

Human Resource Management in Operational Level of Generation Y at Northern Region Industrial Estate Lamphun, Thailand

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The generation Y is a growing group of young people among the general workforce, having different behaviors and motivators at work. To study effective motivating factors for this group of employees can even show some interesting factors of Y-generation employees' value, such as high value of manager flexibility and sharing similar values with the companies they work for. The primary aim of this study is to understand the relationship of Y-generation employee's work motivation between operational behaviors and work and organization interests. There are several companies with a number of young employees at Northern Region Industrial Estate Lamphun, Thailand. These companies obviously need to focus on the requirements of Y-generation employees. The study population consisted of Y-generation employees of Northern Region Industrial Estate, Lamphun in which 410 are selected by simple random sampling for the research. The questionnaires were analyzed using LISREL. Two types of data analysis have been performed which are descriptive and Structure Equation Model (SEM). The research findings indicate that having behavior in the right direction should focus on motivation factors. Motivation to get work and organization interests should focus on hygiene factors. There is a correlation between the operational level of generation Y employees work motivation and their operational behaviors and work and organization interests. The relationship between them clearly is defined in fact finding for determining the human resource management policies.

Keywords: motivating factors, hygiene factors, operational behaviors, work and organization interests, Y-generation employees

Introduction

Human resource is the most important management concern today because human beings can create value added by awareness sessions, trainings, and seminars as the main asset of the organizations to achieve the goal. To define the motivation, it is an aspect that is approached by different work levels, from senior to junior levels in the workplace employees depending on other workers and people in the organization while manager's roles are to start the process to encourage employees to add their inputs on what really motivates them and it should be a strategy to achieve business goals through the assets which are humans.

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There are several companies with a number of young employees. These companies obviously need to focus on the requirements of Y-generation employees¹. Some of these are already successful in motivating their millennials while some others are not. The generation Y is a growing group of young people among the general workforce, and they have different behaviors and motivators at work. To study effective motivating factors for this group of employees can even show some interesting factors of Y-generation employees' value, such as high value of manager flexibility and sharing similar values with the companies they work for.

This study investigates the motivation for Y's generation employee for the planning of human resource management in Northern Region Industrial Estate, Lamphun, to determine the direction of human resource management policy because without motivation nothing exclusive will ever occur which will lead the organization to get a high performance rate, high productivity, and hence high profit. Knowing these approaches will allow the organization to make the decision about types of motivation approach to be used effectively in order to guide the direction of defining human resource management policy for organization.

Literature Review

The literature has embraced the concepts, theories, and research, related to study reviews and to determine a framework for planning.

One of the biggest differentiators is the differences between generations at work. The generations are raised in different ways, which reflect in their behavior, motivational patterns, and habits at work (Raines, 2002).

Gardner and Lambert (1972), defined motivation as it is about the moving employees toward doing the job and achieving the goal through rewards.

The employees are not motivated solely by money and employee behavior is linked to their attitudes (Dickson, 1973).

Two-Factor Theory of Fredrick Herzburg

In 1959 Fredrick Herzburg introduced a theory with two motivation factors. The two factors are hygiene factors and motivators. The theory explains the factors that motivate employees by identifying their individual needs and desires. The dissatisfaction factor is called "hygiene" and the satisfaction factor is "motivators" (Bradley, 2003).

Psychologists and behavioral scientists have developed some motivation theories and some of these theories have been developed by researchers. There are a number of different views of motivational theories consisting of Abraham Maslow Theory, ERG Theory, and Two-Factor Theory of Fredrick Herzburg which explains the factors that motivate employees by identifying their individual needs and desires. The dissatisfaction factor is called "hygiene" and the satisfaction factor is "motivators".

Hygiene factors are organization related. Like the policies and procedures, salary and job security. Dissatisfaction comes if these factors don't exist in the workplace. It simplifies the physiological needs which the employees expect and need to be satisfied (Bradley, 2003).

Motivator factors determine satisfaction. They are intrinsic factors such as sense of achievement, recognition, responsibility, and personal growth which motivate employees for a greater performance (Wright & Bradley, 2003).

¹ Human resource is the most important management concern today because human beings can create value added by awareness sessions, trainings, and seminars as the main asset of the organizations to achieve the goal.

Generation Y is the generation of people born during the 1980s and early 1990s. The name is based on Generation X, which precedes them. Members of Generation Y are often referred to as “echo boomers” because they are the children of parents born during the baby boom (the “baby boomers”). Because children born during this time period have had constant access to technology (computers, cell phones) in their youth, they have required many employers to update their hiring strategy in order to incorporate updated forms of technology, also called millennials, echo boomers, internet generation, iGen, net generation.

Objectives of the Study

The primary objective of this study is to investigate the relationship of Y-Generation employee’s working motivation between operational behaviors and work and organization interests. Specific objectives are included as following:

- (1) To study the characteristic factors, motivation factors, operational behaviors and work and organization interests of operational level of Generation Y in Northern Region Industrial Estate, Lamphun, Thailand.
- (2) To analyze the relationships between motivation factors and operational behaviors and work and organization interests of operational level of Generation Y in Northern Region Industrial Estate, Lamphun, Thailand.

The Process of Data Analysis

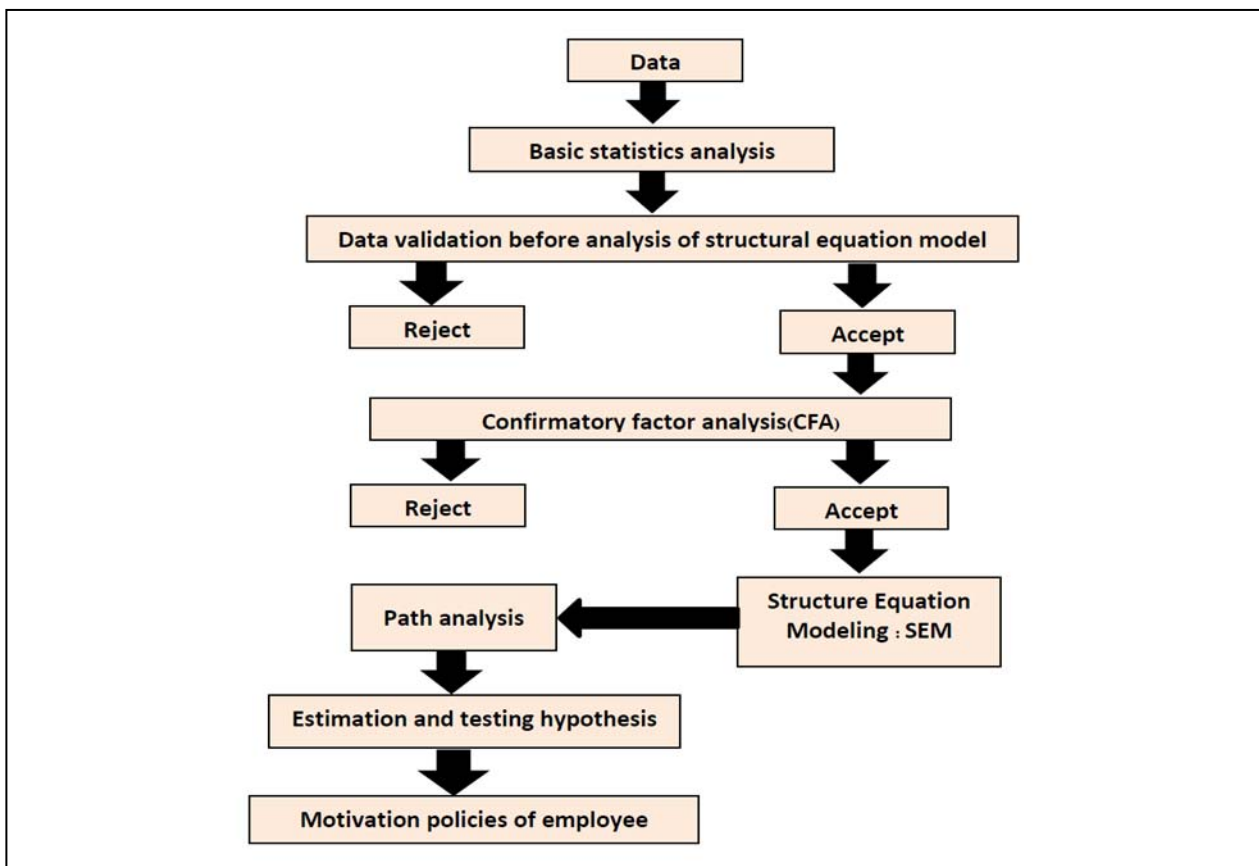


Figure 1. The process of data analysis.

Research Methodology

This research was designed based on quantitative approach. The model developed is based on Frederick Herzberg's Two-Factor Theory. A set of questionnaire consisting of both motivation and hygiene factors was designed to determine targeted respondents' preferences in motivation and hygiene factors. Seventeen item questionnaires were motivation-hygiene factor questions. Seven item questionnaires were operational behavior questions and five item questionnaires were work and organization interests questions. The respondents were asked to answer each statement using five-point Likert scale ranging from one (gradually influence) to five (strongly influence).

The process of data collection is using drop and collect method. Sample size was calculated 400 members based on Taro Yamane's (1967) formula. A total of 410 respondents from operational level of Generation Y in Northern Region Industrial Estate, Lamphun answered the questionnaires. The data captured then were analysed using Lisrel. Two types of data analysis have been performed which are descriptive and SEM.

Research Framework/Structural Equation Model: SEM

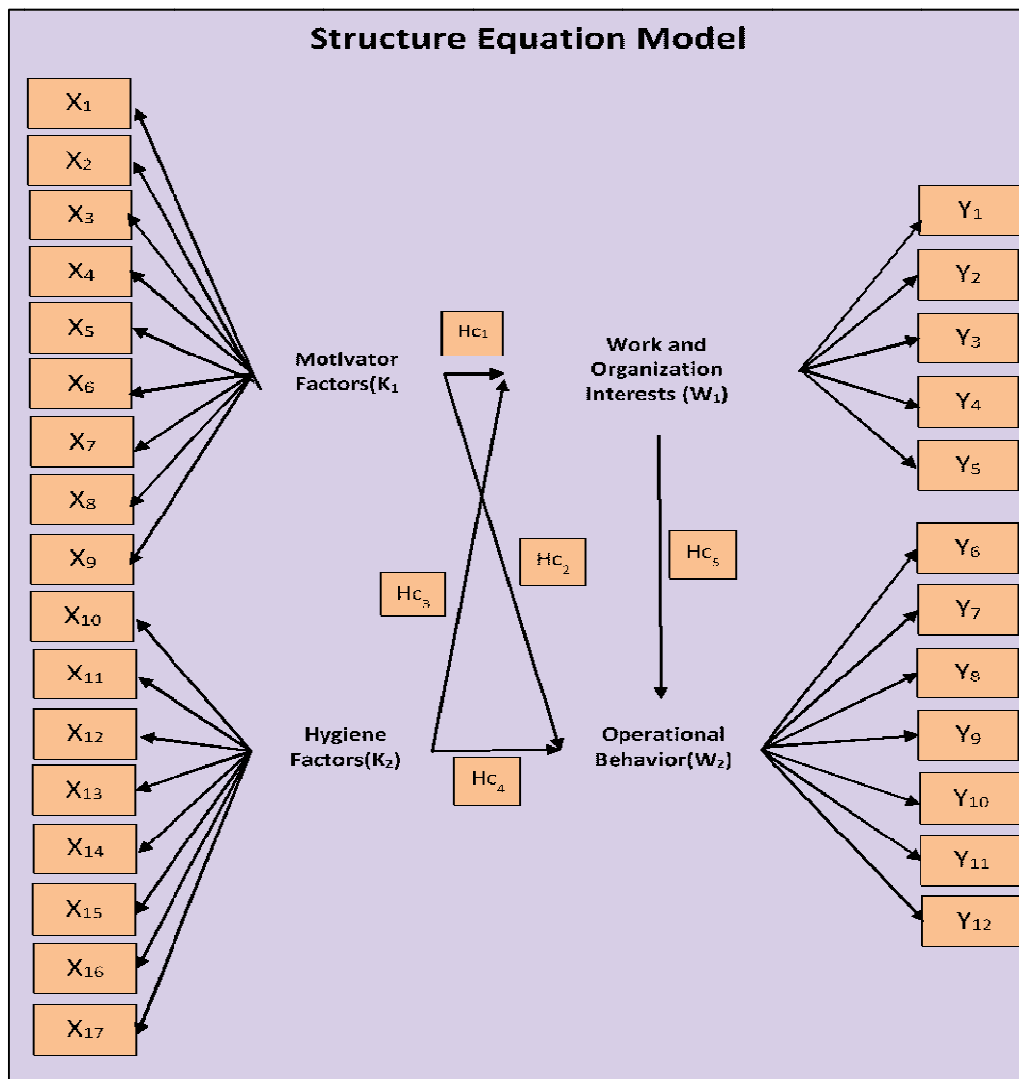


Figure 2. Research framework.

Hypothesis

Hypothesis (Hc₁) 1: Motivation factors have a direct positive influence on work and organization interests.

Hypothesis (Hc₂) 2: Motivation factors have a direct positive influence on operational behaviors.

Hypothesis (Hc₃) 3: Hygiene factors have a direct positive influence on work and organization interests.

Hypothesis (Hc₄) 4: Hygiene factors have a direct positive influence on operational behaviors.

Hypothesis (Hc₅) 5: Work and organization interests have a direct positive influence on operational behaviors.

Results

Part 1: Analysis of a Validation Before Analysis of Equation Models

1.1 Results of statistical analysis of observed variables

Basic statistics of four observable variables, which are an indicator of latent variables: 1) five questions of work and organization interests are quite small dispersion; 2) nine questions of motivation factors are quite dispersion; 3) eight questions of hygiene factors are quite dispersion; and 4) seven questions of operational behaviors are also quite dispersion.

1.2 The analysis results of the correlation coefficient among observable variables by Pearson's Product Moment Correlation

All of 29 observable variables with 406 pairs of relative variables have a positively significant correlation satisfaction at the correlation coefficient between 0.107-0.838. Correlation is significant at the 0.05 and 0.01 levels. Observed variables have a high correlation ($0.6 < r < 0.8$) 66 pairs, medium level ($0.4 < r < 0.6$) 235 pairs, and low level ($r < 0.4$) 105 pairs. The couple with the highest correlation is the company which is stable but low welfare (X₁₅) with the instrumentation and physical environment is suitable for work (X₁₆) ($r = 0.823$). The Bartlett's test of sphericity statistic is 9,227.751 $df = 406$ ($p = 0.00$) denote that the correlation coefficient matrix was not identity matrix, significant at $p < 0.01$. The Kaiser-Mayer-Olkin (KMO) is nearly 1 (0.958) denoting that the observable variables have high relationship. Therefore, it is appropriate to analyze SEM.

Part 2: Structure Equation Model (SEM)

2.1 The result analysis of the construct validity of the measurement model

(1) Motivation factors (K₁): The analysis of the measurement model shows that the motivation factors (K₁) are consistent with the empirical data. The indices indicate a relatively goodness of fitting with the data (Chi Square = 14.84, $df = 19$, $p < 0.73273$, CFI = 1.00, GFI = 0.99, AGFI = 0.98, RMSEA = 0.000, RMR = 0.005). As a result, the fit for the model is acceptable shown in Table 1.

(2) Hygiene factors (K₂): The analysis of the measurement model shows that the hygiene factors (K₂) are consistent with the empirical data. The indices indicate a relative goodness of fitting with the data (Chi Square = 7.95, $df = 9$, $p = 0.53909$, CFI = 1.00, GFI = 1.00, AGFI = 0.98, RMSEA = 0.000, RMR = 0.004). As a result, the fit for the model is acceptable shown in Table 2.

(3) Work and organization interests (W₁): The analysis of the measurement model shows that the work and organization interests (W₁) are consistent with the empirical data. The indices indicate a relative goodness of fitting with the data (Chi Square = 70.35, $df = 1$, $p = 0.55499$, CFI = 1.00, GFI = 1.00, AGFI = 0.99, RMSEA = 0.000, RMR = 0.002). As a result, the fit for the model is acceptable shown in Table 3.

Table 1

The Result Analysis of the Construct Validity of the Motivation Factors Measurement Model

Variable	Factor loading			<i>t</i>	R^2	Coefficient factor
	<i>b</i>	β	SE			
X ₁	0.33	0.54	0.03	11.39**	0.29	0.04
X ₂	0.46	0.66	0.03	14.69**	0.44	0.11
X ₃	0.52	0.80	0.03	18.82**	0.65	0.19
X ₄	0.51	0.87	0.02	21.06**	0.75	0.46
X ₅	0.48	0.83	0.02	19.88**	0.69	0.26
X ₆	0.49	0.83	0.02	19.61**	0.68	0.32
X ₇	0.49	0.75	0.03	16.58**	0.56	0.23
X ₈	0.60	0.77	0.03	17.97**	0.60	0.15
X ₉	0.41	0.65	0.03	14.14**	0.42	0.11

$\chi^2 = 14.84$, $df = 19$, $p = 0.73273$, CFI = 1.00, GFI = 0.99, AGFI = 0.98, RMSEA = 0.000, RMR = 0.005

Note. ** $p < 0.01$.

Table 2

The Result Analysis of the Construct Validity of the Hygiene Factors Measurement Model

Variable	Factor loading			<i>t</i>	R^2	Coefficient factor
	<i>b</i>	β	SE			
X ₁₀	0.51	0.76	0.03	17.66**	0.58	0.16
X ₁₁	0.61	0.83	0.03	19.80**	0.69	0.23
X ₁₂	0.52	0.74	0.03	16.97**	0.55	0.10
X ₁₃	0.58	0.79	0.03	18.63**	0.62	0.19
X ₁₄	0.73	0.84	0.04	20.27**	0.70	0.17
X ₁₅	0.69	0.88	0.03	21.35**	0.78	0.26
X ₁₆	0.57	0.86	0.03	20.74**	0.74	0.27
X ₁₇	0.57	0.81	0.03	19.29**	0.65	0.18

$\chi^2 = 7.95$, $df = 9$, $p = 0.53909$, CFI = 1.00, GFI = 1.00, AGFI = 0.98, RMSEA = 0.000, RMR = 0.004

Note. ** $p < 0.01$.

Table 3

The Result Analysis of the Construct Validity of the Work and Organization Interests Factor Measurement Model

Variable	Factor loading			<i>t</i>	R^2	Coefficient factor
	<i>b</i>	β	SE			
Y ₁	0.23	0.43	0.03	8.64**	0.18	0.01
Y ₂	0.86	0.90	0.07	12.80**	0.81	0.47
Y ₃	0.64	0.93	0.04	17.32**	0.87	0.68
Y ₄	0.53	0.82	0.03	15.52**	0.67	0.33
Y ₅	0.43	0.62	0.04	10.25**	0.40	-0.04

$\chi^2 = 0.35$, $df = 1$, $p = 0.55499$, CFI = 1.00, GFI = 1.00, AGFI = 0.99, RMSEA = 0.000, RMR = 0.002

Note. ** $p < 0.01$.

(4) Operational behaviors (W₂): The analysis of the measurement model shows that the operational behaviors (W₂) are consistent with the empirical data. The indices indicate a relatively goodness of fitting with the data (Chi Square = 9.26, $df = 8$, $p = 0.32116$, CFI = 1.00, GFI = 0.99, AGFI = 0.98, RMSEA = 0.020, RMR = 0.005). As a result, the fit for the model is acceptable is shown in Table 4.

Table 4

The Result Analysis of the Construct Validity of the Operational Behaviors Factors Measurement Model

Variable	Factor loading			<i>t</i>	R^2	Coefficient factor
	<i>b</i>	β	SE			
Y_6	0.30	0.47	0.03	9.62**	0.22	0.08
Y_7	0.38	0.50	0.04	10.17**	0.25	0.04
Y_8	0.48	0.76	0.03	15.70**	0.57	0.25
Y_9	0.49	0.86	0.02	20.18**	0.73	0.51
Y_{10}	0.50	0.85	0.03	19.92**	0.71	0.56
Y_{11}	0.36	0.73	0.02	16.38**	0.54	0.25
Y_{12}	0.45	0.74	0.03	16.29**	0.55	0.26

 $\chi^2 = 9.26$, $df = 8$, $p = 0.32116$, CFI = 1.00, GFI = 0.99, AGFI = 0.98, RMSEA = 0.020, RMR = 0.005Note. ** $p < 0.01$.

2.2 The result of Confirmatory factor analysis of exogenous latent variable

Table 5

The Respecification Measurement Model of Motivation and Hygiene Factors

Index value	Standard	Non-modified		Modified	
		Statistic	Result	Statistic	Statistic
χ^2/df	< 2.00	5.462	Not pass	1.097	Pass
RMSEA	< 0.05	0.105	Not pass	0.015	Pass
GFI	≥ 0.95	0.84	Not pass	0.98	Pass
AGFI	≥ 0.90	0.80	Not pass	0.95	Pass

Source: Calculated.

From Table 5 the result of confirmatory factor analysis of motivation and hygiene factors found that both latent variable measurement models accord to empirical data (index value: $\chi^2/df = 1.097$, GFI = 0.98, AGFI = 0.95 and RMSEA = 0.015). It is concluded that the model of structural equation model is appropriate with empirical data.

2.3 The result of confirmatory factor analysis of endogenous latent variable

The result of confirmatory factor analysis of work and organization interests and operational behaviors factors found that both latent variable measurement models accord to empirical data (index value: $\chi^2/df = 1.542$, GFI = 0.99, AGFI = 0.98 and RMSEA = 0.032). It is concluded that the model of structural equation model is appropriate with empirical data shown in Table 6.

Table 6

The Respecification Measurement Model of Work and Organization Interests and Operational Behaviors Factors

Index value	Standard	Non-modified		Modified	
		Statistic	Result	Statistic	Statistic
χ^2/df	< 2.00	7.087	Not pass	1.542	Pass
RMSEA	< 0.05	0.122	Not pass	0.032	Pass
GFI	≥ 0.95	0.87	Not pass	0.99	Pass
AGFI	≥ 0.90	0.80	Not pass	0.98	Pass

Source: Calculated.

2.4 The result of construct reliability and average variance extracted

All of the construct reliability (ρ_c) are high value more than 0.60 between 0.560-0.942. The average variance extracted: ρ_v between 0.550-0.672 were more than 0.05. The result shows that evaluating the measurable models has explicit evidence that the definitions of all latent variables are valid and reliable shown in Table 7.

Table 7

The Construct Reliability: ρ_c and Average Variance Extracted: ρ_v

Latent factors	Construct reliability (ρ_c)	Average variance extracted (ρ_v)
K ₁	0.918	0.558
K ₂	0.942	0.672
W ₁	0.862	0.574
W ₂	0.860	0.550

Source: Calculated.

2.5 The result of the structural equation model based on the hypothesis analysis

Figure 3 shows the analysis of the model's consistency index after modification found that the model is appropriate with empirical data. Six harmony indices are acceptance criteria at $\chi^2 = 291.13$, $df = 258$, p -value = 0.076, $\chi^2/df = 1.128$, CFI = 1.00, GFI = 0.95, AGFI = 0.92, RMSEA = 0.018, and RMR = 0.015, therefore the model of structural equation model is goodness of fitting to the empirical data.

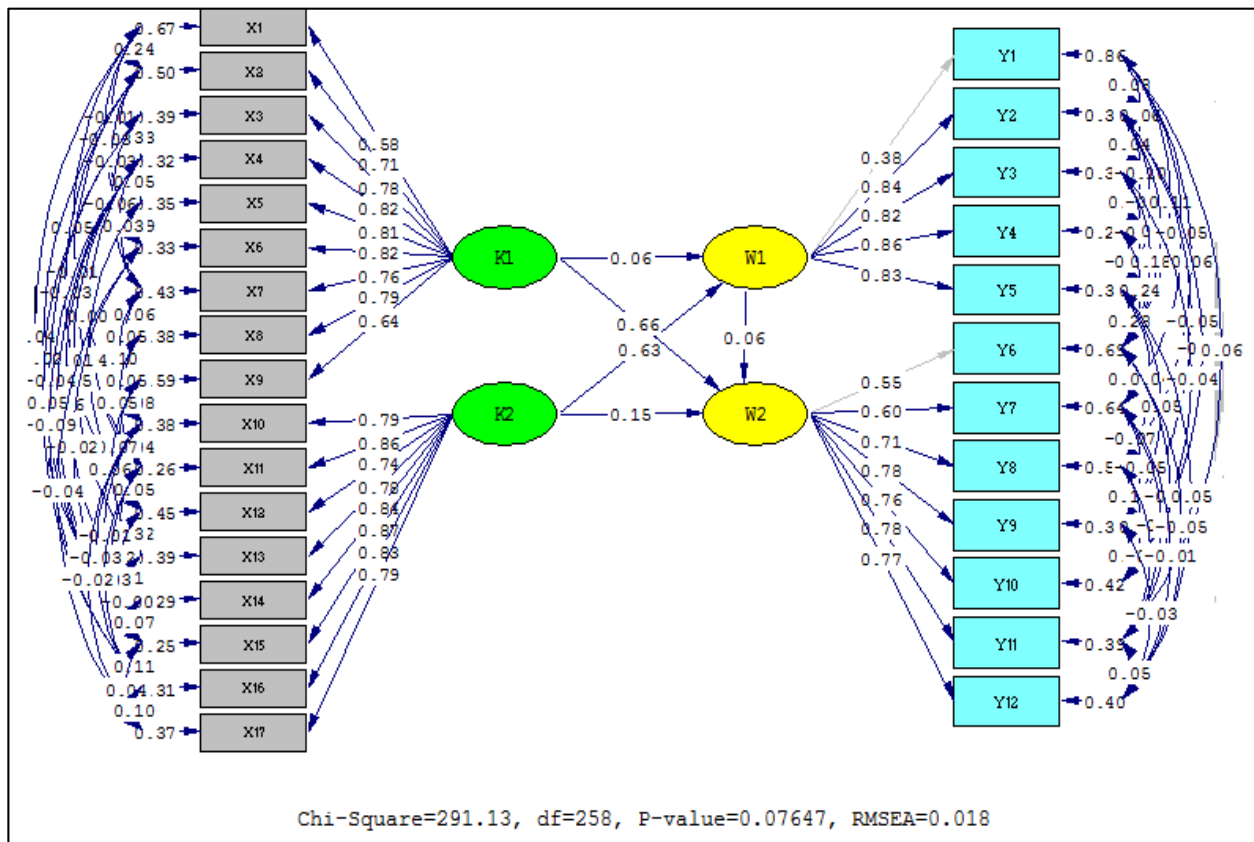


Figure 3. The analysis of the model's consistency index after modification.

Part 3: The Result of Path Analysis

The result of causal influence of motivation for operational level of Generation Y in Northern Region Industrial Estate, Lamphun

(1) Motivation factors (K_1) have direct positive influence on work and organization interests (W_1) at DE = 0.06, it is not significant.

(2) Motivation factors (K_1) have direct positive influence on operational behaviors (W_2) at DE = 0.66, it is significant at 0.01 level.

(3) Hygiene factors (K_2) have direct positive influence on work and organization interests (W_1) at DE = 0.63, it is significant at 0.01 level.

(4) Hygiene factors (K_1) have direct positive influence on operational behaviors (W_2) at DE = 0.15, it is not significant.

(5) Work and organization interests (W_1) have direct positive influence on operational behaviors (W_2) at DE = 0.06, it is not significant.

(6) Motivation factors (K_1) and Hygiene factors (K_2) have indirect positive influence on organization interests (W_1) through work and organization interests (W_1) at IE = 0.00 and 0.006 respectively, it is not significant.

Part 4: The Result of Hypothesis Test

Table 8 shows the acceptance Hypothesis 2 (H_{C2}) and Hypothesis 3 (H_{C3}) at the $p < 0.01$ level.

The Hypothesis 1 (H_{C1}), Hypothesis 4 (H_{C4}) and Hypothesis 5 (H_{C5}) were rejected at the $p < 0.05$ level.

Table 8

The Conclusions of Hypothesis Test

Hypothesis	The result
Hypothesis (H_{C1})1: Motivation factors have a direct positive influence on work and organization interests.	Reject
Hypothesis (H_{C2})2: Motivation factors have a direct positive influence on operational behaviors.	Accept
Hypothesis (H_{C3})3: Hygiene factors have a direct positive influence on work and organization interests.	Accept
Hypothesis (H_{C4})4: Hygiene factors have a direct positive influence on operational behaviors.	Reject
Hypothesis (H_{C5})5: Work and organization interests have a direct positive influence on operational behaviors.	Reject

To keep the operational level of Y's Generation employees be having behavior in the right direction motivation factors should be focused such as recognition for one's achievement ($\bar{X} = 4.33$), work is important ($\bar{X} = 4.05$), involvement in decision making ($\bar{X} = 3.94$) and advancement ($\bar{X} = 3.94$) for good operational behaviors include to work on time ($\bar{X} = 4.12$), to work everyday ($\bar{X} = 4.10$), to work on standard ($\bar{X} = 4.03$) and pleased to help on company job ($\bar{X} = 3.97$). Motivation to get work and organization interests should be focused on hygiene factors such as company policy ($\bar{X} = 3.90$), relationship with boss ($\bar{X} = 3.82$), relationship with colleagues ($\bar{X} = 3.81$), pay and benefits ($\bar{X} = 3.64$) for goodness to work and organizational interests include like your job ($\bar{X} = 4.68$), lots of knowledge and skill in your job ($\bar{X} = 4.00$), self-directed learning on job ($\bar{X} = 3.98$), and pride is part of the organization ($\bar{X} = 3.98$).

From Figure 4, the main aim is to find a correlation between the operational level of Y-Generation employees' work motivation and their operational behaviors and work and organization interests. The relationship between them clearly defined in fact finding for determining the human resource management policies.

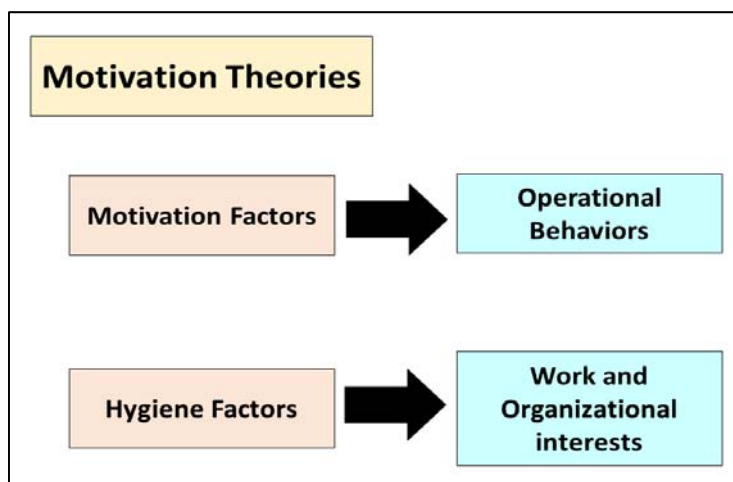


Figure 4. The direction to determine the human resource management policies.

Conclusion

To adopt good and positive motivational techniques is to increase the productivity and performance of the workers. The researcher therefore concludes from findings out that the influence of motivation factors and hygiene factors on operational behaviors and work and organizational interests is of paramount important to the organization.

Thus the modified human resource management policies in the continuation of future plan for the operational level of Y's Generation employees must aim to provide the various motivative activities for employees.

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