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Psychological Contract Fulfilment and Its Impact on Employees' Job Attitudes: Does Generations Make Any Difference?

U. Deepthi

Research Scholar

And

Dr. Rupashree Baral

Assistant Professor

Department of Management Studies

Indian Institute of Technology – Madras

India

Abstract

In recent years, there has been, particularly among human resource management practitioners, a view that inter-generational differences exist among employees which provide challenges to employers in effectively managing diverse workforce. But academic research on inter-generational differences using psychological contract (PC) framework and its effects has been limited. Hence, this study aims to address the gap by exploring the moderating effects of generations on the relationships between PC fulfilment and employees' job attitudes such as job satisfaction, organizational commitment and intention to quit. Data were collected using questionnaire survey on 356 full-time employees. Multiple regressions were used to analyse the data. The results suggest significant relationships between PC fulfilment and job attitudes but fail to establish significant moderating effect of generations.

Keywords: Psychological contract, Job Attitudes, Generational differences

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INTRODUCTION

The Psychological Contract (PC) has been defined as the implicit relationship between an employee and his/her organization which outlines what each should expect to give and receive in the relationship (Kotter, 1973). PC develops when the employer fulfils its obligations to its employees. If the promised and implied obligations are not fulfilled by employers, employees respond both cognitively as well as behaviourally in terms of low job satisfaction, lower organizational commitment, lower citizenship behaviour and higher intention to leave (Zhao Wayne, Gilbkowksi & Bravo, 2007). PC has undergone substantial changes because of the technological changes, downsizing, restructuring and various social and market changes. This has led the organizations to redesign their strategies in order to accommodate the changes and redefine the employer-employee relationships (Hess & Jepsen, 2009). More importantly, given the demographic compositions of today's workforce, it has become pertinent for organizations to manage the needs, expectations of increasingly diverse workforce in terms of gender, race, cultural backgrounds and generations (Smola & Sutton, 2002).

Generations are shaped by societal events in the formative phases of their lives which influence their values (Gursoy, Maier & Chi, 2008; Smola & Sutton, 2002). Despite many definitional controversies, according to Smola & Sutton (2002), the two generational groups most prevalent in today's workforce are the Baby Boomers (born between 1945 and 1964) and Generation Xers (born between 1965 and 1980). Baby Boomers are often described as 'self-absorbed' and felt the pressure of caring for ageing parents and their own children. Gen Xers hold more conservative family values than the Baby boomers. This cohort is realistic,

self -reliant, entrepreneurial, independent (Srinivasan, 2012). Rarely studies have measured the aspirations and expectations of Millenials or Gen Yers (born between 1981 and 2000). They are the newest entrants to the workforce and are greatly influenced by the technological advancements and corporate downsizing. Smola & Sutton (2002) purport that Gen Yers want even higher salaries, flexible working arrangements and more financial leverage than older generations.

Given the increasing diversity of the workforce, it is essential for employers to understand that different generational types come with distinct motivations and different ways of communicating. At work, generational differences can affect everything, including recruiting, building teams, dealing with change, motivating, managing, maintaining, and increasing productivity. This in turn might affect misunderstandings, high employee turnover, difficulty in attracting employees and gaining employee commitment (Srinivasan, 2012). It is found that PC affects job attitudes differently for older workers than for younger workers because older people, in general, have better emotion regulation skills and therefore, build up more stable PCs (Zhao et al., 2007). They will react differently than younger generation employees to fulfillment or breach of the PC (Bal, DeLange, Jansen & Velde, 2012). At the same time, Zhao et al. (2007) suggest that age construct or generational cohorts may have a significant impact in the direct relationship between PC and job attitudes. Studies on exploring the differences among individuals belonging to different generational cohorts and examining the role of generations in the link between PCs and work related outcomes are limited in number. With this background, the current study aims to investigate the moderating role of generational differences in the link between PC fulfillment and its subsequent impact on employees' job related attitudes.

LITERATURE REVIEW

Psychological Contract

In organizational research and theory, the term PC has been generally used to refer to expectations that operate between employees and managers and is also termed as a powerful determinant of behavior in organizations (Rousseau, 1989). The PC can be described as the relationship between an employee and the organization that outlines what each should expect to give and receive in their relationship (Kotter, 1973). The PC of an employee includes the individual's understanding of his or her own obligations and those of the employers and the extent to which the obligations are fulfilled (Bal, De Lange, Zacher & Van Der Heijden, 2012). Over the recent years, there has been a substantial increase in research studies exploring the area of PC and it has been explained in the context of twenty-first century employment relationship. When an employee perceives that his/her employer has failed to fulfil one or more promised obligations termed as "PC breach", he/she is likely to reciprocate in a number of ways. Perceived contract breach results in a sense of discrepancy between what is promised and what is fulfilled (Coyle-Shapiro, 2002). This perceived discrepancy leads to unmet expectations, loss of trust, (Coyle-Shapiro & Kessler, 1993) and job dissatisfaction (Turnley & Feldman, 2000), which in turn negatively affects employee contributions. Those employers, who fulfil their promises to the employees, show that they are committed to employees, value employee contributions, and intend to continue with the relationship (Coyle-Shapiro & Conway 2005). When employees receive rewards from the organization in a way that is consistent with the promises that the employees have perceived, then that constitutes the "PC fulfilment".

Rousseau (1995, 1990) and Rousseau & McLean Parks (1993) discussed that there is a variation in PC in terms of strength and generality. "Transactional obligations" are characterized by a close-ended time frame and the exchange of economic resources, whereas

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"Relational contractual obligations" involve an open-ended time frame and the exchange of socio-emotional resources (Aselage & Eisenberger, 2003). Regardless of the differences between the kinds of contracts, the distinction between short-term, limited involvements versus long-term, open-ended involvements remains a key feature of PC theory (Rousseau & Tijoriwala, 1998). An employee will view these obligations as part of his or her PC and PC has implications on employee attitudes and behaviours as well as organizational performance (Coyle-Shapiro & Kessler, 2003). Employees form perceptions of that what their employer is obligated towards them (i.e., employer obligations) and employees have perceptions of their own obligations about what they should contribute towards their organization (i.e., employee contributions; Coyle-Shapiro & Kessler, 2003). Likewise, PC studies suggest perceptions of fulfilment of these demands (i.e., employee fulfilment) results in employees becoming more engaged and less likely to leave the organization.

According to Coyle-Shapiro & Kessler (2003), PC can be categorized as transactional contracts (which include rapid advancement, high pay and merit pay) and relational contracts (includes long term job security, career development, training and development opportunities). Fulfillment of contracts is attributed to employee attitudes such higher job satisfaction, organizational commitment, organizational citizenship behavior, organizational performance and innovative behaviour. The failure of the organizations to fulfil the obligations may be considered as lack of fairness and results in negative response such as higher intention to leave the organization and low citizenship behavior (Coyle-Shapiro, 2002).

In terms of employment relationships in the Indian context, it has been seen that Indian management system is strongly influenced by societal, political, religious and economic factors. Job related decisions are more inclined towards interpersonal reasons than task demands (Krishnan, 2011). Rousseau (1995) stated that culture is a major factor that has

influence on an employees' PC. Indian employees rarely differentiate work roles with that of social roles; hence a sense of belongingness is developed among the employees and a need is developed to maintain long lasting relationship with their employers. Majority of the studies has concentrated on the difference in perception of PC across developed countries (Krishnan, 2011) and rare are studies that explain PC of employees working in a country with collectivist culture such as India (Aggarwal & Bhargava, 2010).

Impact of Psychological Contract on Job Attitudes

Hess & Jepsen (2009) stated that based on mutual exchanges of PC, employees reciprocate both cognitively or behaviourally when their PC is either fulfilled or breached by organization. Most of the research studies have focused upon responses of breach or fulfilment of PC such as job satisfaction, trust and intention to leave the organization (Zhao et al., 2007). Zhao et al., (2007), in their recent meta-analysis on the relations between PC breach and outcomes, employed affective events theory which states that negative events in the workplace causes adverse emotions. This in turn, has an impact on attitudes related to one's job, that experience of negative emotions will cause more negative job attitudes such as decrease in trust, job satisfaction. On the other hand, positive emotions will influence evaluations of the job in a positive way, such that people experience higher trust, satisfaction, and commitment. Zhao et al. (2007) argue that in particular, PC breach is perceived as such a negative event. Social exchange theory provides an explanatory framework of the processes that lead employees to perceive a negative event, and hence, psychological contract breach occurs. According to social exchange theory, people engage in interactions with other people because they are motivated by the expectations of receiving inducements in return from the other party (Blau, 1964; Gouldner, 1960). If employees perceive that their employer has not reciprocated their contributions, they will respond with emotional reactions such as anger and frustration. Also, they may restore the balance in social exchanges by lowering their trust, job

satisfaction, and commitment. Bal et al., (2012) suggests that social exchanges and reciprocity play a critical role in the PC because mutual obligations, as social exchanges, form a psychological contract. Not receiving anything in return for contributions to the organization will therefore be perceived as a negative event. In the similar line it can be expected that perceived PC fulfilment will be considered as a positive event and which will have resulting influences on positive emotions and consequent cognitive responses. Hence, employees who perceive their PC as fulfilled, will respond positively by exhibiting lower intention to leave the organization, higher levels of job satisfaction and commitment to their employing organizations.

Generational Differences

Generations are an "identifiable group that shares common years of birth and as a result, significant life events at important stages of development" (Kupperschmidt, 2000). According to developmental theories, it is these conditions that tend to distinguish one generation from the next, so that each generational group has a unique pattern of behaviour based on their shared experiences (Smola & Sutton, 2002; Westerman & Yamamura, 2007). Events such as major political events or threats, socio-economic transitions, industry trends, unemployment rates, and feelings of famine, scarcity or security may have played a role in shaping the perceptions of different generations (Macky, Gardner & Forsythe, 2008).Members of the same generation share the same year of birth and this limits them to a specific range of potential experience, predisposing them to a certain characteristic mode of thought and experience (Parry & Urwin, 2010). Some scholars (Yu & Miller, 2005) have found that the projected differences across generations in the global literature do not hold true in the Asian context. The few Asian studies on multi-generational differences did not have the same birth years across generations. With 28 states, 22 officially recognized languages, about 1.2 billion population, and home to all the major religions of the world, India is one of

the most diverse countries in the world. The regional variations across the country are also high when compared to other countries (Srinivasan, 2012). Given this background, it is evident that any generational definition in the Indian context needs to reflect the current diversity. Some authors have attempted to categorize generations using the global framework. Erickson (2009) and Roongrerngsuke (2010) in their research studies speak about three generations existing in India: the Baby Boomers (1946 - 1964), Gen X / Socialist (1965– 1979) and Gen Y (1980 – 2000) in the lines of the global framework. Ghosh and Chaudhari (2009) identified the three generations existing in India as the Conservatives (1947 – 1960), Integrators (1970 – 1984) and Y2K (1985 – 1995). Review suggests that very few studies have explored the concept of generational differences in Indian context and there appears to be a general consensus among researchers (Erickson, 2009; Roongrerngsuke, 2010) regarding the naming of the three generations. Hence, this study also employs the global framework to categorize the generations as discussed below.

Baby Boomers (born 1945-1964): Born between 1945 and 1964, Baby Boomers were raised during a post-war time of economic prosperity and were brought into a world of industrial devastation, nationalization of industries and limited global resources where they were forced to compete for everything (Lamm & Meeks, 2009). They exhibit a strong focus on hard work and achievement which indicates that this group values status and extrinsic rewards as recognition for loyalty and commitment (Kupperschmidt, 2000). They also exhibit hardship, anxiety, fear, lack of trust and hierarchy, their career options influenced by family and culture (Erickson, 2009).

Generation Xers (born 1965-1980): Generation X employees are often depicted as cynical, pessimistic and individualistic (Kupperschmidt, 2000; Smola & Sutton, 2002). Also, they are often described as entrepreneurial, independent, comfortable with change, and less loyal to an employer (Yu & Miller, 2005). Since this cohort was a part of rapid technological and social

change and in terms of finance, family, and social insecurity, they entered the workforce without the expectation of job security and they are more likely to leave a job in search of more challenging work environments. Compared to Baby Boomers, Gen Xers give less importance to authority and demand immediate and continuous feedback (Srinivasan, 2012), less conservative, exhibit high ambition of becoming rich. Lastly, they are often reported to have difficulty dealing with disappearing boundaries between work and private life (Ghosh & Chaudari, 2009).

Generation Yers (born 1981-2000): Also known as Millenials, Nexters, and Echo Boomers, members of the latest generation in the workforce were born between 1981 and 2000, witnessed formative events such as the birth of the internet and are characterised by a notion that they are the most technologically advanced, destined to accomplish great things and to make a difference in the world (Martin & Tulgan, 2001). The constant encouragement, coaching and pampering by their parents resulted in Gen Yers' strong ambition and optimism, emphasize in receiving financial reward (Ghosh & Chaudari, 2009), over-confidence and high-achievement-orientation (Lamm & Meeks, 2009). They are comfortable with change (Eisner, 2005; Lub et al., 2012). They appear to value personal development and enjoy challenging work (Eisner, 2005). Compared to Baby Boomers and Generation X, they are also considered to be optimistic, driven, and even more goal oriented and demanding of the work environment (Smola & Sutton, 2002; Twenge & Campbell, 2008). Millennials regard jobs as primarily a means to build a career resume and lack long-term attachment or commitment to the organisation (Twenge & Campbell, 2010) and more likely to leave if not satisfied (Twenge, Campbell, Hoffman & Lance, 2010).

Individuals born in different generations experience life events which impact their attitudes and behaviors (Giancola, 2006; Twenge & Campbell, 2008). This results in each generation having a different generational style (Gilleard, 2004). Generational style is the distinct set of

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attitudes, value and behaviors that influence each generations approach to life and work (Gilleard, 2004). However, the empirical results found regarding generational differences have also been criticized (Giancola 2006). Generational theory also assumes that while we can generalise cohort differences, it is not a completely objective or absolute differentiation as a person born in 1980 would not be expected to act completely differently from a person born in 1981, even though by strict standards they would fall into different cohorts (Lamm & Meeks, 2009).While some findings do align with the literature, many studies have found no differences between generations, or found results that were contradictory to the popular literature (McGuigan, 2010).

Methodologically, the main challenge in studying generational differences seems to be disentangling the differences attributable to generational membership from those due to other factors such as age and/or time period. In addition, organizational experience, tenure, and technological advancements are also often confounded with age and generation and are also potential explanations for observed differences. Despite this potentially critical limitation, almost all of the studies on generational differences have conceptualized and operationalized the differences using cross-sectional designs. Research in generational differences has almost unanimously approached the question cross-sectionally both in concept and measurement (Smola & Sutton, 2002). Accordingly, this study assumes generational differences in PC and work attitudes and proposes the following conceptual framework to be examined in a novel socio-cultural context where such studies are rare to find. Based on literature review, the following research framework (Figure 1) has been developed.
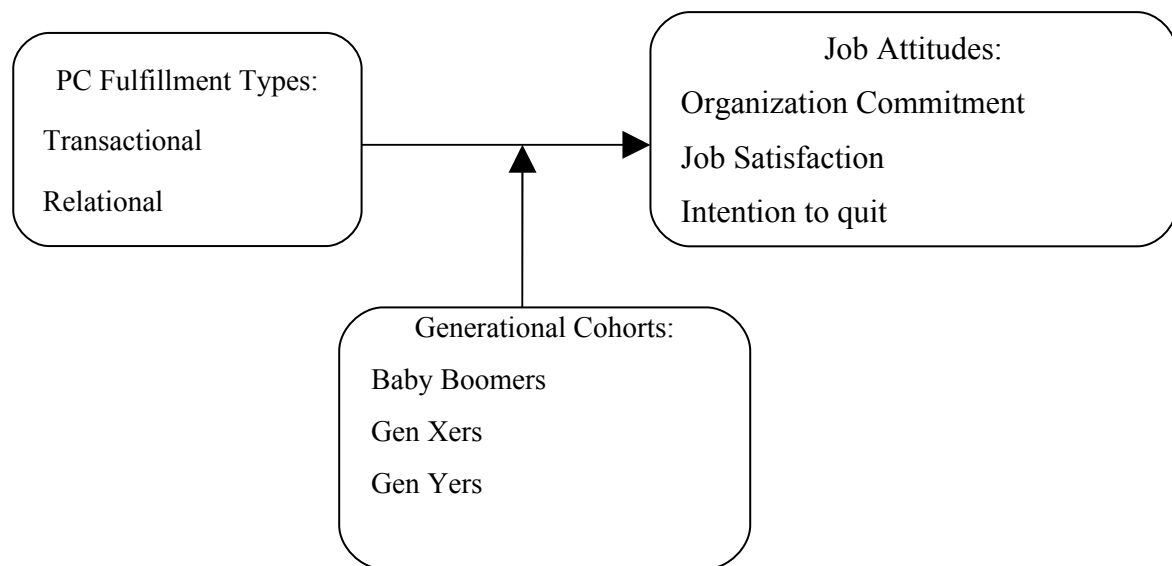
Figure 1: Research Framework

Literature suggests that as per the social exchange theory, when organizations fulfill or breaches the PC terms, employees reciprocate accordingly cognitively as well as behaviourally (Zhao et al, 2007). Accordingly, to determine the effect of PC fulfillment on job attitudes, the following hypotheses are proposed.

> *H1*. Perceived level of transactional and relational psychological contract fulfillment will be positively associated with employees' organization commitment (H1a), job satisfaction (H1b), and negatively associated with employee's intention to quit the organization (H1c).

To determine generational differences in the impact of PC fulfillment on job attitudes, the following hypotheses are proposed.

> *H2:* Higher levels of perceived transactional contract fulfillment will have a stronger positive relationship with organization commitment for individuals in the Gen Xers and Gen Yers cohorts than for those in the Baby Boomers cohort (H2a) and the converse is true for relational contract fulfillment (H2b).

> *H3:* Higher levels of perceived transactional contract fulfillment will have a stronger positive relationship with job satisfaction for individuals in the Gen Xers and Gen Yers cohorts than for those in the Baby Boomers cohort (H3a) and the converse is true for relational contract fulfillment (H3b).

H4: Higher levels of perceived transactional contract fulfillment will have a stronger negative relationship with intention to quit for individuals in the Gen Xers and Gen Yers cohorts than for those in the Baby Boomers cohort (H4a) and the converse is true for relational contract fulfillment (H4b).

METHOD

Data and Sample

To test the proposed model and hypotheses, a survey questionnaire was developed using the standardized scales although mostly developed in Western contexts, have been used and validated across the globe including various Indian studies. The research targets were full time employees working in any industry. The questionnaires were distributed to 395 respondents, from which 384 were filled and returned and finally, 356 responses were found to be valid. Out of the 356 valid responses, 67.97% were male and 32.02% were married. 21.34% of the total respondents belonged to Baby Boomers category, 27.80% of the total respondents belonged to Generation X category and the average work experience of the respondents is 14 years and 3 months.

Measures

Psychological contract fulfilment was assessed using a 9 item scale by calculating a composite score of PC obligations and PC incentives. The 9 items (Coyle-Shapiro & Kessler, 2003) explored parts of the employment relationship included long-term employment, job security, high pay based on industry standards, support to learn new skills, interesting work, pay based on current level of performance, wide scope of responsibility, career development, employment for a specified time period, be responsive to employee concerns and well-being, opportunities for promotion and a job limited to specific and well defined responsibilities. The stem of these items was "Consider your relationship with your current employer. To what extent do you believe your employer is obligated to make the following commitment or obligation to you?" An example is "Long-term employment". Respondents were asked to

respond on a 5 point Likert scale from "1 - Not at all" to "5 - A very great extent" was used. Respondents were also asked to indicate how important they believed it was for their employer to provide the same list of 9 obligations. To create a respondent's score for employer obligation, the level of obligation of each item was multiplied by its corresponding importance rating. Therefore, an item that was highly obligated and had high importance was given a greater weighting than an item that was weakly obligated and of low importance. PC fulfillment is based on PC incentives. There are two main ways that fulfilment has been measured, either by calculating a global measure or by calculating a specific fulfilment level based on a composite of obligations and incentives. The composite approach allows the researcher to compare the effects of the different types of fulfillment, namely: transactional and relational fulfillment. To calculate PC incentives, respondents were asked to indicate the extent to which they had in practice been provided with the same list of 9 obligation items by their employer. Using a stem of "To what extent do you believe your employer has provided you with these commitments or obligations" A five point Likert scale from "1 - Not at all" to "5 - A very great extent" was used. These ratings were also multiplied by the respective importance level given to the matching obligation item. In accordance with Coyle-Shapiro & Kessler's (2003) procedure, PC fulfilment was calculated by subtracting employer obligations scores from employer incentives scores. Calculations were made for each type of PC fulfilment, using the mean scores of relational and transactional items for both the obligations and incentives measures. For example, the mean relational obligations score was subtracted from the mean relational incentives score, forming the level of relational fulfillment for each respondent. This method of calculating PC fulfillment is consistent with that used in previous research studies (Hess & Jepsen, 2009; Turnley & Feldman, 1999).

Organization Commitment was measured by an 8 item scale developed by Porter, Steers & Mowday (1974).Respondents indicated their level of agreement to each statement (e.g. I am

willing to put in a great deal of effort beyond that normally expected in order to help this company be successful) on a 7-point scale ranging from 'strongly disagree' (1) to 'strongly agree' (7). Negatively worded items were reverse-scored and responses were summed such that a high score represented higher organization commitment. *Job Satisfaction* was measured by a 3 item scale developed by Eisenberger, Cummings, Armeli & Lynch (1997). Respondents indicated their level of agreement to each statement (e.g. If a good friend of mine told me that he/she was interested in working in a job like mine, I would strongly recommend it.) on a 7-point scale ranging from 'strongly disagree' (1) to 'strongly agree' (7). *Intention to Quit* was measured using 2 item scale developed by Saks (2006). Respondents indicated their level of agreement to each statement (e.g. I frequently think of quitting my job.) on a 7-point scale ranging from 'strongly disagree' (1) to 'strongly agree' (7).

Generational Cohort: Generational cohort was measured by the respondents' birth year. While there is no unanimous agreement on year demarcations, as discussed, the broad ranges of 1945-1964 for Baby Boomers, 1965-1979 for Gen Xers, and 1980-2000 for Gen Yers/ Millennials were applied. However, in order to clearly delineate mean cohort differences, similar to Lamm & Meeks (2009), individuals who were born in the two years at the beginning and end of a cohort group were removed. The measures of the other variables used in this survey are given below along with their reliability coefficients (Cronbach's Alpha) as found for the present study.

Dummy variables and Control Variables: Demographic and background information were derived from self reported information on respondent's gender (0 = female, 1 = male), marital status (0 = unmarried, 1 = married), age (in years) and sector (dummy coded). To compare generational groups, dummy variables were created for each of the generational group. In order to rule out alternate explanations of generational groups, these factors were included as control variables.

Means, standard deviations, and correlations for all variables used in the analyses are presented in Table I, as are alpha reliabilities for all scales.

"Refer Table (No. I)"

Analyses

Multiple regressions were used to examine the hypothesized relationships. Based on literature review, respondent's year of birth, marital status, gender, sector and work experience in the analysis for control purposes was included. Control variables were entered in step 1 of the equation, followed by the independent variables (Transactional and Relational PC Fulfilment) in step 2. The interaction terms were entered in the final step, permitting the significance of the interactions to be determined after controlling for the main effects of the independent variables. The predictor variables were centered before calculating interaction terms, in order to reduce the multicollinearity often associated with regression equations containing interaction terms (Aiken & West, 1991). Dummy variables were created for Gen Xers and for Gen Yers, leaving Baby Boomers as the comparison or reference group. Interaction terms were then computed between centered transactional and relational PC fulfillment and each of the dummy variables. For each regression, the dependent variable was regressed on transactional and relational PC fulfillment, the dummy variables representing Gen Xers and Gen Yers, the interaction between Gen Xers and transactional, relational PC fulfillment, and the interaction between Gen Yers and transactional, relational PC fulfillment. The significant values of standardized coefficients were observed to evaluate the ability of the interaction terms to explain variance beyond that accounted for by the main effects in the equation.

RESULTS

Impact of PC fulfillment on Job attitudes

The hypotheses H1a, H1b, H1c and H1d were tested using hierarchical regression analysis. Each regression analysis followed the same procedure, differing only in the dependent variable. Table II presents the results of the regression analyses.

Hypotheses H1a stated that level of transactional and relational PC fulfillment would be positively related to organization commitment, received full support. Transactional (β=0.165, $p<0.05$) and relational (β=0.129, $p<0.05$) PC fulfillment were positively related to organization commitment. Hypothesis H1b state that level of transactional and relational PC fulfillment will be positively related to job satisfaction, received full support. Both transactional (β=0.144, $p<0.05$) and relational PC fulfillment (β=0.188, $p<0.001$) were positively related to job satisfaction. Hypothesis H1c state that level of transactional (β=-0.039, ns) and relational β=-0.058, ns) PC fulfillment will be negatively related to intention to quit, was not supported. Both transactional and relational PC fulfilments were not found to be negatively related to intention to quit. Overall, results indicate that the higher the PC fulfillment (irrespective of the type), higher are experiences of job satisfaction and organizational commitment.

"Refer Table (No. II)"

Moderating effect of Generational cohorts

The moderation hypotheses were tested using hierarchical regression analysis and results are shown in Table II. It was hypothesized that the relationship between transactional contract fulfillment, relational contract fulfillment and organization commitment (H2), job satisfaction (H3) and intention to quit the organization (H4) would be stronger for Gen X and Gen Y cohorts than Baby Boomers. After controlling for the main effects, interaction terms (as described earlier) were entered in step 3 of the regression analysis. Model 3 in Table II

represents the values of interaction effects with its level of significance. With dependant variable as organization commitment (OC), the regression coefficients for the interaction term between transactional and relational contract fulfillment and Gen X and Gen Y cohorts were (β = -.022, ns), (β = -0.031, ns), (β = .142, p<0.05) and (β = .096,ns) respectively. With dependant variable as job satisfaction (JS), the regression coefficients for the interaction term between transactional and relational contract fulfillment and Gen X and Gen Y cohorts were (β = -.056, ns), (β = .028, ns), (β = 0.077, ns) and (β = 0.185, p<0.05) respectively. With dependant variable as intention to quit (IQ), the regression coefficients for the interaction term between transactional and relational contract fulfillment and Gen X and Gen Y cohorts were (β = .068, ns), (β = -.035, ns), (β = -.058, ns) and (β = -.059, ns) respectively. The results show that there was a moderation effect of generational cohort between transactional, relational contract fulfillment and organization commitment and job satisfaction. However, no moderation effect of generations was found between transactional, relational contract fulfillment and intention to quit. In order to determine whether the hypothesized direction of the interaction was supported, the significant interactions between transactional, relational PC fulfillment and generational cohorts were plotted. The results suggest that the relationship between relational PC fulfillment and organizational commitment were significantly positive for Gen Xers and the relationship between relational PC fulfillment and job satisfaction were significantly positive for Gen Yers when compared to Baby Boomers. Also, the relationship between transactional PC fulfillment and intention to quit were significantly positive for Gen Xers and Gen Yers when compared to Baby Boomers. From the results, it can be said that moderation hypotheses were not fully supported.

DISCUSSION

With the new generation of employees coming into the workplace, new ways of managing and developing employees is essential. Further, Baby Boomers, Gen Xers and Gen Yers are

currently working closely together. Organizations must understand the work-beliefs and expectations of these three generations in order to avoid miscommunications and maintain the organization's productivity. Therefore, the current study was conducted in order to shed light on those differences among Baby Boomers, Gen Yers and Gen Xers.

With regard to the first objective, supporting H1a and H1b, stronger positive relationships were found between fulfillment of the transactional, relational contract and job attitudes such as job satisfaction, commitment. No significant relationship was found between fulfillment of the transactional or relational contract and intention to quit (H1c). These results also suggest that employees, who perceive their organization to adequately fulfil its commitments, view their social exchange with organization as valuable and are more emotionally attached to their organizations. From the literature review, it is found that employees experiencing PC fulfillment are more willing to continue their membership with the organization. But the results suggest that fulfillment of both transactional and relational PC does not seem to have significant impact on employees' intention to quit the organization. These results may be explained by the protean career concept: employees see the importance of having an employment relationship with a focus on PC fulfillment to ensure their ongoing employability. Therefore, employees are more satisfied, and motivated to stay when these obligations are met (Hess & Jepsen, 2009). The overall relationships between the different levels of fulfilment and job attitudes are also consistent with previous research and social exchange theory. Social exchange theory states that the exchange relationship is based on costs and rewards; when the rewards are met employees are more motivated to continue the relationship (Aggarwal & Bhargava, 2010).

With respect to the second objective of the study, little evidence was found for moderation effect of generational cohorts thereby finding little support for hypotheses H2, H3 and H4. It was hypothesized that Gen Xers and Gen Yers would show stronger positive associations

between transactional PC fulfillment and commitment and job satisfaction and would show stronger negative association between transactional PC fulfillment and intention to quit than Baby Boomers and the converse would be true for relational contract fulfillment. In general, moderation results were not in the lines of prediction. Interestingly, results suggest that when relational contract fulfillment is fulfilled for Gen Xers, they exhibit higher organization commitment and when relational contract is fulfilled for Gen Yers, they exhibit higher job satisfaction. It appears that relational PC fulfillment, for younger generations, is more complex than commonly conceived. This finding is important since it demonstrates how relational PC fulfillment may produce outcomes for Indian employees that organizational leaders are not expecting. It has been found that Gen Yers and Gen Xers would even have greater relational need than Baby Boomers (Smola & Sutton, 2002). Even though, Gen Xers and Gen Yers value transactional obligations, fulfillment of relational PC such as long term job security, good career prospects and interesting work has a significant impact on the level of commitment and job satisfaction. Unexpectedly, no significant interactions were found between transactional, relational PC fulfilment and intention to quit for Gen Xers and Gen Yers. These results can be explained by the age-related career stage differences found in previous research. Hess & Jepsen (2009) and Coyle-Shapiro & Kessler (2003) found that employees in early career were more committed by career development while those in late career were more committed by employability and involvement. Because by traditional standards, Baby Boomers could be seen as being in their late career and Gen Yers could be seen as being in their early career, they both had stronger relationships based on PC fulfilment, because PC fulfilment related broadly to employability, career development and involvement. This also explains the results as to why no significant difference was found among generation cohorts in their intention to quit as well.

Theoretical and Practical Implications

Overall results indicate that the PC fulfillment provides a useful basis to examine the differences among individuals and also, to integrate the differences in defining and managing the PC. To summarize, this study makes important contribution to the literature by bringing together PC fulfillment, generational effects, and employees' job attitudes to develop a framework to test the interaction between these variables. This study aimed to further some of the earlier research (e.g. Aggarwal & Bhargava, 2010; Krishnan, 2011) by examining the role of PC fulfillment in Indian context.

Based on the findings, organizations can work proactively by intervening at stages such as monitoring PC fulfillment, preventing breach, monitoring needs and values of each and every generational cohort given the changing diverse workforce. Organizations can prevent PC breach by focusing on recruitment policies, job design, training, development of supervisors and supportive HRM practices. Level of PC fulfillment can be monitored by ensuring organizational fairness, organizing trust building activities, enhancing organizational communication.

Limitations of the Study

As with any other research, this study is not without any limitations. Results of this study could not provide strong empirical evidence that a moderating relationship does exist. Lots of reasons can be attributed to this. The most important is taking birth year as the proxy for generational cohorts and using a global framework instead of using Indian categorization of generations. However, there are not many validated studies on generations in the Indian context and even other Indian scholars have used the global framework of generational cohorts, hence, the replication in this study. Nonetheless, there is a strong need to understand generational differences keeping Indian culture and socio-economic developments in

background which should be a potential future research topic. Future research could do a great deal to solidify our findings. Generational differences are but one of many variables that may moderate the predictive power of PC fulfillment. Future research should continue developing the construct by investigating further potential moderating variables such as gender, culture, career stage and stage of life factors such as marital and parental status.

Table I. Descriptive Statistics, Reliabilities and Inter-correlations among Variables

Variable	Mean	SD	1	2	3	4	5	6	7	8	9
1.Year of Birth	32.11	9.89	--								
2. Gender	-	-	.05	--							
3.Marital Status	-	-	.68*	.00	--						
4. Work Exp.	-	-	.73*	-.05	.70*	--					
5. TPCF	5.23	0.5	-.03	-.04	-.08	-.10*	(.86)				
6. RPCF	5.13	0.6	.02	-.01	.03	-.01	.35*	(.86)			
7. OC	4.87	0.4	.13	.00	.20	.14	.21*	.48*	(.78)		
8. JS	4.94	0.5	.17	-04	.24	.22	.10*	.28*	.44*	(.83)	
9. IQ	5.04	0.7	.18	-.02	.19	.12	.04	.07	.13*	.22*	(.82)

Notes: N = 356; * $p<.05$, two-tailed; Cronbach's alpha coefficients are reported in parentheses on the diagonal.

Table II. Regression analyses showing the relationships between PC fulfilment and job attitudes and the moderating effect of Generational cohorts

Independent Variables	OC			JS			IQ		
	Model1	Model2	Model3	Model1	Model2	Model3	Model1	Model2	Model3
Step 1 *Control Variables*									
Year of Birth	.085	.031	.063	.066	.037	.019	.044	.051	.044
Gender	.026	.032	.012	.079	.085	.071	-.072	-.074	-.066
Marital Status	-.080	-.085	-.044	-.071	-.092	-.054	-.069	-.062	-.079
Sector	.199**	.193**	.173*	.218**	.205**	.189**	-.292*	-.287*	-.284*
Work Exp	.032	-.005	.036	.012	-.021	-.013	-.210	-.201	-.209
Step 2: *Independent Variables*									
TPCF		.165*	.102		.144*	.105		-.039	-.017
RPCF		.129*	.114		.188**	.094		-.058	-.048
Gen X		.084	.098		.075	.102		-.109	-.062
		-.131				.134			-.035
Step 3: *Interaction Effects*									
TPCFxGX			-.022			-.056			.068
RPCFxGX			.142*			.077			-.058
TPCFxGY			-.031			.028			-.035
			.096			.185*			-.059
R²	0.044	0.085	0.111	0.060	0.112	0.144	0.123	0.128	0.140
Adjusted R²	0.028	0.064	0.078	0.044	0.091	0.113	0.109	0.107	0.109
F Change	2.803*	6.715**	2.167	3.847*	8.871**	2.833*	8.531**	0.798	1.092
Total F	2.803*	3.996**	3.370**	3.847*	5.425**	4.566**	8.531**	6.314**	4.420**
R² Change	0.044	0.041	0.026	0.060	0.052	0.033	0.123	0.005	0.013

Note. N = 356, Values in tables are standardized beta coefficients. Model 1 includes only the variables listed in Step 1, Model 2 includes the variables listed in Steps 1 and 2 and Model 3 includes the variables listed in Steps 1, 2 and 3. **$p< 0.001$; *$p <.05$. TPCF – Transactional Psychological Contract Fulfillment; RPCF – Relational Psychological Contract Fulfillment; GX – Generation X cohort; GY-Generation Y Cohort.

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