





PROCEEDINGS OF 2013 INTERNATIONAL CONFERENCE AND LECTURING ON ECONOMICS (ICLE)

MODERN ECONOMICS FOR PEOPLE WELFARE







PROCEEDINGS OF 2013 INTERNATIONAL CONFERENCE AND LECTURING ON ECONOMICS (ICLE) MODERN ECONOMICS FOR PEOPLE WELFARE

Cetakan Tahun 2013

Katalog Dalam Terbitan (KDT):

Proceedings of 2013 International Conference and Lecturing on Economics (ICLE) Modern Economics for People Welfare xii, 178 hlm; 20 x 28 cm.

ISBN 978-602-9018-84-4

Editor: Roberto Akyuwen Y. Sri Susilo

Hak Cipta dilindungi Undang-undang.

Dilarang memperbanyak karya tulis ini dalam bentuk dan dengan cara apa pun, termasuk fotokopi, tanpa izin tertulis dari penerbit.

PROCEEDINGS OF 2013 INTERNATIONAL CONFERENCE AND LECTURING ON ECONOMICS (ICLE) MODERN ECONOMICS FOR PEOPLE WELFARE

Cetakan Tahun 2013

Katalog Dalam Terbitan (KDT):

Proceedings of 2013 International Conference and Lecturing on Economics (ICLE) Modern Economics for People Welfare xii, 178 hlm; 20 x 28 cm.

ISBN 978-602-9018-84-4

Editor: Roberto Akyuwen Y. Sri Susilo

Hak Cipta dilindungi Undang-undang.

Dilarang memperbanyak karya tulis ini dalam bentuk dan dengan cara apa pun, termasuk fotokopi, tanpa izin tertulis dari penerbit.

Thanks for Reviewers:

Marthin Nanere (LaTrobe School of Business, Australia)
Frank Dhont, Ph.D (Yale University, USA)
Ray Boffey, Ph.D (Edith Cowen University, Australia)
Dr. Dorothea Wahyu Ariani (Atma Jaya Yogyakarta University, Indonesia)
Prof. Lincolin Arsyad, Ph.D (Gadjah Mada University, Indonesia)
Dr. AM Soesilo (Sebelas Maret University, Indonesia)
Prof. Gunawan Sumodiningrat, Ph.D (Gadjah Mada University, Indonesia)
Dr. I Putu Sugiartha Sanjaya (Atma Jaya Yogyakarta University, Indonesia)
Dr. Wing Wahyu Winarno (YKPN School of Business, Indonesia)

Thanks for:

Fakultas Ekonomi Universitas Atma Jaya Yogyakarta
Komunitas Alumni Program Doktor Sekolah Pascasarjana UGM
Bank Mandiri
PT Toyota Astra Motor
SKH "Kedaulatan Rakyat"
Radio Sindo Trijaya Yogyakarta
Kantor Perwakilan Bank Indonesia DIY
ISEI Cabang Yogyakarta

TABLE OF CONTENTS

PREFACE	٧
PREFACE	vi
MESSAGE FROM THE DEAN	ix
TABLE OF CONTENTS	xi
Government Impact on The Economy of Indonesia In The Late Dutch, Japanese and Early Republican Era Frank Dhont, Ph.D dan Yale University	1
Compassionate Leadership Djokosantoso Moeljono	6
Management and Communication In Sustainable Marketing Marthin Nanere	10
Corporate Governance and Firm Peromance: Case of Ultimate ownership In Indonesia I Putu Sugiartha Sanjaya	17
Optimising the Industry Mix Of Indonesian Portfolios R. Akyuwen, R.R. Boffey, R.J. Powell and K. Wijaya	27
Exploring The Five Axioms of Urban Economics Roberto Akyuwen	41
Cultural Environment Redevelopement of Kotagede Heritage Area Amiluhur Soeroso	50
Examining Consumer Ethics Among Youths in Indonesia and Thailand Denni Arli, Fandy Tjiptono and Warat Winit	62
Matching Country and Product Images: an Indonesian Perspective Nathania Pramudita and Fandy Tjiptono	72
Role of Subjective Norm Difference in Explaining Intention To Buy Counterfeit Products Santi Budiman and Anas Hidayat	87
Auditee Perceptions About Modern Role of Internal Auditors: Empirical Evidence of Banking Samuel Adriaan Dharmatanna and Rustiana	97

The Implementation of Increasing of Family Income Program (UPPKS) To The Increasing Number of Woman Members of UPPKS Nany Noor Kurniyati	110
Generational Differences and Organisational Commitment In Higher Education Institutions Martinus Parnawa Putranta	127
Build A Competitive Advantage Through Innovation and Generative Learning In the Bakery Industry In Central Java Sulistiyani	1/1
Suistiyani	171
Erment Through the Development Of Porridge Small Scale Industries	
(A Case of Porridge Industries in Kaliputu, the city of Kudus , Central Java) Sukirman and CH. Astanugraha	154
Brand Extension as Branding Strategy Increasing Hospital Reputation Mikhriani and Mia Rahma Romadona	167

FROM EDITOR

We are pleased to present the Proceedings of 2013 International Conference and Lecturing on Economics (ICLE) held in Yogyakarta, Indonesia on 1st July 2013. This conference is proudly hosted by the Faculty of Economics, Atmajaya Yogyakarta University.

The theme of the conference, "Modern Economics for People Welfare", was chosen as a means of bringing together many orientations and providing a basis for discussion of issues arising across the globe in relation to economics which has undergone a remarkable expansion in the 20th century. The world economy has grown increasingly large and complex and has influenced modern life of people all over the world. The central question is whether the evolution from the conventional to modern economics has provided positive or negative contribution to the people welfare today.

The aim of this proceedings is to present high quality work for use in the teaching and further researches. This proceedings comprises 16 articles where all abstracts and full papers submitted were subjected to a rigorous reviewing process. The editors view the proceedings as a unique tool for sharing information that may not always published in the traditional literature.

Some of these articles were presented in the plenary session. There were 3 presentation sessions consisting of 12 prominent speakers. The first session was labeled management/leadership, the second session was named public finance/development issues, and the last session was broadband economic concepts. These presentation sessions were also added by general lecturing held in Posgraduate School, Gadjah Mada University of Yogyakarta on 2nd July 2013. In total, more than 500 participants has attended the ICLE 2013.

Editors,

Roberto Akyuwen Y. Sri Susilo

GENERATIONAL DIFFERENCES AND ORGANISATIONAL COMMITMENT IN HIGHER EDUCATION INSTITUTIONS

Martinus Parnawa Putranta Master of Management Atma Jaya Yogyakarta University Email: parnawa@staff.uajy.ac.id

Abstract

The purpose of this research was to examine possible differences in the affective, continuance and normative commitment levels between two generations of employees within higher educational institution contexts. The concept of generational cohort which was introduced and commonly used in scholarly research in the Western contexts was adopted for this purpose. In particular, the research examined possible differences in the levels of the three commitment types between two generational cohorts, namely Baby Boomers and Generation X. The research involved academic and non academic staff from nine Catholic higher education institutions across seven cities on the islands of Java, Indonesia. A cross-sectional survey was used to invite respondents' participation. A total of 1,000 questionnaires were distributed of which 634 were usable. Unexpected findings were shown in that no significant difference was found in the level of each commitment type between the two generational cohorts. Some possible conjectures for the findings are outlined then a wide range of managerial and scholarly implications are discussed.

Key words: Organisational Commitment; Higher Education Institutions; Baby Boomers; Generation X

1. INTRODUCTION

Building and maintaining employee commitment towards organisations within the higher education sector is tantamount due to the service nature of these institutes. Furthermore, the longevity of the employment relationship could also serve as a distinct source of competitive advantage (Coyle-Shapiro, Morrow, & Kessler, 2006; Samad, 2005; Shahnawaz & Jafri, 2009; Wagner, 2007). One of the premises made in this research in exploring organisational commitment is a belief that committed employees will yield positive benefits to the organisation such as higher levels of motivation, greater individual performance, and, this will lead to lower levels of employee turnover (Gautam, van Dick, & Wagner, 2001; Sommers, 1995).

However, maintaining committed employees in higher education institutions has long been identified as problematic within higher education institutions because of a range of factors related to remuneration and working conditions (Oberholster & Taylor, 1999). Similar phenomena seem to be prevalent in many higher education institutions in Indonesia (Idrus, 1999). As such Indonesian higher education institution leaders need to understand the rudiments underpinning this construct as well as those factors likely to impact such employee commitment. It is therefore the responsibility of the institutional leaders to understand the causes of the employee's desire to stay in the institutions. These rationales serve as the major impetus behind this research.

Prior studies investigating the antecedents of organisational commitment suggest a variety of categories (e.g. Darden, Hampton & Howell, 1989; Ferris, 1981; Iverson & Buttigieg, 1999; Mathieu & Zajac, 1990; Steers, 1977). However, these various conceptualisations share two common elements, namely, personal attributes and jobrelated factors (Turner, 2008). This research was delimited to examining the former as the possible determinants of organisational commitment.

In higher education institutions contexts, there have been a numerous studies investigating the roles of personal attributes such as gender, education and marital status (Joiner & Bakalis, 2006; Karakus & Aslan, 2009), age and tenure (Iqbal, Kokash & Al-Qun, 2011; Joolideh & Yeshodhara, 2009; Labatmediene & Gustainiene, 2007; Marchiori & Henkin, 2004), as well as religious commitment (Brown & Sargent, 2007; Schroede, 2008) in the determination of an individual's commitment. However, to date, few researchers have examined the possible differential effects of generational differences on organisational commitment. The central tenet held in this research was that employees from different generations are presumed to share different goals, expectations and work values and attitudes (Kupperschmidt, 2000; Smola & Sutton 2002). which in turn, are also likely to lead to different degrees of their commitment to the organisations. This research mainly focused on the Baby Boomers and Generation X cohorts due to the fact that these two generational groups are prevalent in today's workforce.

2. PURPOSE OF RESEARCH

The primary purpose of the research was to investigate possible influences of cohort on organisational attitude. The concept of cohort used in this research referred to the one that was originally introduced in the USA. In particular, the research attempted to examine whether generational differences existed in the level of organisational commitment between two generations known as Baby Boomer (or Boomer) and Generation X (commonly abbreviated to Gen-X) in the Indonesian higher education institution contexts. Possible explanations would be explored for the differences, whether or not they exist and then probable interventions would be proposed to address its potential impacts. These two groups of employees were chosen considering that they are predominant in the current Indonesian workforce, albeit in the institutions sampled in this research. While various date ranges have been applied to these two generations, in line with for this research persons with birth years 1946 – 1964 were classified as Baby Boomers and persons born in 1965-1980 as Gen-Xers (Howe & Strauss, 2007)

From a practical standpoint, this research provided institutional leaders with information on a specific personal attribute which might be beneficial for the development of human resource policies that fit across generational cohorts and for initiating interventions when problems between the cohorts exist. The model of organisational commitment used in this research was also tested in the research sample to assess whether it was conceptually and functionally similar to the original model. Thus, from a theoretical perspective, the research provides empirical evidence regarding the validation of the model in Indonesia, a non-Western context.

3. THEORETICAL BACKGROUND AND HYPOTHESES

The terms "organisational commitment" have been conceptualised in different views (e.g. O'Reilly & Chatman, 1986; Porter, Steers, Mowday, & Boulian, 1974; Wiener 1982, p. 421). Common to the definitions is the notion of organisational commitment as a bond between an individual to an organisation.

Whilst convergence of thinking in relation to defining organisational commitment exists the real contention relates to its dimensionality. Earlier studies on the topic (Becker, 1960; Kanter, 1968; Wiener, 1982) regard this type of commitment as uni-dimensional but more recent work (Allen & Meyer, 1990) shows it to be multi-faceted indicating that nurturing employee commitment can be addressed from a much wider range of perspectives.

In terms of measuring the concept of organisational commitment, contemporary thinking depicts the Allen and Meyer's (1990) three-component model as being superior due to the psychometric stability of its factor scales. IIIAllen and Meyer (1990) conceptualise this commitment in terms of affective, continuance and normative dimensions. This research adopt their specific approach herein and accordingly conceptualise the three psychological commitment states as: (1) affective: based upon employee's emotional attachment, identification with, and, involvement in an organisation, (2) continuance: based upon perceived cost of leaving the organisation, and, (3) normative: that characterises an employee's sense of moral obligation to remain within the organisation.

Typically, the degree of work experience determines the nature of affective commitment (Mathieu & Zajac, 1990; Meyer, Stanley, Herscotvich & Topolnytshy, 2002) simply because this gives the employee to a whole range

of positive and negative experiences to draw upon. Organisational characteristics including ethics (Fritz, Arnett & Conkel, 1999; Valentine, Godkin & Lucero, 2002) have also been considered influential. On a more intimate level even an employee's personal characteristics such as cognitive work values (Elizur & Koslowsky, 1999) and higherorder needs (Bourantas, 1988) are positively correlated with affective commitment. Whilst emotional attachments, reflected through affective commitment, are critical considerations, the 'cost' of leaving the employment relationship also has a bearing. In this regard the real or perceived costs associated with seeking alternative sources of employment are encapsulated through continuance commitment. Typically, those factors increasing the perceived cost (i.e. side-bets or the availability of alternatives) of leaving the current employment relationship are considered as primary antecedent conditions leading to continuance commitment (Allen & Meyer, 1990). They take various forms and can be both work and/or non-work-related, such as losing attractive benefits or having to uproot the family (Meyer & Allen, 1991). Clearly this form of commitment is going to be a critical consideration within the context of the Indonesian higher education institution employment relationship. In relation to normative commitment, both personal predisposition of the employee and organisational 'intervention' play an important role in helping to explain its presence (Wiener, 1982). Personal disposition, such as work ethics are known to be positively association with normative commitment (Carmelli, 2005). Certain cultures propagating collectivistic aspects within society are likely to impact the development of normative commitment (Meyer and Allen, 1991).

4. GENERATIONAL DIFFERENCES

A generation is defined as a group of people who were born within a defined period and as a population they share similar historical and life events (Kupperschmidt, 2000; Smola & Sutton, 2002). A generational group, then often referred to as a cohort. A cohort usually develops its own personality that influences a person's feelings toward authority and organisations, what they desire from work, and how they plan to satisfy those desires (Kupperschmidt, 2000). Smola and Sutton (2002) have classified the generations of the 20th century into four types. However, there has been disagreement on exactly when each generation starts and ends. For the purpose of this research, the years encompassing each generation was aligned with the generational theory developed by Howe and Strauss (2007). These authors group generations into four and define their respective periods. Traditionalists are those who were born between 1925 and 1945. Persons with birth years between 1946 and 1964 are called Baby Boomers. Generation X comprises people who were born between 1965 and 1980. The last generation named as either Generation Y or Millenials whose birth years begin anywhere between 1981 and 2000.

People from the same generation usually have certain characteristics that are developed from similarities in their key historical or social life experiences (Kupperschmidt, 2000; Smola & Sutton, 2002). It should be noted that the concept of generational theory adopted in this research was originally introduced in Western countries. Therefore, key historical or social life experiences that were used as the basis for describing distinct characteristics for each generation cohort may not completely hold in Indonesia. However, some characteristics of the Baby Boomers and the Generation X- as portrayed in the theory seem to be similar with the stereotypical perceptions towards these two cohorts in Indonesia. Clearly, this issue needs to be explored more thoroughly but is beyond the scope of this research.

5. BABY BOOMERS

Benson and Brown (2011) describe this group of people as ones who value teamwork and view work from a process-oriented perspective. Also, they believe that achievement comes after 'paying dues'. Hence, being committed and loyal to company values are essential. Moreover, a sacrifice is necessary to achieve success and seek long-term employment. The word "boom" is used to describe the general growth in the economy experienced by the Americans during and after World War II (Edmondson, 1995)

6. GENERATION -XERS

People belong to this group are much younger and generally more technological astute compared to their Baby Boomer counterparts as they have grown up with a variety of electronic equipment and the internet for much of their lives (Benson & Brown, 2011). Unlike Baby Boomers who "lived to work", this generation has a "work to live" attitude (Brillet, Hulin, Leroy & Bourliataux-Lajoin, 2011). They value autonomy and independence, and view work from an action-oriented perspective but do not believe in 'paying dues' (Benson & Brown, 2011). Furthermore, they seem lack of loyalty to any organisation and tend to search for a career that balance their life (Ferres, Travaglione & Firns, 2003; (Kupperschmidt, 2000).

7. ORGANISATIONAL COMMITMENT AND GENERATIONAL DIFFERENCES

If the descriptions about the characteristics of the two generations are correct then Baby Boomers should display more loyalty to their organisations than do the Gen-Xers. This conjecture led to the research to investigate whether the two generations have different degrees of commitment to their organization.

Allen and Meyer (1990) describe highly affective committed employees remain in their organisations because they *want* to. Employees with strong continuance commitment decide to stay in the organisations because they *need* to do so. Those with high levels of normative commitment continue their organisation memberships because they *ought* to.

Empirical studies have been conducted to investigate possible relationships betweeen generational theory and organizational commitment concepts. However, those studies revealed equivocal findings. Ferres, Travaglione and Firns (2001), for example, found no significant differences in the levels of affective commitment between Gen-Xers and older employees but showed that Gen-Xers exhibited lower levels of continuance commitment. On the other hand, Davis, Pawlowski and Houston (2006) suggested that there was no difference in the levels of commitment between Gen-Xers and Baby Boomers among IT professionals but a higher level of normative commitment was shown in Baby Boomers. Benson and Brown (2011) showed that Baby Boomers have a higher level of commitment compared to their Gen-Xers counterpart.

However, considering the basic tenets of organizational commitment combined with the common stereotyped characteristics of Gen-Xers, it seems unlikely to expect high levels of organisational commitment from this generation (Perryer & Jordan, 2008). To put this matter more precisely, Gen- Xers are theoretically expected to have lower levels of commitment compared to their Baby Boomers counterparts. With this in mind, the following three hypotheses were proposed in this research:

- H1: Gen-Xers will have a lower level of affective commitment than do Baby Boomers
- H2: Gen-Xers will have a lower of continuance commitment than do Baby Boomers
- H3: Gen-Xers will have a lower of normative commitment than do Baby Boomers

8. METHOD

Sample

Respondents comprised academic and administrative staff from nine Catholic universities in seven cities across Java, Indonesia. A purposive sampling procedure was used to identify 1,000 potential participants. From the 1,000 self-administered questionnaires distributed, 642 were deemed usable. Detailed observations, however, suggested that eight out of the 642 had to be excluded since the respondents' ages did not match the clasification of neither Baby Boomers nor Gen-Xers. Hence, only 634 questionnaires were used in the final analysis representing an overall response rate of 63 percent. The final sample was divided into two groups. The first group consisted of 213 Baby Boomers respondents (34%) born between 1946 -1964. The second group included 421 Gen-Xers respondents (66%) with birth years between 1965 and 1980. The analysis of the demographic variables shows

that there were more male than female respondents with 338 (53%) males and 296 (47%) females. Of the 634 respondents, 292 (46%) were academics. The remaining 342 (54%) were non-academic staff. In terms of marital status, the majority of the respondents (81%) were married. The high levels of organisational commitment were shown by 52% of respondents who had been with their organisations for 5 to less than 15 years. Some respondents (30%) had been working for their organisations for 15 to less than 25 years and while others (6%) for more than 25 years. The remaining 12% had less than 5 years in their organisations.

Measures

Organisational Commitment

All respondents were asked to complete Allen and Meyer's (1990) three-component scale to measure their affective, continuance and normative commitment. The three-component scale consisted of 24 items with a 7-point Likert scale ranging from strongly disagree (1) to strongly agree (7). Each component of commitment was measured using eight items. During exploratory factor analysis and confirmatory analysis, however, the scale was reduced to 17 which then were used in the final analysis. The investigation also revealed that the Cronbach's Alpha coefficients (α) were 0.85 for affective scale, 0.86 for continuance scale, and 0.81 for normative scale indicating that each scale was acceptable. Details of each of these are discussed in the findings section in Table 1.

Procedures

The scale was translated and adapted in order to fit Indonesian higher education institution contexts. A back translation process (Brislin, 1970) was used for that purpose. Prior to the real survey the instrument was pre-tested in a sample of 48 staff from two of the nine host institutions. Minor modifications were then made concerning the wording. Contact persons from each institution were engaged to arrange the direct distribution and collection of the questionnaires after a permission to conduct the research was gained. A covering letter ensuring confidentiality and voluntary participation in the research was included in the questionnaire. This part of the fieldwork lasted 3 months. Once the raw data was collected, responses to the questions were examined. Any entry errors were corrected and all reverse-coded items were re-coded. In attempts to retain the data as much as possible, imputation was used to remedy the missing data. As recommended by Schafer and Graham (2002), maximum likelihood estimation with expectation maximisation (EM) method was employed to replace the values of missing data since this method gives reasonably consistent estimates for most variables (Hair et al., 1998). The data containing imputed values was then used in further analyses. A test of non-response biases was conducted by way of comparing the responses of early and late respondents. Independent t-tests statistics revealed the two-tailed values of p > 0.05 for all constructs, indicating there were no significant statistical differences in the means of responses between early and late respondents.

9. RESEARCH FINDINGS

Exploratory Factor Analysis (EFA) with principal components and varimax rotation was performed on the scale to the sample (N = 634). The Bartlett's test of sphericity and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy were used. On each factor, the KMO was 0.885 which exceeded the threshold of 0.80 (Hair et al., 1988) and the Bartlett test was significant at < 0.05 (Malhotra, 1993).

Results of EFA suggested that seven items of the scale were eliminated for psychometric considerations such as the failure of the items to load on any emergent factor, or the factor that the items constituted had an inappropriate value of Cronbach alpha coefficient (less than 0.70) and/or insufficient number of loading items (less than three). The remaining 17 items yielded a three-factor solution with eight items loaded on factor 1 (continuance commitment), five items on factor 2 (affective commitment), and four items on factor 3 (normative commitment). Altogether, the factors of continuance commitment, affective commitment and normative commitment explained 55.039 % of total variance in the data. The summary EFA results are reported in Table 1.

Table 1 Summary of Exploratory Factor Analysis Result

Construct	Number of item	Loadings (range)	Communalities (range)	Eigen Value	Alpha Coefficient
Continuance	8	0.625 - 0.789	0.402 - 0.700	5.075	0.831
Affective	5	0.643 - 0.823	0.416 - 0.589	2.783	0.838
Normative	4	0.697 - 0.795	0.551 - 0.578	1.499	0.798

To assess the uni-dimensionality of the three individual constructs with their respective items Confirmatory Factor Analysis (CFA) was performed. CFA then tested the fitness of these proposed models with the sample data. Several goodness-of-fit indices were employed for this purpose. The summary of CFA results are presented in Table 2.

Table 2 Summary of goodness-of-fit indices for measurement models assessment

	Cl	hi-Squa	ire	051	DMOEA	4051				
	Value	df	р	GFI	RMSEA	AGFI	CFI	TLI	NFI	χ²/df
Continuance	87.767	20	< 0.05	0.965	0.073	0.937	0.962	0.947	0.952	4.338
Affective	16.036	5	< 0.05	0.990	0.059	0.971	0.992	0.985	0.989	3.207
Normative	0.231	2	0.891*	1.000	0.000	0.999	1.000	1.020	0.999	0.115

As can be seen from Table 2, with the exception of the results of the Chi-square tests, all goodness-of-fit indices for the individual constructs (affective, continuance, and normative commitment) met the recommended thresholds, which meant that the models fit the sample data. Only normative commitment construct had insignificant values in respect of the Chi-square statistics. However, the potential drawback of the Chi-square test is its sensitivity to sample size (Buhi et al., 2007). In a large sample (N > 200), a significant difference (p < 0.05) may exist, resulting in a mistaken rejection of the proposed model (Hair et al., 1998). This was likely to be the case in this research in that it had a sample size of 642. Therefore, it was concluded that all measurement models of this research fit the data.

Reliability and Validity

The reliability of the data derived from the instrument was tested using Cronbach's Alpha to determine if the data is reliable. As shown in Table 1, all values Cronbach's alpha for all three constructs were greater than the recommended value of 0.70, indicating that the reliability of all constructs used in this research were assured.

Three types of validity were examined in this research, namely, content validity, convergent validity and discriminant validity. The content validity of the constructs used in this research was achieved by employing the pre-existing measurements that have been previously used by many researchers. To support the content validity, proper translation (i.e. back translation) procedures and a pre-test were performed. An eigenvalue of greater than 1.00 is one indication of the presence of convergent validity of a construct (Hair et al., 1998). As shown in the summary of exploratory factor analyses presented in Table 1, all individual constructs had eigenvalues exceeding 1.00 indicating that the convergent validity of each construct was assured. Following the recommendations of Sharma and Patterson (1999), the discriminant validity in this research was examined by comparing the alpha coefficients for individual constructs with correlation coefficients of other constructs. Discriminant validity was assured when the alpha coefficients for individual constructs were greater than their coefficient correlations with other constructs. As depicted in table 3 (Summary of Descriptive statistics of the final constructs), individual alpha coefficients were higher than the correlation coefficients across all constructs, suggesting the discriminant validity of the measurement models was assured.

Generational Differences and Organisational Commitment in Higher Education Institutions (Martinus Parnawa Putranta)

Table 3 The inter-correlation coefficients of the final constructs used in the research

Construct	Mean	Standard Deviation	Minimum	Maximum	1	2	3	
Continuance Commitment (1)	4.689	0.396	4.187	5.425	(0.831)			
Affective Commitment (2)	5.234	0.434	4.466	5.505	0.180*	(0.020)		
Normative Commitment (3)	5.251	0.316	4.931			(0.838)	40	
The bold, italic, underlined numbers in t	200		4.931	5.545	0.226*	0.425*	(0.7)	

The bold, italic, underlined numbers in the diagonal indicate the alpha coefficients for individual constructs. The numbers under the diagonal denote the coefficient correlation between the individual constructs.

When the findings are generally viewed without taking cohorts into into consideration, as shown in Table 3, the mean for normative commitment (M = 5.251) was relatively the same as that for affective commitment (M = 5.234). However, the means of these two types of commitment was shown to be somewhat higher than that of continuance commitment (M = 4.689). This indicated, in general, that the respondents' decisions to remain in their organisations were more determined by the feeling of obligation to stay (normative) and emotional attachments to their organisations (affective), rather than by the perceived costs of leaving their organisations (continuance).

The results of the one sample t test (Table 4) revealed that the mean values for continuance, affective and normative commitment of the respondents were significantly higher than the median value of 4 (p <0.05). This clearly suggested that in general the respondents have significant high levels of the three dimensions of commitment.

Table 4 One sample t- test

Variable	Test Value = 4					
	t	df	Sig (2-tailed)			
Continuance Commitment	15,407	633	0,000			
Affective Commitment	31,652	633	0,000			
Normative Commitment	29,293	633	0,000			

As shown in Table 5, the mean of continuance commitment for Baby Boomers (M = 4.7195) was slightly higher than their Gen X-ers counterparts (M = 4.6461). Similar results were also revealed for affective commitment of the two groups (M = 5.2621 and M = 5.2225, respectively). However, a lower mean score for continuance commitment (M = 5.2254) was shown in Baby Boomers compared to that of Gen X-ers (M = 5.2497)

Table 5 Mean levels of continuance, affective and normative commitment by cohort (Independent t- test)

V	Baby Boomers (N = 213)		Generation X (N = 421)				
Variable	Mean	SD	Mean	SD	DF	t-value	Cia
Continuance Commitment	4,7195	1,07944	4,6461	1,10496	632		Sig
Affective Commitment	5,2621	0,95658	5,2225	0,99713		0,796	0,426
Normative commitment	5,2254	1,10676	5,2497		632	0,478	0,633
	0,2204	1,10070	5,2497	1,04776	632	-0,271	0,787

^{*}Correlation is significant at the 0.01 level (2-tailed)

To test whether there was a significant difference between the levels of affective, continuance, affective and normative commitment between Baby Boomers and Gen-Xers independent *t*-tests were performed. Based on the survey criteria, the 634 respondents included 421 from Gen-Xers, and 213 from the Baby Boomers

The results of affective commitment t-test were not significant t (632) = 0.478, p = .633, suggesting that no mean differences existed on affective commitment when comparing Gen-Xers (M = 5.2225, SD = 0.99713) and Baby Boomers (M = 5.2621, SD = 0.95658). The results of continuance of t-test were not significant t (632) = 0.796, p = 0.426, suggesting that no mean differences exist on continuance commitment when comparing Gen-Xers (M = 4.6462, SD = 1.10496) and Baby Boomers (M = 4.7195, SD = 1.07944). The results of normative t-test were not significant t (632) = -0.271, p = 0.787, suggesting that no mean differences exist on normative commitment when comparing Gen-Xers (M = 5.2497, SD = 1.04776) and Baby Boomers (M = 5.2254, SD = 1.10676).

The overall result is that the independent t-tests showed no indication of significant differences in continuance, affective and normative commitment between Baby Boomers and Gen-Xers (Table 5) suggesting the staff's commitment to their institutions were not determined by generational factors. Thus, the three hypotheses (Hypothesis 1, Hypothesis 2 and Hypothesis 3) proposed in this research were not supported.

10. DISCUSSION

The purpose of this research was to investigate the organisational commitment levels of Generation X in comparison to the Baby Boomers who worked in Catholic higher education institutions in Indonesia. The Three-Component Model of organisational commitment developed by Meyer and Allen (1991) was used to measure and to determine the difference in the level of organizational commitment between the two groups. Independent t tests were conducted to determine if there was a difference in their responses. The findings of this study were unexpected, as the literature review had supported there is a statistically significant difference between the organizational commitment levels of Gen-Xers and Baby Boomers. The following are some possible conjectures.

Meyer and Allen (1991, p.67) define affective commitment as "the employee's emotional attachment to, identification with, and involvement in the organization". Thus, affectively committed employees in higher education institutions decide to remain in their institutionss because they believe that their personal values are congruent with the institutions' goals and values. They are also willing to assist the universities to achieve the goals.

The lack of generational influence on the level of affective commitment shown in the findings was quite surprising. Gen-Xers are relatively young in age hence they were expected to have more opportunities to search for alternative job outsides that fit their own personal values which in turn led to the lower level of their affective commitment. It is likely that this unexpected finding was due to the value internalization process that this group of employees was experiencing. That is, they were in the process of adjusting their personal behaviors and values with those of the organization. Therefore, attempts to involve in any jobs within the organization were perhaps parts of the process. To put this matter more precisely, Gen-Xers sampled in this research perhaps were still in a specific stage of career so that they considered identification with and involvement in organisational jobs more important than other aspects of their life such as marriage and children that may occur later in life (Davis, Pawlowski & Houton, 2006). These things led to the higher degree of the Gen-Xers' affective commitment. Baby Boomers, on the other hand, are generally relatively older. They tend to lower their expectations to more realistic levels and adjust themselves better to their work situations (Newstrom, 2007) hence it was not surprissing that their affective commitment was relatively high.

Allen and Meyer (1990) describe continuous commitment as "commitment based on the costs that employees associate with leaving the organization". Implicit in the definition is that continuance commitment is unrelated to emotional attachment (Ketchand & Strawser, 2001; Randall & Driscoll, 1997) but it develops from responses to conditions that increase the costs of leaving. That is, employees would prefer to stay with the organization when they perceive that the benefit of remaining in the organization is greater than the results of leaving. The cost is a function of the number and magnitude of investment employees make in their organisation (e.g., pension

contribution) and the degree to which they feel they have employment alternatives (Allen & Meyer, 1993). In general this cost will increase when employees are getting older since they have less work alternative outside and/or they have more accumulation of their investments such as pension money and job security (Allen & Meyer 1993; Abdulla & Shaw, 1999). As revealed in the research findings, Baby Boomers sampled in this research exhibited a high degree of continuance commitment indicating they may have invested in the institution to the point where it would not be advantageous for them to leave. Surprisingly, a similar finding was also shown in Gen-Xers who are pressumed to have more work alternative outsides. The most responsible for this surprising finding was perhaps the Gen-Xers and their families have been more invested or deeper involved in their local communities which made it costly for them to leave both the institutions and their communities. Another possibility was that it might be difficult for the Gen-Xers to change their current professions given compentencies that they had at present were not transferrable to other institutions (Davis, Pawlowski & Houton, 2006).

Allen and Meyer (1990, p.1) describe normative commitment as "employees' feelings of obligation to remain with the organisation". The basis of normative commitment is common accepted rules concerning reciprocal obligations between organisations and their employees (Mc Donald & Makin, 2000). Employers offer employees something that is perceived by the employees as being above what other ordinary employers can provide and this put the employees under a social obligation to repay it in any way. In other words, it develops from a sense of indebtedness to organisations.

Contrary to the stereotyped characteristics of Gen-Xers, the findings of this research found a slightly higher level of normative commitment for this generational cohort compared to their Baby Boomers counterpart even though the difference was not statistically significant. The high levels of this obligation-based commitment in both Baby Boomers and Gen-Xers were perhaps due to "good treatment" that the two groups have received from their institutions that resulted in their senses of indebtednees. Including in this "good treatment" are perhaps additional training, payment of study costs, or even personal consideration, such as compassionate leaves and forgiveness for missed deadlines due to family commitment (McDonald & Makin, 2000; Hartman & Bambacas, 2000).

The unexpected findings may have something to do with cultural matters as continuance commitment also develops from values that individuals learn during their familial, cultural and organisational socialisation processes (Allen & Meyer, 1990; Meyer & Allen, 1991). Furthermore, in a wider context, cultures emphasising on collectivistic rather than individualistic aspects might impact on the development of normative commitment although this is still theoretical rather than empirical view (Meyer & Allen, 1991). Clugston et al. (2000) investigate the relationship between normative commitment and cultural dimensions. The findings reveal that individual measures of power distance and uncertainty avoidance are positively related to normative commitment. It could be that the higher level of normative commitment in the two groups in this research due to a high level of power distance and a lower level of uncertainty avoidance that the Indonesian society has (Hofstede, 1980). This conjecture of course needs to be tested further.

11. MANAGERIAL IMPLICATIONS

From a managerial standpoint, the findings of this research provided institutional leaders with evidence that the two generations were more alike than different in that they exhibited similar levels of commitment to their institution. In other words, generation might not be a good single predictor in this research. However, considering the importance of employee commitment to desired organisational outcomes, there is still a need to find out ways to preserve the commitment of these two generations given they are prevalent in today's workforce. The key to this issue is perhaps equal treatment to these generational groups. This is to say that any human resource practices and policies that are based on generational stereotypes should be avoided as they lead to the perceived unfairness which, in turn, may result in dysfunctional conflicts between the two generations. Under such a situation it is unlikely to expect their commitment to develop. Simply put, a stereotype that Gen-Xers are lack of commmitment to their organisations should be discounted. On the other hand, a preconceived description that Baby Boomers generally

are not technoloically savvy should not be held. These things will be particularly relevant when they are integral parts of requirements for any employment decisions, such as selection, performance appraisal, remuneration and promotion.

If employees perceive that their institutions provide fair treatment they may experience positive feeling towards the institutions. This positive feeling is instrumental in developing their affective commitment. The fair treatment may also result in the employees to have a sense of obligation to stay in the institution to repay the organisation for such treatment which in turn foster their normative commitment. Fair treatment may also leads to the employees to perceive that the institutions are good places to work in that such treatment is regarded as something that might not be obtained from other institutions. Thus, fair treatment might also be perceived by employees as being those psychological costs associated with leaving their institutions. This would in turn increase their continuance commitment.

It is important to note, however, that continuance commitment is based on calculative considerations, not on emotional attachment. This is to say that continuance commitment alone might not result in desirable outcomes for the organisation (Karakus & Aslan, 2009). Higher degree of continuance commitment may lead to the poor performance (Casper; Martin, Buffardi & Erdwins (2002) or lower levels of organisational citizenhip behavior of employees (Chun & Ching, 2011). Perhaps, the 'positive' outcomes of high level of commitment is decreasing employee turnover (Wasti, 2003). To prevent undesirable impacts of higher levels of continuance commitment it is suggested for the administrator of the institutions to create 'side-bets' that foster not only continuance but more importantly affective commitment. Non-tangible benefits might be used for this purpose. For example, the institutions can provide a familial atmosphere that enables every staff to care about each another such as provision of psychological support when employees are facing difficult times. Caring of, or towards, the employees' wellbeing might be perceived by employees as being those psychological costs associated with leaving their employer institutions (continuance commitment). If employees perceive their institutions are concerned for the employees' well-being they will experience positive feelings towards their institutions that foster their sense of affective feeling (affective commitment) which in turn leads to their obligation feeling to stay with the organisation to repay the organisation for such experiences (normative commitment). In other words, offering both tangible and non-tangible benefits will also develop normative commitment of the academics.

12. SCHOLARLY IMPLICATIONS

From a scholarly perspective, this research was conducted within an Indonesian setting and thus served to validate a three-component component model of Allen and Meyer (1990), designed primarily for use within a western cultural context. The empirical evidence showed the model was relatively robust within this collectivist non-western culture, albeit within the context of the Indonesian Catholic higher educational institutions.

Even though this research did not find any statistically significant differences in the organizational commitment level between Gen-Xers and Baby Boomers, it was still considered important due the limited number of research, if any, addressing possible differences that each of the generations have within the workplace in Indonesia. Thus, this research also aimed to fill the gap in the existing body of literature on generational differences.

13. LIMITATIONS

This research, however, also reveals some limitations that need to be addressed through future studies. First, since there are no statistically significant differences in affective commitment, continuance commitment, and normative commitment, future analysis should be conducted to look for other possible causes of the differences in organisational commitment between Gen-Xers and Baby Boomers within higher education institutions in Indonesia. Second, the collected responses from the two generations may not be entirely representative of each generation as a whole and hence may be generalised only to the context of this research.

14. FUTURE DIRECTIONS

Replication of this research should be conducted with equal sample sizes of each generation to help minimize the difficulty that this researcher dealt with only having a larger sample size of Baby Boomers. Ideally, the numbers of each group should be closer to improve the power and effect size of the resulting testing methods

The generation classifications and their respective periods adopted in this research referred to those commonly used in the USA. Since historical events and societal changes occurred in Indonesia during the periods were different from those in the USA, identifying specific characteristics of each generation for the Indonesian context might be necessary. This of course was not the focus of this research but it seems that great merit would be gained in pursuing this line of investigation.

15. CONCLUSION

This study builds upon existing generational research focused on Gen-Xers and Baby Boomers to determine their workplace commitment levels. Gen-Xers and Baby Boomers were shown to be more alike than different, though some of their differences may be subtle it is important for those differences to be respected and acknowledged within the workplace. The lack of differences is probably suggestive to the other factors rather than merely the generational cohort.

REFERENCES

- Abdulla, M.H.A., & Shaw, J. (1999). Personal factors and organizational commitment: main and interactive effects in the United Arab Emirates. *Journal of Managerial Issues, 11(1)*, 77-93.
- Allen , N.J., & Meyer, J.P. (1993). Organizational commitment: Evidence of career stage effects? *Journal of Business Research, 26,* 49-61.
- Allen, N.J., & Meyer, J.P. (1990). The measurement and antecedents of affective, continuance and normative commitment to the organization. *Journal of Occupational Psychology, 63*, 1-18.
- Bakalis, S. and Joiner, T.A. (2006). The Antecedents of Organisational Commitment Among Casual Academic Staff". *International Journal of Educational Management*, 20 (6), 439-452.
- Becker, H.S. (1960). Notes on the concept of commitment. American Journal of Sociology, 66, 32-42.
- Benson, J. & Brown, M (2011). Generational Differences at Work: Do they Matter? *International Journal of Human Resource Management*, 22 (9), 1843-1865.
- Bourantas, D. (1988). Leadership styles, need satisfaction and the organizational commitment of Greek managers. Scandinavian Journal of Management, 4(3/4), 121-134.
- Brillet, F, Hulin, A, Leroy, J. & Bourliataux-Lajoin, S (2011). E-generation, What's New? *Journal of Human Resources Management Research 20*, 240-262.
- Brislin, R.W. (1970). Back-translation for cross-cultural research. *Journal of Cross-Cultural Psychology, 1(3),* 185-216.
- Brown, D. & Sargent, A. (2007) Job Satisfaction, Organizational Commitment, and Religious Commitment of Full-Time University Employees. *Journal of Research on Christian Education, 16(2*), 211-241
- Buhi, E.R., Goodson, P., & Neilands, T.B. (2005). Structural equation modeling: A primer for health behavior researchers. *American Journal of Health Behavior*, 31(1), 74-85.

Generational Differences and Organisational Commitment in Higher Education Institutions (Martinus Parnawa Putranta)

- Casper, W.J., Martin, J.A., Buffardi, L.C & Erdwins, C.J. (2002) Work–family conflict, perceived organizational support, and organizational commitment among employed mothers. *Journal of Occupational Health Psychology*, 7(2), 99-108.
- Chun, C.H. & Ching, S.Y. (2011). The three components of organizational commitment on in-role behaviors and organizational citizenship behaviors. *African Journal of Business Management*, *5*(28), 11335-11344, 16 November, 2011.
- Clugston, M., Howell, J.P., & Dorfman, P.W. (2000). Does cultural socialization predict multiple bases and foci of commitment? *Journal of Management*, 26(1), 5-30.
- Coyle-Shapiro, J.A-M., Morrow, C.P., & Kessler, I. (2006). Serving two organizations: Exploring the employment relationship of contracted employees. *Human Resource Management*, 45(4), 561-583.
- Darden, W. R., Hampton, R., & Howell, R. D. (1989). Career versus organizational commitment: Antecedents and consequences of retail salespeople's' commitment. *Journal of Retailing*, *65*, 80-106.
- Davis, J. B., Pawlowski, S. D., & Houston, A. (2006). Work commitments of baby boomers and Gen-Xers in the IT profession: Generational differences or myths? *Journal of Computer Information Systems*, 46(3), 43-49
- Edmondson, B. (1995). The next baby boom: Children of the baby boom generation. *American Demographics*, 17 (9), 2-3.
- Elizur, D., & Koslowsky, M. (2001). Values and organizational commitment. *International Journal of Manpower*, 22(7/8), 593-599.
- Ferres, N., Travaglione, A., & Firns, I (2003). Attitudinal differences between Generation-x and older employees. International Journal of Organisational Behaviour 6(3), 320-333
- Ferris, K. R. (1981). Organizational commitment and performance in a professional accounting firm. *Accounting, Organizations and Society, 6*, 317-325.
- Fritz, J.M.H., Arnett, R.C., & Conkel, M. (1999). Organizational ethical standards and organizational commitment. *Journal of Business Ethics*, 20(4), 289-299.
- Gautam, L., van Dick, R., & Wagner, U. (2001) Organizational commitment in Nepalese settings. Asian Journal of Social Psychology, 4, 239-248.
- Hair, J.F., Jr., Anderson, R.E., Tatham, RL., & Black, W.C. (1998). *Multivariate data analysis*. Upper Saddle River, NJ: Prentice-Hall, Inc.
- Hartmann, L.C., & Bambacas, M. (2000). Organizational commitment: A multi method scale analysis and test of effects. *The International Journal of Organizational Analysis, 8(1),* 89-108.
- Hofstede, G. (1980). Cultures Consequences: International differences in work related values. Beverly Hills. California: Sage Publications.
- Howe, N. & Strauss, W. (2007), The Next Twenty Years: How Customer and Workforce Attitudes Will Evolve. Harvard Business Review: July-August, 41–52.
- Idrus, N. (1999). Towards quality higher education in Indonesia. Quality Assurance in Education, 79(3), 134-142
- Iqbal, A., Kokash, H., and Al-Oun, S. (2011) The impact assessment of Demographic factors on faculty commitment in the Kingdom of Saudi Arabian Universities, *Journal of College Teaching and Learning*, 8(2), 1-13
- Iverson, R. D., & Buttigieg, D. M. (1999). Affective, normative, and continuance commitment: Can the 'right kind' of commitment be managed. *Journal of Management Studies*, *36*, 307-333.

- Joolideh, F. & Yeshodhara, K. (2009). Organizational commitment among high school teachers of India and Iran .Journal of Educational Administration, 47 (1), 127-136.
- Kanter, R.M. (1968). Commitment and social organization: A study of commitment mechanisms in utopian communities. *American Sociological Review*, 33, 499-517.
- Karakus, M. & Aslan, B. (2009) Teachers' commitment focuses: a three-dimensioned view, Journal of Management Development, 28(5), 425 438
- Ketchand, A.A., & Strawser, J.R. (2001). Multiple dimensions of organizational commitment: Implications for future accounting research. *Behavioral Research in Accounting*, 13, 221-251.
- Kupperschmidt, B. (2000) Multi-generation employees: Strategies for effective management and leadership. *Health Care Manager*. 19(1); 65-75
- Labatmediene, L., Endriulaitiene, A., & Gustainiene, L. (2007). Individual correlates of organizational commitment and intention to leave the organization. *Baltic Journal of Management*, *2*(2), 196-212
- Malhotra, N.K. (1993). Marketing research: An applied orientation. Englewood Cliffs: Prentice Hall.
- Marchiori, D.M., & Henkin, A.B. (2004). Organizational commitment of a health profession faculty: Dimensions, correlates and conditions. *Medical Teacher*, 26(4), 353-358.
- Mathieu, J.E., & Zajac, D. (1990). A review and meta-analysis of the antecedents, correlates, and consequences of organizational commitment. *Psychological Bulletin, 108,* 171-194.
- McDonald, D.J., & Makin, P.J. (2000). The psychological contract, organizational commitment and job satisfaction of temporary staff. *Leadership and Organization Development Journal*, 21(1/2), 84-91.
- Meyer, J.P., & Allen, N.J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review, 1(1),* 61-89.
- Meyer, J.P., Stanley, D.J., Herscovitch, L., & Topolnytsky, L. (2002). Affective, continuance and normative commitment to the organization: A meta-analysis of antecedents, correlates, and consequences. *Journal of Vocational Behavior, 61*, 20-52.
- Newstrom, J. W. (2007). Organizational Behaviour-Human Behaviour at work (12th ed). New York: McGraw Hill International Edition
- Oberholster, F.R., & Taylor, J.W. (1999). Spiritual experience and the organizational commitment of college faculty. *International Forum, 2(1),* 57-78.
- O'Reilly, C., & Chatman, J. (1986). Organizational commitment and psychological attachment: The effects of compliance, identification and internalization on prosocial behavior. *Journal of Applied Psychology, 71(3)*, 492-499.
- Perryer, C.R.. & Jordan, C.L. (2008) Differences in Organisational Commitment Between Baby Boomer and Generation X employees in an Australian Public Sector Organisation. *Asian Forum on Business Education Conference*, Kuala Lumpur, Malaysia, pp.36-44.
- Porter, L.W., Steers, R.M., Mowday, R.T., & Boulian, P.V. (1974). Organizational commitment, job satisfaction and turnover among psychiatric technicians. *Journal of Applied Psychology*, 59(5), 603-609.
- Randal, D.M., & Driscoll, M.P. (1997). Affective versus calculative commitment: Human resource implications. *The Journal of Social Psychology*, *137(5)*, 606-617.

Generational Differences and Organisational Commitment in Higher Education Institutions (Martinus Parnawa Putranta)

- Samad, S. (2005), Unraveling the organizational commitment and job performance relationship. *The Business Review*, 4(2), 79-84.
- Schafer, J.L., & Graham, J.W. (2002). Missing data: Our view of the state of the art. *Psychological Methods*, 7(2) .147-177.
- Schrode, R. (2008). Job Satisfaction of Employees at a Christian University. *Journal of Research on Christian Education*, 17(2), 225-246
- Shahnawaz, M.G & Jafri, M.H. (2009). Job attitudes as predictor of employee turnover among stayers and leavers/ hoppers. *Journal of Management Research*, 9(3), 159-168.
- Sharma, N., & Patterson, P.G. (1999). The impact of communication effectiveness and service quality on relationship commitment in consumer professional services, *The Journal of Services Marketing*, 13(2), 151-170.
- Smola KW & Sutton, DCh (2002). Generational differences: revisiting generational work values for the new millennium. *Journal of Organizational Behavior*, 23. 363-382
- Sommers, M.J. (1995). Organizational commitment, turnover, and absenteeism: An examination of direct and interaction effects. *Journal of Organizational Behavior, 16*, 49-58.
- Steers, R M. (1977). Antecedents and outcomes of organizational commitment. Administrative Science Quarterly, 22, 46-56.
- Turner, B. A. (2008). Does commitment develop in the same manner for male and female coaches? An examination of personal and job characteristic antecedents. Women in Sport and Physical Activity Journal, 17(1), 15-28.
- Valentine, S., Godkin, L., & Lucero, M. (2002). Ethical context, organizational commitment, and person-organization fit. *Journal of Business Ethics*, 41(4), 349-360.
- Wagner, C. M. (2007). Organizational commitment as a predictor variable in nursing turnover research: Literature review. *Journal of Advanced Nursing*, 60(3), 235-247.
- Wasti, S.A. (2003). Organizational commitment, turnover intentions and the influence of cultural values. *Journal of Occupational and Organizational Psychology*, 76, 303-321.
- Wiener, Y. (1982). Commitment in organizations: A normative view. Academy of Management Review, 7, 418-428.