

Exploring Variables Impacting on Employee Willingness to Accept Lower Pay for a Preferred Employer Attribute: Generation, Gender, Race, and Salary

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We explore the trade-off between “preferred employer attribute” (PEA) and “willingness to accept less pay” (WTALP), finding salary, generational and for-profit versus nonprofit effects on WTALP. Study 1 reports on interviews with 23 professionals about the employer attributes they found most attractive. Three PEAs emerged: people, organizational purpose (purpose), and opportunity for growth and development. Unprompted, interviewees also mentioned willingness to accept lower pay (WTALP) in exchange for attractive job qualities. Study 2 surveyed 129 employees to explore further the PEA-WTALP tradeoff, controlling for gender, race, and salary level before testing for the impact on Generation (Z, Y, X, Baby Boomers) on WTALP, and separately comparing WTALP for-profit versus nonprofit employees. Growth and development PEA was most preferred by 67% (n=86), while 42 respondents selected purpose (n = 34) or people (n =8) PEAs. Regression analysis for the growth and development PEA-WTALP group showed that higher salary level, and Generation Z were associated with higher WTALP. In addition, surprisingly, employment at for-profit firms was associated with higher WTALP. This is the first empirical study measuring scaled levels of WTALP and testing for specific PEA-WTALP combinations. We conclude with future managerial and research implications.

Employer Attractiveness and Salary Sacrifice

Looking beyond short-term factors such as inflation and higher employment levels, Maurer (2023) argues that labor shortages will persist for years in the United States economy because of demographic shifts and an aging population. This persistent labor shortage will place a premium on employers’ ability to attract and retain employees. Employer attractiveness, or “the envisioned benefits that a potential employee sees in working for a specific organization,” (Berthon et al., 2005, p.156) is one critical factor in the struggle to attract and retain employees. The dimensions of preferred employer attractiveness include 1) Interest Value (IV), e.g., a challenging and stimulating job, with innovative working practices; 2) Social Value (SV), e.g., a pleasant social and interpersonal environment; 3) Economic Value (EV), e.g., good compensation package, and promotion opportunities; 4) Development Value (DV), e.g., provides recognition, and confidence, career-enhancing experiences; and 5) Application Value (AV), e.g., opportunity to convey knowledge to others, in a customer-oriented and humanitarian workplace (Berthon et al., 2005; Reis & Braga, 2016).

The persistent labor shortage will also put upwards pressure on wages, leading employers to wonder whether prospective employees might be willing to accept less pay

(or compensation more broadly) in exchange for other factors that they value in an employer. Leete (2001, p.137) postulated the “donative labor” hypothesis in which nonprofit workers “donate” their labor and accept lower wages in exchange for the intrinsic satisfaction they receive for helping with the achievement of a nonprofit organization’s mission-oriented goals (McGinnis & Ng, 2016). Recent popular studies provide some support for this notion. For example, a 2018 study of 2,285 American professionals in 26 industries found that workers were willing to forego 23% of their entire future lifetime earnings in order to have a job that was always meaningful (Achor et al., 2018). Awashti (2021) cited survey research which found that 60% of employees were willing to accept less pay in a trade for work schedule flexibility, and Reinicke (2022) also cited survey research findings that work-life balance was more than important salary and taking a pay cut was worth considering to create better work-life balance.

In this paper, we explore the trade-off between preferred employer attributes (PEA) and willingness to accept less pay (WTALP), given potentially complicating factors such as differences in generations’ experiences and expectations, salary, organizational type (for-profit vs. nonprofit). In study one, we interviewed 23 professionals about their current or most recent search for a new

job to identify employer attributes that they found particularly compelling. Three attributes emerged: people, organizational purpose (purpose), and opportunity for growth and development. At the same time, and unprompted by the interviewer, the interviewees volunteered that they would be willing to accept lower pay in exchange for particularly attractive job qualities. In study 2, we surveyed 129 employees to explore further the nature of the proposed tradeoff between compensation and attractive employer attributes, controlling for gender, race, and salary level before looking at the impact of generation. A separate comparison was also made on WTALP between for-profit versus nonprofit employees. We found that opportunities for growth and development were especially attractive, with the match between personal and organizational purpose in second place, such that higher salary level, and being part of Generation Z, were associated with higher growth and development PEA - WTALP. Separately, employees in for-profit firms had a higher WTALP than non-profit employees.

These preliminary findings expand the idea of the donative labor hypothesis beyond the realm of mission-driven organizations to for-profit organizations and to personal benefits, such as the opportunity to learn. They also suggest that employers wanting to attract and retain employees, especially from Gen Z (and probably Millennials), would do well to emphasize growth opportunities and purpose alignment (Swift, 2023).

In the next section, we delve more deeply into the factors that might affect the PEA-WTALP relationship, especially generational factors. We then present the two studies in sequence, covering methods and results for each. We finish by discussing the implications of the results for both further research and talent management.

Generational Factors Affecting the PEA-WTALP Relationship

Complicating the question of whether employees might be willing to accept less pay in exchange for preferred employer attributes is the complexity of the modern workplace. There are five generations currently employed in the workplace, Traditionalists (born 1945 or earlier), Baby Boomers (born between 1946 to 1965), Generation X or Gen X (born between 1966 to 1976), Generation Y (Gen Y) or Millennials (born between 1977 to 1994), and Generation Z or Gen Z (born between 1995 to 2012) (Parker et al., 2019); each bringing to work different life experiences, work trajectories and expectations of employers and the meaning of employment (Pritchard & Whiting, 2014). Unsurprisingly, PEAs are thought to vary across generations (Jeffries & Hunter, 2004). Indeed, Martin & Otteman (2015) proposed a Theoretical Values-Attitude-Attraction model that suggests that the PEAs vary by generation across three categories – 1) basic employment preference, 2) career development, and 3) management approach & culture; more specifically, their predictions for the three most populous generations in the workplace are 1) Baby Boomers prefer challenging career paths and monetary reward; 2) Gen X, higher pay, hiring

bonuses, promotions and self-direction; and 3) Gen Y (Millennials), long-term career development, a variety of experiences, a sense of purpose and meaning in their work, open social networks, and work/life balance. Standifer and Lester (2020) also found that Gen X and Gen Y employees placed a higher value on continuous learning opportunities versus Baby Boomers. Finally, initial data suggest that Gen Z employees share many of the Gen Y PEAs, especially an interest in social, environmental, and political issues and the desire to be attuned with an organization's purpose; they also report an increased emphasis on work-life balance, high-touch and high-tech, continuous learning and development, feedback, and diversity and inclusion (Parker et al., 2019).

Further complicating the picture, there are of course, within-generation differences in preferences. For example, Reis and Braga (2016) found that among employer attraction factors, 1) the influence of interest values (i.e., valuing innovation, creativity, challenging environment) increases with age; and 2) the importance of economic values (i.e., above average salary, promotional opportunities) decreases with age, but that 3) developmental considerations (i.e., feeling good and self-confident as a result of working for the organization) were most important for Gen Y (Millennials), followed closely by an interest high economic return. Also, drawing on qualitative interviews of Gen Z employees, Leslie et al. (2021) described three distinct subgroups, Social Investors, Chill Worker Bees, and Go Getters. Social Investors valued a work-life balance, Chill Worker Bees desired a comfortable workplace environment, and Go Getters prioritized advancing their career. All three groups reported prioritizing companies with high moral and ethical standards. Finally, there are surveys that suggest that Gen Y and Gen Z may be willing to accept less pay to work for organizations with pro-social purposes. For example, NetImpact's (2012) "Talent Report: What Workers Want in 2012" noted that 35% of graduating college students would take a 15% pay cut to work for a company committed to Corporate Social Responsibility, 45% would take a 15% pay cut for a job that makes a social or environment impact, and 58% would take a 15% pay cut to work for an organization with values "like my own." Net Impact (2014) supplemented this research by finding 83% of MBA students would take 15% pay cut for job that makes a social or environmental difference. Cone Communications (2016) found that 75% of Millennials would take pay cuts to work for a socially responsible company. Similarly, using a national (Australian) household panel survey, Cortis and Eastman (2015) found that salary sacrificing was unequally accessed by employees, with higher income earners across all sectors (profit, public, nonprofit) being in a better position to utilize it, while Dean (2016)'s study of volunteering in the U.K. traced the ways in which middle-class assumptions about work created barriers to the involvement of working-class volunteers.

Informed by these discussions of PEA, WTALP, and the factors that might shape both, we conducted two studies: The first an exploratory qualitative study designed to

uncover the preferred employer attributes at play in recent years, and the second to explore more quantitatively the tradeoff between PEA, WTALP, generation, race and gender hinted at in the interviews.

Study 1: How Are Current Job Seekers Thinking about Preferred Employer Attributes?

In study 1, we took a qualitative approach, asking current and recent job seekers about the ways in which they thought about the attractiveness of potential employers.

Study 1 Interviews, Interviewees and Procedures

Although the themes explored were informed by the literature about employer attraction and generations in the workplace, the questions were intentionally open-ended and the conversations semi-structured. After an initial overview of the project, interviewees were asked to think about their current or recent job search and to describe the employer attributes that were most attractive or preferred by them at work or during that search. Multiple answers were coded if given by a respondent. As appropriate, the interviewer prompted the interviewees to explain their preferences in some depth and to reflect on the rationale for their preferences. At the end of the interview, simple demographic data was collected. All interviews were conducted by phone or Zoom video conference, and lasted between 45 and 60 minutes. University IRB approval for data collection was given (#26265 – 3/30/20).

In spring 2020, twenty-three respondents were interviewed, consisting of both job seekers and working professionals who had recently found jobs. The first author used his professional and academic network contacts, as well as LinkedIn, to recruit potential interviewees, and expanded the pool by using the snowball method (Goodman, 1961) of asking initial contacts for follow-up contacts all. As a result, most of the interviewees were not known personally by the first author.

Interviews were recorded, transcribed, and uploaded to NVivo (NVivo, 2019) where they were coded and themed. Prior to uploading, interview data was de-identified by replacing interview participant identification information with a record number.

The respondents spanned four generations, with 2 of the 23 being Baby Boomers; 7, Gen X; 13, Gen Y; and 1, Gen Z. Most, 13 of 23, identified as female, with 10 identifying as male; 15 identified as white (65%), and 8 as one or more minority groups. Finally, there was wide representation across different industries and job types, including: healthcare, management consulting, supply chain, arts and entertainment, customer service, education, energy, entrepreneur, finance, healthcare, hospitality, information technology, music, non-profit, pharmaceutical, sales, and technology.

Study 1 Results

Across interviewees, three PEA themes consistently emerged: the importance of people (people), organizational purpose (purpose), and opportunity for career growth and development (growth and development). Coding of

the emotional valence of quotations suggested the following preferences: people, $n = 22$, with 18 positive, 4 negative; purpose, $n = 18$, with 9 positive, 9 negative and growth and development, $n = 9$, with 8 positive, 1 negative. An initial assessment of the relationship between generations and these PEAs suggested that Gen Y Millennials and Gen Z were indeed more motivated by purpose than older generations.

An additional and surprising finding was that without any specific interviewer prompting, interviewees discussed their willingness to accept less pay for certain preferred employer attributes, for example, “I’d be willing to sacrifice some salary for the right opportunity and culture. As you get older you realize what is more important.” Sample quotes for interviewees around the three PEA themes and salary sacrifice are reported in Table 1.

Study 1 Discussion

Study 1 highlighted three PEA themes, people, purpose, and growth and development, that were salient enough to spark conversation about connecting PEA to salary sacrifice or WTALP. This finding is consistent with the idea of justifiability for a tangible incentive (Jeffrey, 2020, p. 33), whereby an employee earns a desired object, i.e., a PEA (tangible incentive) that might be otherwise difficult to obtain in exchange for lower pay. It also raises the very interesting question of the degree to which PEA affects WTALP, a question we explore in Study 2 by asking respondents about their willingness to accept less pay (WTALP) for a specific PEA.

The findings are also consistent with the recent surveys that note generational differences in PEA and WTALP (e.g., Reis & Braga, 2016; Net Impact, 2014), and include the reminder that WTALP may well be conditioned by other factors, such as race and gender. To date this specific PEA-WTALP relationship has not been empirically tested. We incorporate generation, salary, race, gender and sector as variables of interest in the following research questions (RQs):

RQ1 – will nonprofit employees have higher WTALP versus profit employees?

RQ2 – will demographic factors affect the PEA – WTALP relationship?

RQ3 – does employee generation affect the PEA - WTALP relationship, beyond demographic factors?

Study 2: Exploring the Factors that Affect the Relationship between PEA and WTALP

In study 2, we used panel data and regression analysis to explore the research questions framed by study 1.

Study 2 Subjects, Measures, Analyses

In November 2020, a panel of 129 anonymous respondents was delivered to the first author using conjointly.com (<https://conjointly.com/>). Over 96% of the respondents were currently employed. University IRB approval for data collection was given (#27346 – 8/6/20).

We measured PEA, WTALP, generation and control factors including demographics and industry.

Table 1*Interviewee Quotes from Study 1 Qualitative Sample – Preferred Employer Attributes and Salary Sacrifice Themes*

Preferred Employer Attributes
<i>Growth and Development</i>
“Career pathing and development first”
“I’m interested in a company where I can continue to grow – many years to continue work”
“It’s not the job you are taking, it’s where the job can take you in 5 years”
“What draws me most is the ability to move up”
“Looking for career and growth next, depth or breadth or both with vertical opportunity and mobility”
“Growth potential, career opportunities. It really came down to growth potential and opportunity to grow in my career”
<i>Purpose</i>
“For me this is #1 on my list – a sense of purpose versus the day to day. I have more of an interest and fascination with the greater good”
“They didn’t have to be nonprofit but had to working on something that was socially important, bettering our world”
“I was looking for mission driven organizations. They did not have to be nonprofit but had to be working on something that was socially important”
“In all these years I haven’t talked to companies about jobs unless they are able to make change and impact the world”
“I get to choose how and where I put my energy. This connection to something bigger is much more important”
“I’ve considered transitioning to nonprofit, but I’m struggling with what is meaningful to me”
<i>People</i>
“Personal relations and to work with people I know, my friends, people my age”
“I like the people I work with”
“First, I knew most of the people there”
“I want to work with other competent people, work on teams, learn from others, and share experience and knowledge as well”
“I knew team members, knew people who used to work there”
<i>Unprompted Interviewee Comments Related to Salary Sacrifice</i>
“I can tell you that if I was provided two positions of which one was more rigid, I would take the less rigid for less money”
“I’d be willing to sacrifice some salary for the right opportunity and culture. As you get older you realize what is more important”
“Salary sacrifice, absolutely. An example is when I went to my employer. I took a lower-level role with lower pay. I took it because they had a talent issue and this put me on the fast track pipeline and opportunity to reshape the culture ”
“I took this role that had many (other) important attributes and sacrificed salary for it”

Starting with PEA, respondents were asked, “Looking at the list below, select the one attribute that is most attractive or preferred to you when choosing an employer: (1) the company offers opportunity for growth and development (growth and development); (2) the company's organizational purpose aligns with my individual purpose (purpose); or (3) the company employs people I know or people like me (people).”

WTALP was measured by the item “Based on the employer attribute selected most important to you above, how much less compensation would you accept by an employer for this attribute: 1 = none, 2 = 5% less, 3 = 10% less, 4 = 15% less, 5 = more than 15% less?”

To indicate Generation, participants were asked to respond to the item “What generation do you identify with: 1 = Generation Z (born 1995 - 2012), 2 = Generation Y

(born 1977 - 1994), 3 = Generation X (born 1966 - 1976), 4 = Baby Boomer (born 1944 - 1965)?” (Parker et al., 2019). A response option for prefer not to say was also given. As such these generations represent age-based ordinal categories for analyses (Pritchard & Whiting, 2014).

Controls included demographic and industry variables. The demographic variables gender, race, and annual salary. Gender was measured by asking “what is your gender identity, ” where 1 = woman, 2 = man, 3 = non-binary, 4 = Prefer not to say (coded as missing). Race was measured by asking “what is your ethnicity,” where 1 = White, 2 = Black or African American, 3 = American Indian or Alaska Native, 4 = Asian, 5 = Hispanic, 6 = Bi-racial, 7 = Prefer not to say (coded as missing). Annual salary was measured by asking “which choice best represents your current yearly salary in thousands (K),” where 1 = less than \$35K, 2 = \$35,001 to \$70,000, 3 = \$70,001 to

\$100K, 4 = \$100,001 to \$125K, 5 = \$125,001 to \$150K, 6 = over \$150K. Finally, the industry variable was measured by asking “what industry do you currently work in,” where 1 = Finance, 2 = Communications, 3 = Education, 4 = Government, 5 = Healthcare, 6 = Hospitality, 7 = Information Technology, 8 = Legal, 9 = Management Consulting, 10 = Non-profit, 11 = Sales, 12 = Supply Chain, 13 = Social Services, 14 = None of the above (coded as missing).

Frequency analyses for nominal demographic and organization variables are reported first. Missing data are also noted. Means, standard deviations and correlations among continuous variables will also be reported. The nature of the research question asked dictated the statistical analysis to be used (Stevens, 1996). An independent samples t-test was used to test RQ1. Since direction was specified a priori, a one-tailed t-test is appropriate. Hierarchical regression analysis was used to test RQ2 and RQ3. Any required pre-recoding of variables to run the above analyses will be reported. SPSS-PC (2021) was used for all data analyses. Following Hopkins et al. (2008), findings at a $p < .05$ or $p < .01$ value (two-tailed) will be reported as statistically significant, while findings at a $p < .10$ value (two-tailed) will be labeled as marginally significant.

Study 2 Results

Table 2 reports the frequencies and percentages for nominal demographic and organization variables. Table 2 shows an even split between women and men, and the highest percentage category responses were White – 65% (for race), Gen Y – 47% (for generation), \$35,001 to \$70K – 37% (for salary), growth and development – 67% (for PEA), 5% less – 28% (for WTALP), and finance – 15% (for industry).

Table 3 breaks down the overall sample into two groups by PEA, growth and development ($n = 81$) and purpose/people, which needed to be combined ($n = 40$), to then compare the means, standard deviations, and correlations among continuous variables. Using listwise deletion (Stevens, 1996) slightly reduced the two sample sizes due to missing data. There are no significant differences between the two groups on annual salary, generation, or WTALP. There is one significant correlation. For the growth and development PEA group, annual salary is significantly positively related to WTALP, $r(79) = .31$, $p < .01$.

RQ1 asked, will nonprofit employees have higher WTALP versus profit employees? To test this, two employee groups were created based on the industry variable breakdown shown in Table 2. Based on Table 2, categories #3 (education), #4 (government), #5 (healthcare), #10 (nonprofit), and #13 (social services) were aggregated to create a more general nonprofit employee group. The other classified industry categories shown were aggregated to create a more general profit employee group. Since there were no mean differences in WTALP between the two PEA groups (Table 3), this allowed an aggregated (across

groups) measure of WTALP to be used. The independent samples t-test result, however, showed that the profit employee group had a higher WTALP mean ($M = 2.74$) than the nonprofit employee group ($M = 2.32$), $t(100) = 1.64$, $p = .05$ (one-tailed).

RQ2 asked, will demographic factors impact PEA - WTALP? and RQ3 asked, does employee generation affect PEA - WTALP beyond demographic factors? The hierarchical regression analyses shown in Table 4 address both these research questions. To use race as a binary predictor, all non-white employees were combined into one group (Stevens, 1996). Two separate regression models are shown based on PEA, growth and development ($n = 80$) and purpose/people ($n = 39$). Again, missing data slightly reduced the sample sizes. Purpose/people PEAs were combined to create more statistical power for testing the regression model (Stevens, 1996). For the growth and development PEA group, annual salary was the only significant predictor of WTALP, $b = .23$, $t(78) = 2.48$, $p < .05$. This result indicates that as salaries increase WTALP increases. Collectively, the demographic variables in Step 1 accounted for a significant amount of WTALP variance, $R^2 = .11$, $F(3, 76) = 3.21$, $p < .05$. However, for the purpose/people PEA group, no demographic variables were significant. Collectively the demographic variables in Step 1 did not account for a significant amount of WTALP variance, $R^2 = .06$, $F(3, 35) = .68$, $p = .57$. Thus, there is very weak support for RQ2.

For RQ3, adding generation into the regression model for the growth and development PEA group resulted in an additional 4% of the variance in WTALP being explained, which was marginally significant, $b = -.30$, $t(78) = -1.78$, $p < .08$. The direction of this result indicates that Gen Z employees are more likely to have a WTALP, and Baby Boomers are less likely to exhibit a WTALP. Collectively, these variables explained a significant proportion of the WTALP variance for the growth and development PEA group, $R^2 = .15$, with an overall $F(4, 75) = 3.27$, $p < .05$. For the purpose/people PEA group, adding generation only accounted for an additional 1% of the WTALP variance which was not significant. Collectively, these variables did not explain a significant proportion of the WTALP variance for the purpose/people PEA group, $R^2 = .07$, with an overall $F(4, 34) = .60$, $p = .67$. Thus, regression results only using the purpose PEA group ($n = 31$) were weak with no variables significant. Overall, there is partial support for RQ3.

Study 2 Discussion

To the authors' knowledge, this is the first empirical study to formally measure WTALP with a scale, as well as to test specific PEA-WTALP relationships. As the competition for recruiting and retaining labor persists (Maurer, 2023) employee WTALP in exchange for PEA, i.e., a PEA – WTALP tradeoff, will be of increasing importance and a potential signal of employer attraction (Connelly et al., 2011). Study 2 results suggest that WTALP is not restricted to nonprofit employees (Leete, 2001), but that, on the contrary, employees working in for

Table 2*Frequencies and Percentages - Nominal Demographic and Organization Variables*

Variable	N = 129
Gender	
Woman	n = 64 (49%)
Man	n = 64 (49%)
Missing/Prefer not to say	n = 1 (1%)
Race	
White	n = 84 (65%)
Black or African American	n = 14 (11%)
American Indian/Alaska Native	n = 3 (2%)
Asian	n = 7 (5%)
Hispanic	n = 14 (11%)
Bi-racial	n = 5(4%)
Missing/Prefer not to say	n = 2 (2%)
Generation	
Generation Z	n = 17 (13%)
Generation Y (Millennials)	n = 61 (47%)
Generation X	n = 32 (25%)
Boomer	n = 18 (14%)
Missing/Prefer not to say	n = 1 (4%)
Annual Salary	
Less than \$35K	n = 17 (13)
\$35,001 to \$70K	n = 48 (37%)
\$70,001 to \$100K	n = 18 (14%)
\$100,001 to \$125K	n = 20 (16%)
\$125,001 to \$150K	n = 10 (8%)
Over \$150K	n = 13 (10%)
Missing	n = 3 (2%)
Preferred Employer Attribute	
Growth and Development	n = 86 (67%)
Purpose Alignment (Company and Self)	n = 34 (26%)
People at Company (I know or like me)	n = 8 (6%)
Missing	n = 1(1%)
Willing to Accept Lower Pay (for Preferred Employer Attribute)	
None	n = 35 (27%)
5% less	n = 36 (28%)
10% less	n = 31 (24%)
15% less	n = 15 (12%)
More than 15% less	n = 11 (9%)
Missing	n = 1 (1%)
Industry	
1 Finance	n = 19 (15%)
2 Communications	n = 4 (3%)
3 Education (Non-profit)	n = 14 (11%)
4 Government (Public)	n = 14 (11%)
5 Healthcare (Non-profit)	n = 14 (11%)
6 Hospitality	n = 7 (5%)
7 Information Technology	n = 13 (10%)
8 Legal	n = 2 (2%)
9 Management Consulting	n = 4 (3%)
10 Non-profit (Non-profit)	n = 4 (3%)
11 Sales	n = 7 (5%)
12 Supply Chain	n = 4 (3%)
13 Social Services (Non-profit)	n = 2 (2%)
14 None of the Above (MISSING)	n = 21 (16%)

Table 3

Means, Standard Deviations and Correlations of Study Variables by Preferred Employer Attribute

Preferred Employer Attribute Variable Name	Growth & Development ^d (n=81)		Purpose/People ^d (n=40)		1	2	3
	M	SD	M	SD			
1. Annual Salary ^a	3.11	1.61	2.87	1.36	(NA) ^e	-.01	-.09
2. Generation ^b	2.41	.89	2.31	.77	-.06	(NA) ^e	-.15
3. Willingness to accept less pay ^c	2.42	1.34	2.59	1.14	.31*	-.18	(NA) ^e

Note. *Growth sample correlations below diagonal; Purpose/People sample above diagonal; + p < .10; * p < .05; ** p < .01 (both two-tailed);* ^a Annual Salary, 1 = less than \$35K, 2 = \$35 to \$70K, 3 = \$70,001 to \$100K, 4 = \$100,001 to \$125K, 5 = \$125,001 to \$150K; 6 = over \$150k; ^b Generation, 1 = Generation Z (born 1995 - 2012), 2 = Generation Y (born 1977 - 1994), 3 = Generation X (born 1966 - 1976), 4 = Baby Boomer (born 1944 - 1965); ^c Willingness to Accept Less Pay for Preferred Employer Attribute, 1 = none, 2 = -5%, 3 =

Table 4

Final Hierarchical Regression Models for Incrementally Testing the Contribution of Generation on Willingness to Accept Less Pay Beyond Controlled for Demographic Variables for Growth & Development Versus Purpose/People Preferred Employer Attribute

Outcome	Growth & Development Preference (n=80) Willingness to Accept less pay ^e					Purpose/People Preference (n=39) Willingness to Accept Less Pay ^e				
	b	SE	R ²	Chge R ²	F	b	SE	R ²	Chge R ²	F
<i>Step 1: Demographic Variables</i>										
Gender ^a	-.33	.32				.26	.40			
Race ^b	-.23	.34				.33	.41			
Annual Salary ^c	.23*	.09				-.03	.15			
			.11*		3.21*			.06		.57
<i>Step 2:</i>										
Generation ^d	-.30+	.17				-.16	.26			
(Adjusted R ²)			.15	.04+	3.27**			.07	.01	.67
			(.10)					(.02)		

Note. *b* is unstandardized regression weight, SE = standard error; + p < .10; * p < .05, ** p < .01; all two-tailed; ^a Gender, 1 = male, 2 = female; ^b Race, 1 = White, 2 = Non-white; ^c Annual Salary, 1 = less than \$35K, 2 = \$35 to \$70K, 3 = \$70,001 to \$100K, 4 = \$100,001 to \$125K, 5 = \$125,001 to \$150K; 6 = over \$150k; ^d Generation, 1 = Generation Z (born 1995 - 2012), 2 = Generation Y (born 1977 - 1994), 3 = Generation X (born 1966 - 1976), 4 = Baby Boomer (born 1944 - 1965); ^e Willingness to Accept Less Pay for Preferred Employer Attribute, 1 = none, 2 = 5% less, 3 = 10% less, 4 = 15% less, 5 = more than 15% less

-profits had a higher WTALP. It would be interesting to explore whether this is because those working for non-profits feel like they have already made a salary sacrifice and/or whether this finding is consistent with increasing desire among employees of for-profits to work in a purpose-driven workplace.

Growth and development was the dominant PEA found in the study sample, and employees with a higher salary in the growth and development subsample were more likely to have a higher WTALP. This result is consistent

with prior research on formal salary sacrificing agreements between employer and employee (Cortis & Eastman, 2015). In addition, there was general support among the growth and development PEA subsample for a generation impact on WTALP, with the negative direction indicating that Gen Z would be more willing to accept less pay, followed by Gen Y, and Gen X, with Baby Boomers the least likely. Although not significant, the negative sign of Generation to WTALP for the Purpose/People PEA group is consistent with this relationship.

Overall Discussion – Limitations, Implications and Further Research

There are a number of study limitations to acknowledge, including several imbalances in the study samples. First, Gen Y (Millennials) was dominant in both the interviewees in Study 1 and the survey sample in Study 2. For Study 2, 65% of the sample had a growth and development PEA, and the purpose and people PEAs were combined into one group to create more statistical power for further analyses. There were no significant mean level differences between the growth and development versus combined purpose/people PEA groups on the continuous variables. However, even with combining these purpose and people PEA groups into one overall group, the regression model was still weak. The smaller sample size of this combined group reduced the statistical power for testing the impact of the independent variable on WTALP (Stevens, 1996). Although the Study 2 sample was balanced by gender, it was disproportionately white, which necessitated creating a non-white group by aggregating all the other races together. It must also be noted that the independent samples t-test finding that profit employees had a higher WTALP than nonprofit employees required combining those government-employed into part of the nonprofit group, and there was additional missing data.

Despite these study limitations, the findings suggest promise in doing additional research using the WTALP variable and exploring PEA-WTALP combinations. A general frequency distribution on the WTALP variable showed the full range of options chosen, including 9% of the Study 2 sample being willing to have more than 15% less pay in exchange for a PEA. It would be intriguing to determine how large the WTALP might be under various conditions: 20%?, more? (Achor et al., 2018).

Although sample size limitations among generations within type of PEA prevented further testing for significant differences between specific generations (Stevens, 1996), further research with bigger sample sizes would support teasing out different types of PEA, such as organizational purpose and people, as well as generational differences in WTALP. Such work would be useful to deepen previous work suggesting that the alignment of individual and organizational purpose, i.e., purpose-fit, is a critical element in attracting job seekers (Fairfax & Hill, 2022) because such fit helps employees feel connected to their organization, which can help with ongoing retention challenges (McEvoy & Henderson, 2012).

Based on Study 1 qualitative results, Study 2 focused on only three types of PEA. However, there may be other PEAs to consider, such as interest value (Berthon et al., 2005) or management approach and culture (Martin & Ottemann, 2015) in future research. It would be important to first isolate PEAs and then ask respondents their WTALP for this PEA. Larger sample size could also allow for exploring if individual race or other demographics, e.g., age, education level, were related to WTALP. A more comprehensive research design would

also allow for greater understanding of WTALP by accounting for more variance. Only 15% of WTALP variance was accounted for in the growth and development PEA and even less for the purpose/people PEA. Future study of WTALP in exchange for specific PEAs can perhaps improve employee behavioral health, operationalized as less work stress, and higher generation workplace conflict resolution (Hillman, 2014; Monsey et al., 2023).

This two-study investigation first found qualitative and then quantitative support for a PEA-WTALP tradeoff, while also suggesting a generation impact on WTALP for a growth and development PEA beyond variance explained by several demographics. The PEA-WTALP tradeoff could be a very useful tool for employer attraction if labor shortages in the U.S. economy do in fact persist for years (Maurer, 2023) and as Gen X, Y and Z replace retiring Baby Boomers (Swift, 2023).

Another PEA not studied here but certainly relevant today is remote work, as many organizations are now asking or even requiring employees to come back to the office, which many employees do not want (Smart, 2022). A study investigating if employees would be willing to accept less pay in exchange for working remotely, and if so how much less pay could be timely (Awasthi, 2021). Such a tradeoff, resulting in better work-life balance, may lead to increased employee behavioral health variables (Monsey et al., 2023), especially given a recent survey found that two-thirds of employees were willing to take a pay cut for a job that better supports their mental health (Glicksman, 2023). This general area of research represents an opportunity for employer branding strategy and competitive differentiation in attracting talent. Hopefully this study's results will stimulate further research on PEA – WTALP tradeoffs.

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