

Generational compensation preferences in cement logistics: insights from gen X, Y, and Z employees

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Abstract

This qualitative study investigates generational differences in compensation preferences among employees in a cement logistics warehouse, focusing on Generations X, Y, and Z. Data were collected through semi-structured interviews and analyzed thematically. Findings reveal distinct patterns: Generation X favors stability, predictable salary increases, and established benefits; Generation Y values competitive pay, promotion-based raises, and benefit equity; and Generation Z prioritizes market-aligned salaries, customizable benefits, and flexible work. While the current system delivers stability for Generation X and transparency for Generation Y, it lacks the flexibility, modernization, and equity sought by younger cohorts. Fairness perceptions are mixed, with younger employees more aware of inequities toward contract staff. Limited to one organizational context and qualitative design, the study offers the insights for adopting generationally responsive HR strategies that balance stability with flexibility, modernized benefits, and participatory policy-making to improve motivation, retention, and performance.

Keywords: *Generational differences, compensation preferences, cement logistics, HR strategy*

Introduction

The cement logistics sector constitutes a vital link within the broader construction and infrastructure supply chain, enabling the seamless movement, storage, and distribution of cement products from manufacturing production facilities to end-users. The sector's operational efficiency is highly dependent on the productivity and engagement of its workforce, whose responsibilities require substantial physical stamina alongside strict adherence to delivery schedules. Within this system, warehouse operations play a pivotal role, often involving labor-intensive activities, adherence to standardized procedures, and operation under clearly defined hierarchical management structures. A key challenge confronting the industry lies in effectively managing a workforce composed of multiple generations. In contemporary workplaces, this diversity has expanded, with employees varying not only in age but also in backgrounds and levels of experience. While such variation in preferences and perspectives can enrich organizational performance, it may also present challenges, particularly when substantial age gaps exist. At present, the workforce commonly includes four distinct generations: Generation X, Generation Y (Millennials), and Generation Z.

Generation X, comprising individuals born between 1960 and 1980, is commonly characterized by a strong sense of self-reliance. They place high value on working independently and autonomously and often favor a more informal workplace environment (Cacanindin, 2023). Generation X tends to accept traditional management approaches,

placing greater importance on reliability and clarity than on other forms of stimulation. They value stability, long-term employment relationships, and consistent opportunities for career advancement (Akar, 2020; Fuchs et al., 2024). Generation Y, commonly known as Millennials, represents the cohort between Generation X and Generation Z, typically encompassing individuals born from the early 1980s to the late 1990s or early 2000s. Having grown up during the rise of the digital era, this generation is characterized by strong technological proficiency and regards technology as an essential element of their daily work practices (Malik & Musah, 2024). Millennials are generally perceived to perform best in supportive work environments characterized by clearly defined rules and transparent incentive structures (Mahmoud et al., 2021). When their employment expectations are unmet, they tend to display lower organizational loyalty and are more inclined to change jobs or leave their profession without hesitation (Ramli & Soelton, 2019). Generation Z, the cohort born between 1997 and the early 2010s, is reshaping the landscape of workforce expectations, particularly in relation to compensation. Scholars such as Dorina and Irini (2021) and Fauziah et al. (2024) emphasize that Gen Z prioritizes fairness, flexibility, meaningful work, and rapid feedback over rigid salary structures. They view compensation not merely as financial remuneration but as a holistic system that encompasses recognition, development opportunities, and alignment with personal values. According to Dwivedula and Singh (2021), Gen Z's work engagement is influenced more by intrinsic alignment with reward systems than by financial incentives alone.

Each of the generations is influenced by distinct socio-economic contexts and demonstrates differentiated expectations concerning workplace conditions and employment relationships (Malik & Musah, 2024). This creates a pressing need for organizations to reevaluate their human resource strategies, particularly in labor-intensive environments like cement logistics warehouses, where rigid systems dominate and compensation structures remain largely unchanged. Consequently, employers must identify and comprehend generational differences, as these distinctions can serve as indicators of employees' motivation to perform effectively in their roles. The compensation should incorporate the following features: flexibility in work hours, acknowledgment of micro-achievements, a reward system grounded in individual contributions, and a mechanism for two-way feedback. Numerous organizations implement responsive compensation to offer non-financial flexibility, including adjustable leave and flexible working hours (Farid & Satia, 2023). This strategy is well-suited for implementation in a logistics work environment characterized by labor intensity and hierarchical structure. An effectively designed compensation system can improve employee engagement and facilitate management and communication. Equally important is fostering intragenerational collaboration, whereby members of different generational cohorts communicate, interact, and work collectively to achieve the organization's overarching objectives (Mahmoud et al., 2021).

Research on compensation preferences indicates that generational cohorts prioritize financial and non-financial rewards differently. For instance, Generation X employees generally value stability-oriented benefits, including pension schemes, health coverage, and recognition for tenure. In contrast, Millennials tend to favor performance-based incentives, opportunities for professional development, and workplace environments that foster collaboration and autonomy. Emerging evidence regarding Generation Z reveals a strong inclination toward flexible work arrangements, prompt recognition of achievements, and

the integration of technology-driven processes that enhance efficiency and employee engagement (Fuchs et al., 2024). Therefore, Generation Z's perspective on responsive compensation is intricately linked to organizational fairness, intrinsic motivation, and job satisfaction. Organizations require a flexible, targeted, and value-driven remuneration strategy to attract and retain talent from this generation (Supriyati, 2023). Limantara (2021) further underscores the significance of training, clear goal setting, and robust system support as key factors enhancing employee engagement and performance, both of which are critical to creating a supportive and adaptive work environment valued by Generation Z. Similarly, Saluy et al. (2024) argue that substantial investment in training and competency development is essential for retaining high-quality professional talent, particularly in the face of competition to attract younger generations. Furthermore, Generation Z tends to exhibit greater sensitivity to amotivation and places higher value on extrinsic, material forms of reward (Mahmoud et al., 2021).

Employee engagement levels vary markedly across generational cohorts (Kurniawati, 2022). Such generational distinctions create significant challenges for organizations in formulating competitive compensation strategies and effectively managing a heterogeneous workforce (Malik & Musah, 2024). According to Supriatna et al. (2025), standardized compensation approaches are no longer effective. Instead, young employees with diverse motivational drivers require incentive strategies tailored to their specific needs. Recent reports Farida et al. (2024) emphasize that compensation systems targeting younger employees such as Generation Z must address both financial considerations and non-financial aspects, particularly career aspirations and psychological well-being, as essential elements in fostering loyalty and sustaining long-term performance. Thus, designing a responsive compensation strategy, therefore, is not merely a necessity but an integral component of strategic human resource management in the cement warehousing logistics industry.

Prior studies have shown that generational cohorts differ in compensation preferences, shaped by distinct socio-economic and technological contexts. Generation X generally values stability and autonomy, Generation Y (Millennials) emphasizes career growth and flexibility, and Generation Z prefers extrinsic rewards, rapid recognition, and socially responsible employers (Olivier Fuchs et al., 2024). While Malik and Musah (2024) found that all generations value competitive pay, preferences vary: Gen X favors long-term benefits, Millennials seek advancement opportunities, and Gen Z prioritizes immediate, lifestyle-oriented rewards, prompting calls for tailored reward systems. Previous linked these distinctions to formative life events, while Ozcelik (2015) argued that effectively managing generational diversity enhances collaboration. Frye et al. (2020) noted that fairness perceptions also differ, with Gen Z focusing on equal opportunity and Gen X on performance-based differentiation. Besides, recent studies have identified that traditional compensation models, focused solely on base pay and fixed allowances, are increasingly ineffective in attracting and retaining Gen Z talent. Moreover, as Saluy et al., (2024) note, Generation Z values not only financial incentives but also recognition, career development opportunities, and work-life balance.

Studies by Damayanti et al. (2024) and Muzakir et al. (2024) indicate that dissatisfaction with rigid and opaque reward systems correlates with increased turnover intentions among younger employees. Nevertheless, these studies are largely situated in sectors such as startups, creative industries, and banking, which typically allow for remote work and non-physical job tasks. Literature addressing compensation practices in physically demanding and inflexible sectors such as cement logistics remains scarce. The research conducted by Fauziah et al. (2024) underscores the significance of combining compensation with work-life balance to enhance the loyalty of young employees in the banking sector. Research by Putri (2024) indicates that a favorable perception of the compensation system and recruitment process can increase a company's appeal to Generation Z job applicants. Additionally, Phinizee (2024) and Collins (2020) have predominantly concentrated on the service sector in developed nations and have not particularly examined the implementation of compensation techniques within the logistics work environment, characterized by its physical nature.

Most of this research was conducted in sectors characterized by flexible work patterns, rather than in the logistics industry, which is more rigid and physical. Comparative studies seldom incorporate all three cohorts. Generations X, Y, and Z—restricting a full understanding of generational shifts. Furthermore, the predominance of quantitative methods limits qualitative insights into the contextual drivers behind these preferences. Inconsistencies across cultural and industry settings further underscore the need for sector-specific research. Finally, few studies directly connect compensation preferences to retention strategies in multigenerational workforces, an urgent concern in high-turnover industries such as logistics. There is also limited exploration of how HR strategies can adapt compensation frameworks to reconcile intergenerational differences without fostering perceptions of inequity. The challenge for HR practitioners in cement logistics lies in creating reward systems that are simultaneously fair, competitive, and flexible enough to address diverse motivational drivers.

This study responds to that gap by adopting a qualitative case study approach to explore generational compensation preferences in the context of a cement logistics warehouse. By incorporating the perspectives of Gen X, Y, and Z employees, the research provides a holistic view of the alignment (or misalignment) between employee expectations and organizational realities. It also addresses how generational values intersect with structural compensation limitations, highlighting barriers such as limited employee voice, inflexible reward schemes, and unequal treatment across employment statuses. The novelty of this research lies in its contextual focus and methodological depth. Unlike prior studies conducted in flexible and non-physical work settings, this research provides grounded insight into compensation related expectations of multiple generations in a high-demand, operationally rigid environment. The use of thematic analysis enables the exploration of nuanced themes such as fairness, recognition, transparency, and the need for participatory HR practices.

The primary aim of this study is to examine the compensation preferences of employees from Generations X, Y, and Z working within a cement logistics warehouse, and to evaluate the extent to which these preferences align or diverge from the organization's existing compensation framework. In addition, the study investigates employees' perceptions of the effectiveness of current compensation systems, with particular attention to dimensions

such as fairness, work motivation, and job satisfaction. Beyond its academic contribution, this research holds significant practical value. In addressing workforce regeneration challenges, organizations must adopt proactive and sustainable human resource policies rather than relying solely on reactive measures. By understanding the expectations, demands, and work values of multiple generational cohorts—particularly Generation Z—logistics companies can design compensation strategies that are more inclusive, equitable, and responsive. The findings are anticipated to inform strategic HR decision-making, particularly in the development of remuneration schemes aimed at enhancing employee retention, engagement, and long-term loyalty in the highly competitive logistics sector. Accordingly, the study seeks to answer the following research questions:

1. What are the distinct compensation preferences of Generations X, Y, and Z employees in a cement logistics warehouse?
2. To what extent do these preferences align or misalign with the existing compensation system?
3. How do employees across different generations perceive the fairness, motivational impact, and overall effectiveness of the current compensation framework?

Methods

The object of this study is a company engaged in cement logistics, specifically as a provider of cement storage and handling services prior to distribution to various retail outlets across designated regions. The company's workforce structure comprises both field employees and head office staff. Based on its generational composition, three generations are represented within the workforce, namely Generation X, Generation Y (Millennials), and Generation Z. Employment status within the company consists of permanent and contract employees, with different compensation schemes applied to each category. These characteristics make the company a relevant research object in examining intergenerational compensation preferences.

The selection of informants from these three generations aims to identify the extent to which compensation differs among generational groups within the company. In addition, eligible participants were current employees, either permanent or contractual, representing one of three generational cohorts: Generation X (born 1965–1980), Generation Y or Millennials (born 1981–1996), and Generation Z (born 1997–2012). To ensure familiarity with organizational policies, all informants had at least one year of continuous employment. Participants were drawn from diverse job functions, including warehouse operations, administration, and supervisory roles, to capture varied perspectives. Only those who provided informed consent and expressed willingness to share their experiences openly were included. This approach facilitates a more in-depth analysis of perceptions, experiences, and expectations regarding compensation in an intergenerational context.

This study adopts a qualitative case study approach to examine the compensation preferences of Generations X, Y, and Z within the cement warehouse logistics sector. As Creswell (2013) notes, qualitative research prioritizes understanding human experiences in real-life contexts, enabling a holistic exploration of social processes. Semi-structured interviews were employed to capture participants' personal experiences, perceptions, and views on the relationship between remuneration schemes, employee retention, and

motivation. Data were analyzed using thematic analysis (Braun Virginia, 2013), which involves iterative stages of data collection and interpretation to identify recurring patterns. The process began with verbatim transcription and repeated reading to ensure deep familiarity with the content. Relevant segments were coded, organized into overarching themes, and then interpreted in relation to the research questions. This flexible analytical approach allowed the study to reveal nuanced insights into generational perceptions of compensation systems and organizational strategies for addressing diverse workforce needs. The following is the interview guide used in this study:

Table 1. Interview Protocols Table

No.	Question Topic	Academic Reference	Questions for Gen Z Employees
1	Financial Compensation Preferences	Dorina & Irini (2021)	How do you perceive your current salary? Does it meet your expectations?
2	Expectations for Non-Financial Compensation	Collins (2020)	What types of benefits do you expect from the company besides base salary?
3	Perceptions of Compensation Fairness and transparency	Pang Hui Ting (2024)	In your opinion, is the compensation system in the company fair and transparent? Why?
4	Alignment with personal values and lifestyle	Agnar, (2023)	To what extent does the compensation you receive reflect your values and lifestyle?
5	The role of work Flexibility	Surugiu et al., (2025)	Does work flexibility (such as remote work or flexible hours) influence your perception of compensation?
6	Involvement in compensation system design	Rista and Palupiningtyas (2025)	Have you ever been involved in the process of evaluating or designing the compensation system?
7	Employee Retention factors	Phinizee (2024)	What are the main factors that make you stay in this company?
8	Motivators for performance	Esmer et al., (2023)	What type of compensation most motivates you to improve your performance?
9	Compensation-Related Complaints	Ljungquist et al., (2023)	What obstacles or complaints do you frequently encounter related to compensation?

Results and Discussions

This section presents the findings derived from semi-structured interviews with six employees representing three generational cohorts: Generation X, Generation Y, and Generation Z. Thematic analysis was employed to identify key patterns across the data (Braun Virginia, 2013), while the verbatim technique was used to retain the authenticity of participants' voices by presenting their exact words. This dual approach allows for both thematic coherence and fidelity to participants' lived experiences, enabling a more nuanced understanding of perceptions, expectations, and evaluations related to the company's

compensation system. The interview participants were grouped based on their generational cohort, with their initials and professional roles indicated accordingly. From Generation X, LN served as Assistant Manager Finance, while DMS held the position of Supervisor. In Generation Y, CJS was identified as a Supervisor and BA as Administrative Staff. Meanwhile, the Generation Z cohort included HE, who worked as an Accounting Staff, and AP, who took on the role of Safety Officer.

Each participant's insights were shaped by their roles, generational traits, and personal circumstances. Their responses spanned nine themes: salary adequacy, expectations for financial compensation, fairness and transparency, alignment with personal values and lifestyle, work flexibility, involvement in compensation design, retention factors, performance motivators, and common complaints. Differences and similarities across cohorts reflected both generational priorities and shared organizational realities. To maintain transparency and authenticity, results are presented in a thematic-verbatim format, organized by generational cohort and illustrated with direct quotes. This approach captures the diversity of opinions among Generations X, Y, and Z while enabling clear cross-cohort comparisons. The summary is presented in Table 2.

Table 2. Thematic-Verbatim Findings from Interview Responses

Theme	Generation	Verbatim Quotes
1. Perceptions of Financial Compensation	Gen X	LN: <i>"I think the salary I receive matches my current role as Assistant Manager, and in this company, there's always an annual raise for employees."</i> DMS: <i>"Not really, because I think the company isn't consistent with salary increases. KPIs aren't really considered as a basis for raises, even though they're an important indicator."</i>
	Gen Y	CJS: <i>"It's in line with my expectations. When I got promoted, my salary increased along with other allowances I received."</i> BA: <i>"Not quite, but the company has given me a salary above Jakarta's minimum wage, so I'm grateful for what I have now."</i>
	Gen Z	HE: <i>"The salary is still not right and does not meet my expectations. Not only is it still below Jakarta's 2025 minimum wage, but it is also not in line with the average salary for Finance Staff in Jakarta."</i> AP: <i>"No, still far from expectations."</i>
2. Expectations for non financial compensation	Gen X	LN: <i>"The benefits outside the basic salary are quite good, like 50% medical reimbursement covered by the company and reimbursement for glasses. But it needs an update because the reimbursement amount hasn't changed in the last 5 years, while the price of glasses keeps increasing."</i> DMS: <i>"I feel the current benefits are already enough. As someone working in the field, having a company vehicle really helps with my job, plus the 50% medical coverage is a big help since I regularly go to the hospital."</i>
	Gen Y	CJS: <i>"I hope contract employee benefits are the same as permanent employee benefits."</i>

3. Perceptions of Fairness and Transparency	Gen Z	<p>BA: <i>"The company already provides plenty of compensation for employees, so I'm fine with the current package."</i></p> <p>HE: <i>"Health benefits, education allowance, paid leave, annual bonuses or incentives, career advancement, and flexible work schedules."</i></p> <p>AP: <i>"Annual bonus, company events."</i></p>
	Gen X	<p>LN: <i>"Fair? Maybe not yet, because some people with the same position as me get more benefits like a company car and fuel allowance, while my house is farther away but I don't get those."</i></p> <p>DMS: <i>"Yes, it's fair."</i></p>
	Gen Y	<p>CJS: <i>"Yes, because it's clearly stated in the employee decree what compensation I get and the exact amount."</i></p>
	Gen Z	<p>BA: <i>"Fairly transparent."</i></p> <p>HE: <i>"I think it's not fair regarding benefits between permanent and contract employees. Also, for leave and sick days, operational costs are still deducted if contract employees are absent."</i></p> <p>AP: <i>"Fair, because it's in accordance with government regulations."</i></p>
4. Alignment with Personal Values and Lifestyle	Gen X	<p>LN: <i>"In this company, they don't differentiate between generations; the difference is in the position or type of job. For now, my compensation as Assistant Manager is already decent."</i></p> <p>DMS: <i>"As part of the older generation, I'm satisfied with the company's compensation. I have an elementary school child, and the allowance for my kid really helps."</i></p>
	Gen Y	<p>CJS: <i>"I'm not sure what Gen Y's lifestyle is like, but for my needs and my family's, the current compensation is enough."</i></p> <p>BA: <i>"It's enough for my needs and my family's. I get maternity allowance for my wife, school allowance for my kids until elementary school, and death benefits for family members."</i></p>
	Gen Z	<p>HE: <i>"Perhaps the compensation that reflects my personal values and lifestyle as Gen Z is non-financial compensation, namely leave. For me, leave is a right for every employee that must be given by the company. However, the leave I get is not paid leave, so it's not optimal to say it reflects personal values."</i></p> <p>AP: <i>"By receiving a 13th-month salary equal to one month's pay."</i></p>
5. The Role of Work Flexibility	Gen X	<p>LN: <i>"I think remote work is sometimes less effective; I'm more comfortable coming to the office as usual."</i></p> <p>DMS: <i>"For me as a field worker, remote work sometimes means less supervision over other staff, so I prefer going to the warehouse."</i></p>

6. Involvement in Compensation System Design	Gen Y	CJS: <i>"For me, remote work isn't effective because I work in the field, so I have to be at the warehouse."</i> BA: <i>"Not effective, because I need to print delivery orders and hand them to transporters, so remote work isn't possible."</i>
	Gen Z	HE: <i>"Flexibility in work is one of the non-financial compensations a company can give its employees. But I agree more if flexibility is given for remote/hybrid work compared to flexible hours. In some companies, flexible hours can be misused to exploit employees."</i> AP: <i>"Not very flexible."</i>
	Gen X	LN: <i>"Never."</i> DMS: <i>"Never."</i>
	Gen Y	CJS: <i>"No."</i> BA: <i>"Never."</i>
7. Retention Factors	Gen Z	HE: <i>"Yes, my compensation was once deducted for meal costs."</i> AP: <i>"Never."</i>
	Gen X	LN: <i>"I feel comfortable with my work environment, a good boss and nice coworkers, and the salary and benefits are enough so far."</i> DMS: <i>"A good boss, a pleasant work environment, and being placed near my home so I can see my family every day."</i>
	Gen Y	CJS: <i>"At least my salary is above the regional minimum wage, plus I get many allowances for me and my family."</i> BA: <i>"Because I need to provide for my family, and in this company, I also have many friends like family, so we have a close bond and often help each other."</i>
	Gen Z	HE: <i>"The fixed working hours are 9.00 AM to 5.00 PM, and there's no work to take home. As long as I've been here, I have never been contacted about work outside working hours/days by colleagues."</i> AP: <i>"Because I am the first child in my family."</i>
8. Motivators for Performance	Gen X	LN: <i>"Definitely salary, and besides that, better health benefits or added transportation allowance."</i> DMS: <i>"I'm satisfied with all the current benefits."</i>
	Gen Y	CJS: <i>"Salary increase."</i> BA: <i>"The salary given by the company."</i>
	Gen Z	HE: <i>"Paid leave and annual bonuses."</i> AP: <i>"None."</i>
	Gen X	LN: <i>"There are benefits I don't get, but my colleagues with the same position do, like a company car and operational cost reimbursement."</i> DMS: <i>"Salary is sometimes late or there's no fixed date for payday each month."</i>
9. Compensation-Related Complaints	Gen Y	CJS: <i>"None."</i>

Gen Z	<p>BA: "Some allowances haven't been updated for a long time, so they should be reviewed to match current needs."</p> <p>HE: "Unpaid leave, and as a contract employee (PKWT), I do not receive health benefits such as medical reimbursement."</p> <p>AP: "Because it was deducted before, so I didn't fully receive it."</p>
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Across the nine identified themes, the interviews revealed both distinct generational patterns and shared organizational concerns. Regarding *financial compensation*, Generation X respondents primarily associated satisfaction with stability and incremental progression. LN expressed contentment with "annual raises" linked to his managerial position, whereas DMS criticized the "lack of KPI consideration" in determining salary increases. Generation Y participants connected adequacy to career milestones; CJS described her salary as "in line with my expectations" following a promotion, while BA acknowledged it was "above Jakarta's minimum wage" yet still insufficient. Generation Z participants voiced the strongest dissatisfaction, with HE stating that his salary remained "below Jakarta's 2025 minimum wage" and prevailing market averages, and AP characterizing it as "still far from expectations." Expectations for *benefits or non financial compensation* followed a similar generational gradient. Generation X valued stability in existing provisions; LN appreciated medical and glasses allowances despite no changes over five years, and DMS noted the value of a company vehicle and partial medical coverage. Generation Y sought equity, with CJS advocating for parity between contract and permanent employees, while BA expressed satisfaction with the current benefits package. Generation Z, by contrast, demanded broader and more flexible provisions. HE called for "health benefits, education allowance, paid leave, annual bonuses... and flexible work schedules," whereas AP prioritized annual bonuses and company events.

Perceptions of *fairness and transparency* also varied. LN described the system as "maybe not yet" fair, citing unequal access to certain allowances, while DMS regarded it as fair. Generation Y respondents generally considered it transparent, referencing clear policy documentation. Generation Z expressed greater dissatisfaction; HE criticized "disparities between contract and permanent staff," particularly in leave deductions, while AP deemed the system fair because it "follows regulations." The *alignment of compensation with personal values and lifestyle* reflected generational priorities. Generations X and Y focused on family-oriented benefits, such as education allowances and stable income, whereas Generation Z emphasized work-life balance and paid leave. HE valued leave benefits but noted they were "unpaid," and AP linked alignment to the receipt of a 13th-month salary. On *work flexibility*, Generations X and Y largely dismissed remote or hybrid arrangements as impractical, citing operational demands. LN and DMS preferred office settings for "effectiveness and supervision," while CJS and BA noted the incompatibility of flexibility with their field-based roles. Generation Z was more open to hybrid models; HE supported flexible arrangements but warned they "could be misused to exploit employees," and AP reported only limited flexibility in practice.

Furthermore, participation in *compensation policy design* was minimal across cohorts. Only HE reported involvement, which was limited to a decision that deducted meal expenses

from salaries. *Retention factors* were broadly consistent across generations, with emphasis on leadership quality and workplace culture. LN and DMS highlighted “good boss” relationships and a “pleasant work environment.” CJS valued salaries above the minimum wage alongside allowances, BA stressed close coworker relationships, and Gen Z respondents added the importance of structured working hours and clear boundaries, with HE noting “no calls after work hours.” Regarding *performance motivators*, salary was universally cited. Generation X also valued enhanced benefits, Generation Y prioritized salary increases, and Generation Z was split—HE valued bonuses and paid leave, while AP reported no motivation from current provisions. Finally, *compensation-related complaints* varied by cohort. LN referred to missing benefits available to others, DMS mentioned irregular salary payments, BA criticized stagnant allowances, HE objected to unpaid leave and lack of medical coverage for contract staff, and AP recalled past deductions that reduced his take-home pay. These findings indicate that while generational differences are evident in expectations, systemic issues—particularly inequities between contract and permanent staff, stagnation of benefits, and exclusion from policy development—are common concerns across all groups.

The findings of this study indicate substantial differences in perceptions, expectations, and motivational factors related to compensation among Generations X, Y, and Z. These differences are consistent with prior research, which emphasizes that generational characteristics influence work values, perceptions of compensation, and the types of incentives considered relevant (Mahmoud et al., 2021; Malik & Musah, 2024).

Regarding salary evaluation, Generation X tends to accept the prevailing salary levels, prioritize income stability as a primary concern and long-standing benefits such as medical reimbursement, fixed allowances, and company-provided facilities. Although they express dissatisfaction with inconsistent salary increases. This aligns with Mahmoud et al. (2021) who note that Generation X places greater emphasis on financial security and job stability than on rapid income growth. Generation Y demonstrates a moderate stance; some are satisfied because salary increases accompany promotions, while others consider their income adequate as it exceeds the regional minimum wage, though they still expect proportional adjustments based on contributions. This is consistent with Schweyer et al. (2022), who link Millennials’ salary orientation to career achievement and development opportunities. In contrast, Generation Z adopts a more critical stance, perceiving their salaries as falling short of industry standards, consistent with Malik and Musah’s (2024) observation that this generation holds relatively high initial expectations due to extensive exposure to salary information via technology.

In terms of non-financial benefits, Generation X prioritizes functional provisions such as health allowances, company vehicles, and family-related benefits. Generation Y emphasizes the importance of equity in benefits between permanent and contract employees, while Generation Z presents a broader range of expectations, including paid leave, annual bonuses, flexible work arrangements, and access to technology. This pattern supports Schweyer et al. (2022), who argue that younger generations place greater value on benefits that promote work-life balance and personal development. Differences are also evident in perceptions of fairness. Generations X and Y generally regard the compensation system as sufficiently transparent due to the clarity of procedures and stated amounts. Conversely, Generation Z is more critical, particularly concerning inequitable access to benefits between

permanent and contract employees. These findings align with Brachle and McElravy (2023), who assert that younger generations assess fairness not only in terms of regulatory compliance but also in terms of equal opportunity and access.

Perceptions of fairness are mixed: some Generation X and Y employees view the framework as fair due to regulatory compliance and transparency, while many Generation Z respondents highlight inequities in contract staff treatment. Across all generational cohorts, salary remains the most significant motivator; however, the absence of allowance adjustments and the persistence of outdated benefits diminish its effectiveness, especially among younger employees. This reinforces Kurniawati (2022) assertion that maintaining employee engagement over time requires reward systems that are both competitive and adaptive. Overall, although the current framework provides fundamental financial security, its inflexibility, stagnant benefit structures, and limited employee involvement in decision-making reduce its capacity to function as a strategic tool for enhancing motivation, retention, and performance.

From an organizational effectiveness standpoint, HRM practices that fail to account for intergenerational dynamics can result in communication gaps, value conflicts, and reduced job satisfaction. Andrea et al. (2016) emphasize that each generation exhibits distinct work preferences and managerial expectations, and a one-size-fits-all HR approach may hinder cross-generational collaboration. Globally, HRM that adapts to the traits of younger generations has been shown to promote more agile and innovative organizational cultures. As such, the future resilience and success of organizations will depend significantly on HR's capacity to redesign compensation systems and workforce management strategies that are generation-aware, while also fostering an inclusive, responsive work culture.

Additionally, the findings of this study carry strategic implications for the company's sustainability and competitiveness. First, the company must develop an adaptive compensation system that accounts not only for employment status but also for generational preferences. An employee segmentation approach can assist the organization in identifying the specific needs of different age groups, particularly Generation Z, who place greater emphasis on work-life balance and meaningful work. This aligns with the study by Aditya and Deviastri (2024), which asserts that work-life balance and compensation have a positive effect on job satisfaction, which in turn significantly influences employee performance. Their research also highlights that job satisfaction partially mediates the relationship between compensation and work-life balance on employee performance, offering valuable insights into workforce dynamics, especially among Gen Z employees. Hence, the company is advised to gradually implement hybrid working models, especially for roles that can be performed remotely. While the current organizational culture may not fully support flexible work arrangements, initiating this shift is crucial for retaining young talent. Flexible working arrangements can significantly influence the loyalty and performance of Generation Z within the fast-paced and demanding logistics environment. As revealed by Pradipta et al. (2025), flexible work schedules have a notably positive impact on employee satisfaction. Such arrangements allow individuals to better manage their time, leading to higher levels of job satisfaction, which inherently contributes to improved employee performance.

Moreover, the lack of employee involvement in policy development processes further impedes the creation of responsive and participatory compensation systems. Thus, there is

a need for formal mechanisms to involve employees in the formulation of HR policies, particularly regarding compensation. This can be achieved through discussion forums, employee satisfaction surveys, or an employee suggestion system. Implementing the principle of employee voice will strengthen industrial relations and promote the development of an inclusive organizational culture. Thus, organizational effectiveness is not determined solely by the compensation structure, but also by the participatory process through which such policies are developed. According to Bah et al. (2024), the integration of active employee involvement and the application of humble leadership styles has been proven to contribute positively to the effectiveness of organizational change initiatives.

Conclusion

The findings reveal distinct generational differences in compensation preferences within the cement logistics warehouse. Generation X values stability, predictable salary increments, and established benefits, reflecting a preference for financial security and consistency. Generation Y seeks competitive pay above regional minimum standards, promotion-linked raises, and equitable benefits across employment types, highlighting fairness and career advancement opportunities. Generation Z prioritizes market-aligned salaries, customizable benefits, and flexible work arrangements, aligning rewards with lifestyle preferences and work-life balance. These preferences only partially align with the existing compensation system. While the framework provides stability for Generation X and a degree of transparency for Generation Y, it falls short in delivering the flexibility, modernization, and equity demanded by younger cohorts, particularly Generation Z. The system lacks differentiated structures that accommodate diverse generational needs, limiting its motivational and retention impact. Perceptions of fairness and effectiveness vary across generations. Older employees express relative satisfaction with stability and predictability, whereas younger cohorts are more critical, often citing inequities in the treatment of contract staff and the absence of participatory mechanisms in policy design. For many Generation Y and Z employees, the current framework is insufficient to foster long-term engagement and motivation.

The study's single-site focus restricts the generalizability of findings to other contexts, industries, or cultural settings. The use of qualitative methods, while valuable for depth, limits statistical representativeness. Generational classification relied on birth year and job role, without accounting for tenure, or educational background, which may influence preferences. External labor market dynamics and macroeconomic factors were not considered, and the cross-sectional design does not capture changes over time. The research contributes to generational compensation literature by offering a nuanced qualitative perspective on how salary structures, benefits, flexibility, and fairness are valued differently across cohorts, while also revealing shared priorities. It supports and extends generational theory in the context of logistics operations, highlighting the interplay between organizational compensation structures and cohort-specific expectations. For HR practitioners, the findings suggest the need to design a compensation system that balances the stability and predictability sought by older employees with the flexibility, customization, and participatory decision-making valued by younger generations. Incorporating modernized benefits, ensuring equitable treatment for all employment types, and offering flexible work arrangements can improve fairness perceptions, motivation, and retention

across the workforce.

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