	●	●	●
2. Freedom to carry out work my own way	●	●	●	●	●
3. Flexible work schedules	●	●	●	●	●
4. Maintaining a balance between work and my personal life outside of work	●	●	●	●	●
5. Challenging / Meaningful work	●	●	●	●	●
6. A fun / casual work environment	●	●	●	●	●

Section C: Motivation

Please answer the following questions using the scale below. *

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Overall, I am satisfied with the Staffing and \ Recruitment strategies of my organization.	●	●	●	●	●
2. Overall, I am motivated by the Training and Development initiatives of my organization.	●	●	●	●	●
3. Overall, I am happy with the Rewards packages offered by my organization.	●	●	●	●	●
4. Overall, I am motivated by the Retaining practices of my organization.	●	●	●	●	●
5. Overall, I am motivated and look forward to continue working for this organization.	●	●	●	●	●

Additional comments on HR factors that influence my job motivation. (if any)

THANK YOU!

Appendix B: Interview Questions

Details of interviewee

Position   :   _____

Years of experience   :   _____   Date   :   _____

1) Give a brief overview of your company. (Nature of business, Size, Age)

2) What are some of the characteristics of the Gen Ys in your organization?

3) What are some of the managerial challenges you face in relation to the Gen Ys in your organization?

4) How did you overcome these challenges?

5) Additional comments (if any):