

## One job, one deal...or not: Do generations respond differently to psychological contract fulfillment?

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This paper investigates generational differences in the relations between psychological contract fulfillment and work attitudes. Data were collected from a sample of 909 employees in the Dutch service sector. SEM analyses were used to test moderating effects of generational differences on the influence of psychological contract fulfillment on affective commitment and turnover intention. The relationship between psychological contract fulfillment and these work outcomes was moderated by generational differences. Furthermore, results indicate that different generations respond differently to different aspects of psychological contract fulfillment, such as career development, job content, organizational policies, social atmosphere and rewards. The study provides evidence that generational differences impact the reciprocal relationship between employer and employee. Results from this study suggest that Baby Boomers and Generation X may be more motivated by social atmosphere, whereas Generation Y may be more motivated by job content and career development. Fair organizational policies are particularly motivating to Generation X, and providing rewards, though more important to Generation Y, seem mostly unrelated to work outcomes. This article is the first to study moderation of generational differences in the relationships between psychological contract fulfillment and work outcomes.

**Keywords:** psychological contract fulfillment, affective commitment, turnover intention, generations, generational differences

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## **Introduction**

In recent years the academic interest in generational differences has increased tremendously, as indicated by recent publications (e.g. Taylor 2007; Bellou 2009; Benson and Brown 2011; Brown 2012; Cugin, 2012) and special issues in academic journals (Macky, Gardner and Forsyth 2008; Deal, Altman, and Rogelberg 2010). This rise in interest probably reflects the impact of large demographic, economic, cultural and technological shifts in society on the world of work. These societal shifts have a strong impact on how HRM managers have to manage a multi-generational workforce with potentially different perspectives on the employment relationship.

The concept of generational cohorts has a strong tradition in sociology (Eyerman and Turner 1998; Elder, Johnson and Crosnoe 2003), and several studies have shown that generational differences exist in people's values and life choices (Lyons, Higgins and Duxbury 2010; Lyons, Schweitzer, Ng and Kuron 2012; Twenge, Campbell and Freeman 2012). Moreover, within the scope of HRM, the majority of work on generational differences has focused on work values and work attitudes of different generations (Lyons and Kuron, 2013, Parry and Urwin, 2011).

Although in recent years the research on generational differences in work values and work attitudes has been growing (Cennamo and Gardner 2008; Costanza, Gardner, Fraser, Severt and Gade, 2012; Lyons et al 2010, 2012; Solnet and Kralj 2011), the evidence shows mixed findings. Also, despite the advances, the empirical evidence as well as theoretical justification for generational differences specifically linking work values and work attitudes is lacking in the current literature (Lyons & Kuron, 2013). A major theoretical issue in establishing this link is that generational values are proposed to be a result of broader formative experiences (Mannheim, 1952), whereas work attitudes are considered to be evaluations of a specific context such as the job or organization (Locke, 1976). Therefore, in

understanding if and how generations may demonstrate different work attitudes, such as affective commitment or turnover intention, we need to understand why and how they may respond differently to organizational cues.

Compared to work values, a more proximal way of investigating generational responses to organizational cues is through the perspective of the psychological contract (Schalk, Campbell and Freese, 1998; Tekleab, Takeuchi and Taylor 2005; Lub, Bal, Blomme and Schalk, 2014). The psychological contract describes the reciprocal exchange of mutual obligations between the employee and the organization (Rousseau 1995). This means that an employee perceives the employer to have certain obligations towards him/her and will reciprocate fulfillment of these obligations with positive work attitudes such as affective commitment, organizational citizenship behavior or intention to stay (Zhao, Wayne, Glibkowski and Bravo 2007; Bal, De Lange, Jansen and Van der Velde 2008). Although perceived obligations themselves may trigger these positive work attitudes (in anticipation of obligations fulfillment), it is the actual fulfillment of obligations that truly triggers positive work attitudes (Montes & Irving 2008; Montes & Zweig 2009).

So, why would this be different for different generations? As Rousseau (2001) points out, employees develop mental schemas about their psychological contracts as a result of a broad range of sources, including societal influences (e.g. social contracts, norms) and formative pre-employment factors (e.g. motives and values). These schemas affect the creation of meaning around reciprocity and mutuality that parties to the contract should demonstrate (Dabos & Rousseau 2004).

We thus argue that people born in different generational cohorts have experienced the different events and circumstances in a formative phase of their lives, and have developed different mental schemas about the world they live and work in. These different mental schemas are likely to affect the psychological contract of different generations in two ways:

through the development of generationally specific perceived employer obligations (Hess and Jepsen 2009, Lub et al. 2012, 2014) in a similar fashion to the link between general values and work values; Elizur & Sagie 1999), and through the way different generations respond to fulfillment of employer obligations (Lub et al. 2014).

Therefore, the current study examines the moderating role of generational differences in the relationships between psychological contract fulfillment and work outcomes, including affective commitment and turnover intention.

We use an existing typology for psychological contract fulfillment (Freese, Schalk and Croon 2008; Lub et al. 2012), which distinguishes among five different types of psychological contract fulfillment (job content, career development, social atmosphere, fairness of organizational policies and rewards), and we postulate specific hypotheses concerning the strength of the relations of each of these types of fulfillment with affective commitment and turnover intention for the generations in the workforce.

This study contributes to the literature on generations and psychological contracts in the workplace in three ways. First, this study responds to a call for more empirical evidence on generational differences in the workplace (Westerman and Yamamura 2007; Parry and Urwin 2011) and on generational differences in the link between psychological contracts and work attitudes in particular (Lyons and Kuron, 2013). Second, to the best of our knowledge, this study is the first to explore the moderation of generational cohorts on the relationship between fulfillment of the psychological contract and affective commitment and turnover intention. Third, the differentiated focus on psychological contract content in this paper allows us to make more relevant and specific recommendations for HRM practitioners in comparison with the more mainstream generational work values literature. Before presenting the hypotheses, we will explain the concept of the psychological contract as well as

generational theory and generational taxonomy, and finally discuss how they influence the psychological contract dynamics in the workplace.

### **Psychological contracts**

Rousseau defined the psychological contract as “individual beliefs, shaped by the organization, regarding the terms of an exchange agreement between the individual and their organization” (1995 p.9). The psychological contract is founded on Social Exchange Theory, which postulates that employees and employers engage in exchanges whereby each party to the exchange reciprocates the other’s contributions (Blau 1964). According to this norm of reciprocity (Gouldner 1960), when employers do not fulfill their promises and obligations, employees experience psychological contract breach and reciprocate by adapting their contributions to the organization (e.g. by reducing their efforts and performance; Bal et al. 2010).

Vice versa, employees experience fulfillment of the psychological contract and reciprocate by showing positive organizational attitudes, such as commitment and intention to stay with the organization. Fulfillment of obligations, or its negative counterpart breach (non-fulfillment) has been related to a range of work outcomes such as affective commitment (Coyle-Shapiro and Kessler 2000; Tekleab and Taylor 2000) and turnover intention (Schalk et al. 1998; Montes and Zweig 2009). Affective commitment and turnover intention are considered important for organizations because these are well known predictors of performance and turnover (Zhao et al. 2007).

Although many researchers have investigated fulfillment and breach of the psychological contract as a single construct (Zhao et al. 2007), the psychological contract includes a range of obligations that can be fulfilled or breached. A common typology to distinguish psychological contract fulfillment is the transactional-relational dimension (Robinson, Kraatz, and Rousseau, 1994; Conway and Briner, 2005). However, using the

transactional-relational dimension comprising a crossover of specific workplace characteristics may lead to insufficient distinction and comprehension (Taylor and Tekleab 2004). For example, training can be both perceived both as part of a relational and a transactional dimension (Arnold 1996).

Another, more detailed typology of psychological contracts departing from a content-based fulfilment of obligations is perhaps better understood in the light of generation-specific HRM practices in organizations (Lub et al. 2012). This typology fits well to the Dutch context of this study, and consists of Job Content (e.g. interesting, varied and challenging work), Career Development (e.g. career development, coaching, training, education), Social Atmosphere (e.g. cooperation within team, support by manager and colleagues, appreciation), Organizational Policies (e.g. fairness of organization, clear communication and participation) and Rewards (e.g. appropriate salary, benefits, performance pay; De Vos, Buyens and Schalk 2003, 2005; Freese et al. 2008; De Vos and Freese 2011). As Rousseau and Schalk (2000) argue, specific employment conditions, labour laws and cultures in different countries can affect the type of perceived psychological contract obligations, as well as responses to fulfillment of these obligations.

### **Generations and their Psychological Contracts**

A generation is defined as “an identifiable group (cohort) that shares birth years, (social) location and significant life events at critical development stages” (Kupperschmidt 2000, p. 66). Mannheim (1952) suggests that specifically experiences in one’s formative phase (age 16-25) determine one’s values and attitudes. These experiences form patterns and mental schemas that remain relatively stable over the course of the rest of their lives (Ryder 1965; Baltes, Reese and Lipsitt 1980; Kowske, Rasch and Wiley 2010). Moreover, these mental schemas help individuals respond to situations in a wide range of contexts, including the employment relationship. Inglehart’s (1997) theory of *intergenerational values change*

further supports the role of societal events and trends in the development of generational identities. This theory is based on two assumptions: first, the “socialization” hypothesis suggests that basic values of adults reflect the socioeconomic conditions of their childhood and adolescence. Second, the “scarcity” hypothesis proposes that high value is placed on those socio-economic aspects that were in short supply during a generation’s childhood and adolescence (Inglehart 1997).

Empirical evidence for the role of societal events and trends has been provided by Schuman and Scott (1989) and Schuman and Rodgers (2004), who showed in their time-lag studies that important social events were indeed remembered differently by cohorts who experienced these events during their formative life-stage. Also, events in the formative life-stage tended to shape the way later events were interpreted, further supporting the importance of this formative life-stage for the future outlook on life (Schuman and Rodgers 2004). Hence, events that people experience during their formative stages in their lives shape their values and beliefs, and these beliefs have changed for new generations as society changes over time (Hiltrop 1995; De Meuse et al. 2001).

Although many authors have pointed to the impact of values and societal events on the psychological contract (Anderson and Schalk 1998; Rousseau 1995, 1998, 2001; Rousseau and Schalk 2000), this has not yet resulted in further studies on the connection between generational identities and psychological contracts. As mentioned in the introduction, Rousseau (2001) suggested that antecedents of psychological contracts are activated to a large extent through pre-employment experiences. These pre-employment experiences include societal events that people have experienced in the formative phase of their lives. These experiences lead employees to develop mental schemas about their psychological contracts, which affect the creation of meaning around reciprocity and mutuality that parties to the contract should demonstrate (Dabos & Rousseau, 2004).

Moreover, development of the psychological contract in the organizational context takes place through interactions (such as breach and fulfillment of obligations) with agents of the organizations (coworkers, managers, HRM representatives) that are also shaped through organizational changes embedded in larger societal trends (Hiltrop 1995). However, the psychological contract literature has thus far largely ignored the impact of these societal developments on the formation of and reactions to the psychological contract (Anderson and Schalk 1998; Cullinane and Dundon 2006). This is surprising, given that the concept of psychological contract was born out of societal changes and resulting changes in the way organizations interacted with their employees (Rousseau 1995; Anderson and Schalk 1998), and thus would reflect a changed employee perspective on the psychological contract for new generations shaped in a new societal reality.

Based on the reciprocity principle (Gouldner 1960), this would mean that, although all generations evaluate to what extent obligations are fulfilled, each does so colored by experiences in their formative years, and will reciprocate accordingly. Hence, because different generations have different needs, they are likely to differ in their responses to psychological contract fulfillments. Therefore, we now explore different generations, their formative experiences, and hypothesize in what way this impacts their response to fulfillment of obligations.

### **A Generational Taxonomy**

A few challenges arise when trying to classify generations. First, a broad range of labels exists in the literature to categorize generational cohorts, with varying sets of generations. Moreover, proposed cohort lengths range from very general (old versus young) to very specific (early, middle and late Baby Boomers). Even though different labels for cohorts have been proposed (Twenge 2010), a general consensus seems to exist on the presence of generational cohorts in the workforce and on some of the shared experiences that have



shaped their values and behaviors (Eisner 2005; Hess and Jepsen 2009). The most commonly used distinction suggests three generations that together comprise the vast majority of the workforce: Baby Boomers, born between 1945-1964; Generation X, born between 1965-1980; and Generation Y, born between 1981-1995 (Smola and Sutton 2002; Eisner 2005).

Another issue lies in the generational configuration across different nations.

According to Mannheim (1952), generations develop within unique socio-historic locations, which suggests that international generational categorizations are theoretically inappropriate. This is an argument repeated in recent reviews on the generational literature (Lyons and Kuron 2013, Parry and Urwin 2011). However, although Mannheim's argument may very well have been true for the context in which his seminal work was produced (the original version of this paper was written in 1928 in Germany), generational sociologists more recently argue that the study of generations needs to take a perspective that embraces globalism (Edmunds and Turner 2005, Urry 2003).

Since the 1960's, the influence of technology, media and communication advances have created a common frame of historical and formative events for "global generations," or at least in Western cultures. This time coincides with the formative period of the Baby Boomers, the first generation to have such globalized access to news through the media. A number of great political and cultural and demographic events and shifts (JFK, the Vietnam War, emancipation, increased travel and migration) coincided with the rise of new communications technology, which facilitated a global reach of these events (Edmunds and Turner 2005; McLuhan, 1964). There is widespread agreement that the 1960's generation spearheaded developments in gender, family, and social welfare relations, as well as a shift to consumerism that affected all aspects of life in Northern and Western Europe and the USA (Farber 1994; Eyerman and Turner 2002; Van den Broek 1999). Indeed, the Dutch context in which this study took place shares many defining events such World War II and the post-

World War II prosperity, technological advances (i.e. landing on the Moon), the economic crisis in the 80's, and economic rise in the 90's, the role of the Internet, 9-11 and the consequential War on Terror. Although the Dutch literature on generations and their formative experiences is sparse, categorizations of generational cohorts (early Baby Boomers, late Baby Boomers, Pragmatists (GenX) and Screenagers (GenY) largely follow descriptions as well as cohort distributions consistent with US categories (Becker 1992; Bontekoning 2000). Therefore, we adopt Eisner's (2005) categorization, which is similar to existing Dutch categorizations (Bontekoning 2000), but offers the advantage of easier comparison to the international literature on generations. Furthermore, we reflect on formative events using both the broader Western as the narrower national Dutch context to frame the generational taxonomy in this study.

In the next section, we will first introduce the different generations, their formative periods and descriptions. Then, in reference to the five dimensions of the psychological contract (Job Content, Career Development, Social Atmosphere, Organizational Policies and Rewards; Freese et al. 2008), we explore how fulfillment of these obligations relates to the work outcomes affective commitment and turnover intention for the three generations and present our hypotheses.

### ***Baby Boomers***

Baby Boomers grew up at a time of Post-World War II prosperity and formed one of the largest generations in history. This generation was active in radical social changes including the women's movement, rise of the welfare system and experienced technological advances such as the Moon Landing (Strauss and Howe 1991; Dries, Pepermans and de Kerpel 2008). Moreover, Baby Boomers grew up experiencing the rebuilding of the Netherlands after the Second World War, and associated growing economic prosperity (Becker 1992). The values that are associated with this generation are optimism (Smola and Sutton 2002), a strong work

ethic and high job involvement (Egri and Ralston 2004). Furthermore, Baby Boomers are suggested to value extrinsic measures of success and rewards, such as career success (Gursoy, Maier and Chi 2008; Sullivan, Forret, Carraher and Maineiro 2009). Benson and Brown (2011) suggest that Baby Boomers as a result of their early life experiences tend to value teamwork and group cooperation.

### ***Generation X***

Generation X grew up during times of globalization, economic crises, massive downsizing in organizations and increasing divorce rates (Bontekoning 2000; Beutell and Wittig-Berman 2008; Eisner 2005). In other words, they grew up with “financial, family and societal insecurity; rapid change; great diversity” (Smola and Sutton 2002, p. 365). Moreover, as they encountered a workplace saturated by a demographically large cohort of Baby Boomers, Generation X experienced more difficulties in establishing a career and to obtain growth in their work (Becker 1992). In response, Generation X is suggested to be more independent and “me” oriented than Baby Boomers, less loyal to organizations and more loyal to the profession (Yu and Miller 2005; D’Amato and Herzfeldt 2008; Bontekoning 2000).

### ***Generation Y***

Generation Y grew up in relative wealth, with global economic prosperity and low unemployment levels for most of their lives (Bontekoning 2000; Solnet and Hood 2008). Although the recent global recession will probably shape the identities of late Generation Y and early next generation individuals to some extent, de Hauw and de Vos (2010) conclude that the recession did not dampen the expectations of Generation Y to a large extent. Other important events include the rise of Internet, the attacks of 9/11 and the consequential War on Terror (Dries et al. 2008). Generation Y-ers have been raised with the perceptions that they can be and do anything they want (Eisner 2005), which has created a self-confident generation. This perception has been solidified in the Web 2.0 environment they grew up in,

where an individual can choose freely in which dialogs, purchases or networks to engage (Tapscott 2009). Indeed, Twenge and colleagues (Twenge and W.K. Campbell 2001; Twenge and S.M. Campbell 2008) provide compelling evidence of a generation with higher levels of self-esteem and narcissism and lower needs for social approval. Finally, this generation is suggested to expect more from employers (Twenge and Campbell 2008), be less committed to their organization and more likely to leave if not satisfied (Gursoy et al. 2008; Twenge and S.M. Campbell 2008).

## **Hypotheses**

### ***Job Content***

Job Content should theoretically be important to all generations. It touches work motivation on a daily basis as it pertains to issues like variation, challenge, interesting work and autonomy (Freese et al. 2008). We do however hypothesize that when employers fulfill their obligations concerning Job Content, Generation Y, being the most individualistic generation will have the strongest reactions. Growing up in a digital world, this generation is set to be more geared towards a constant stream of impulses and multi-tasking parallel thinking (Berl 2006; Tapscott 2009). Because Generation Y has grown up with a variety of tasks and activities they simultaneously work on, they are more inclined to have similar expectations of their employer. In comparison, Baby Boomers grew up at a time where participation in a collaborative effort to rebuild the country was perhaps more important than individual development (Becker 1992). Hence, when employers provides Generation Y with challenging and stimulating tasks in their work, they are more likely than other generations to respond with increased commitment and loyalty to the organization. Therefore, we hypothesize:

*Hypothesis1:* Fulfillment of Job content obligations relates more strongly (a) positive to affective commitment, and (b) negative to turnover intention for Generation Y than for other generations.

### ***Career Development***

Generation Y has grown up in relative prosperity. According to Inglehart's (1997) scarcity hypothesis, generational cohorts growing up in relative economic wealth (Generation Y) tend to be more focused on personal growth and self-enhancement. Career development, with areas like career opportunities, training and coaching would fulfill Generation Y's need for personal growth and development. Hence, fulfillment of these obligations would lead to reciprocation through positive work attitudes. As stated earlier, the recent global economic recession does not seem to have changed their expectations. De Hauw and De Vos (2010) conclude from their multi-wave data that high career expectations are still embedded in Generation Y, even in times of recession. Hence, we hypothesize that:

*Hypothesis2:* Fulfillment of Career Development obligations relates more strongly (a) positive to affective commitment, and (b) negative to turnover intention for Generation Y than for other generations.

### ***Social Atmosphere***

Social Atmosphere, in a similar vein as Job Content, should be important to all generations in the workplace. Issues like a good working atmosphere, appreciation and recognition and support from colleagues and supervisors will benefit both younger and older employees. However, we propose that each generation will respond differently to fulfillment of social atmosphere obligations.

Baby Boomers, a large demographic group, have grown up used to an environment where working together was respected and are suggested to appreciate teamwork (Becker 1992; Benson and Brown 2011; Bontekoning 2000). For Generation X, their formative years

have not provided quite the same nurturing environment as for Baby Boomers (Smola and Sutton 2002). More particularly, as they have grown up in economic uncertain times and found themselves struggling to start careers, they are actively seeking for working environments that support their self-esteem and sense of coherence. We argue therefore, in line with Inglehart's (1997) scarcity hypothesis that Generation X will respond more strongly to fulfillment of this obligation. Findings by Benson and Brown (2011) support this hypothesis. Hence, their responses to fulfillment of these obligations are likely to be positive. In fact, several authors point to the importance of mentoring, appreciation and constructive feedback for Generation X (Zemke, Raines and Filipczak 2000; Tulgan 2003; Berl 2006). Moreover, Benson and Brown (2011) found that both supervisor and coworker support were important predictors for commitment and turnover intention for Generation X.

Finally, we propose that for Generation Y this aspect of work is less important, given their lower need for social approval (Twenge and W.K. Campbell 2001; Twenge and S.M. Campbell 2008) and their 24/7 connectedness to social networks outside of the workplace that would more likely fulfill social atmosphere needs normally provided in the workplace. Therefore, we hypothesize that:

*Hypothesis 3:* Fulfillment of Social Atmosphere obligations relates more strongly (a) positive to affective commitment, and (b) negative to turnover intention for Generation X and Baby Boomers than for Generation Y.

### ***Organizational Policies***

Organizational Policies are defined as those obligations organizations have towards the employees with respect to how the organization communicates towards the employees and enacts fair treatment, communication and HR practices (Freese et al. 2008). They concern fair and honest treatment of all employees and deal with issues such as participation opportunity, fair supervision and clear feedback on performance as well as clear and fair rules

(Freese et al. 2008). Organizational policies not only concern the existence of policies in an organization, but also the enactment of these policies, as perceived by the employees. In general, employees prefer open and clear communication by the organization, as well as flexibility and just treatment.

However, the extent to which employees value this is likely to differ among generations. Generation X has grown up with economic insecurities, a changing workplace where commitment was not necessarily reciprocated with job security (Anderson and Schalk 1998; Becker 1992; Bontekoning 2000) and a labor market saturated with a large Baby Boomer cohort making it difficult to enter. Therefore, they will be particularly sensitive to fair treatment in the workplace. Vice versa, Generation Y has higher levels of self-esteem, narcissism and lower need for social approval (Twenge and S.M. Campbell 2008), which would make them less prone to respond to 'fair treatment for all' type of policies. Thus, for Generation X the enactment of organizational policies is a strong indicator of their value in the organization, and hence, will be particularly reciprocated by them with higher commitment and lower turnover intentions. Therefore, we hypothesize:

*Hypothesis 4:* Fulfillment of Organizational Policies obligations relates more strongly (a) positive to affective commitment, and (b) negative to turnover intention for Generation X than for other generations.

### ***Rewards***

Empirical evidence is inconclusive on the importance of extrinsic rewards to Generation Y and other generations (Parry and Urwin 2011). For instance, some researchers suggest that Generation Y is more motivated by interesting work than by money (Lancaster and Stillman 2005; Rawlins, Indvik and Johnson 2008). Others point to the sense of entitlement and narcissism of Generation Y, which would suggest that extrinsic rewards are more important

to Generation Y than to other generations (Twenge and W.K. Campbell 2009; Twenge et al. 2010).

As our Generation Y sample is experiencing their first economic crisis at the time of data-collection (in 2010), Rewards fulfillment (including job security) may be particularly salient to this generation.

Therefore, we hypothesize:

*Hypothesis 5:* Fulfillment of Rewards obligations relates more strongly (a) positive to affective commitment, and (b) negative to turnover intention for Generation Y than for other generations.

## **Method**

### ***Sample and Procedure***

This study reports results from data of four samples of employees in different industries (Total N=909). The total sample comprised of 909 respondents. Five respondents who did not fill in their birth year or belonged to a generation preceding the Baby Boomers were removed from the dataset. The remaining sample comprised 904 respondents (67% female) with a mean age of 35 (SD=10.6; 23% Baby Boomers (N=202), 45% Generation X (N=403), 33% Generation Y (N=295)). Forty-six percent of the sample had some form of professional education, and 43% held either a Bachelor degree or higher (see Table 1).

All data were collected between January and May 2010. The four industries included hospitality, tourism, facility management and financial services. All organizations are for-profit service-oriented companies. Response rates range from 49% for the hospitality sample to 94% for the insurance sample. An overview of the samples with their consecutive response rates and demographics is provided in Table 2.

Respondents from the hospitality sample worked in service positions at twelve properties of a large international hotel chain (N=223). Respondents from the financial



services industry worked at two different locations of a corporate insurances department of a large national insurance company in a service and support function ( $N=197$ ).

Both the hospitality and the financial services respondents were asked to fill out surveys at their work locations. Managers were instructed to allow employees to temporarily leave their stations and join a research assistant in a private office during work hours to fill out the surveys. All respondents were allowed to fill in surveys anonymously.

Respondents from the tourism sample ( $N=363$ ; mostly working for small or medium sized enterprises, providing travel advice to customers) and facility management sample ( $N=116$ ; mostly managing facilities on-site for corporate clients) could not be conveniently approached with written questionnaires and were therefore approached by e-mail through representative industry organizations and provided with a login-code to fill out a digital survey. Both these samples were incentivized to participate by entry into a sweepstakes to win a gift voucher. Respondent anonymity was guaranteed by separately storing contact details and survey responses. No individual details were shared with the organizations that took part in the study.

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## **Measures**

### ***Psychological contract fulfillment***

The Tilburg Psychological Contract Questionnaire (TPCQ; Freese et al. 2008) includes measures for five dimensions of the psychological contract initially developed for the Dutch context: Job Content, Development Opportunities, Social Atmosphere, Organizational Policies and Rewards. Respondents are asked to rate 30 items for psychological contract

obligations with regard to the following work aspects: Job Content (6 items; e.g. interesting and challenging work); Career Development (6 items, e.g. career development, coaching, training, education); Social Atmosphere (5 items; e.g. cooperation within team, support by manager and colleagues, appreciation); Organizational Policies (8 items, e.g. clear and fair rules and regulations, open communication, participation in important decision, keeping you informed) and Rewards (e.g. appropriate salary, benefits, performance pay) (Freese et al. 2008). The following question was posed to respondents: “In the employment relationship employees have expectations about what the organization will offer. To what extent is your organization obliged to offer you the following?” All psychological contract obligations scales had appropriate Cronbach’s alpha’s ranging from  $\alpha = .79$  to  $\alpha = .87$ .

The measure for contract fulfillment was then based upon the obligation scales, using a summarizing single-item for each dimension (Wanous, Reichers and Hudy 1997; Nagy 2002) as deemed appropriate in previous studies (Freese et al. 2008; Freese, Schalk and Croon 2011). The following question was asked: “To what extent did your employer fulfil the obligations with regard to... (Job Content, Career Development, Social Atmosphere, Organizational Policies, Rewards). All psychological contract items (both obligations and fulfillment) were measured with a 5-point Likert Scale, ranging from ‘not at all’ to ‘to a great extent’. Hypotheses 1 to 5 were tested using psychological contract fulfillment for each dimension separately. The dimensions of the TPCQ (Freese et al. 2008) are based on instruments used in earlier studies (Schalk et al. 1998; De Vos et al. 2003, 2005), and validated in a later study (Freese et al. 2011).

### ***Work outcomes***

Affective Commitment was measured by three items (e.g. I feel emotionally connected to this organization) from the scale of Meyer and Allen (1991), using a 5-point Likert scale ranging from ‘totally disagree’ to ‘totally agree’ ( $\alpha = .89$ ). Turnover intention was measured by three

items (e.g. I'm looking into positions with other organizations) based on Ten Brink (2004), using a 5-point Likert scale ranging from 'totally disagree' to 'totally agree' ( $\alpha = .84$ ).

### ***Demographic variables***

The following demographic variables were measured: Gender, Education Level and Birth year (and based on Eisner's (2005) taxonomy three cohorts were classified: Baby Boomers (born 1945-1964), Generation X (born 1965-1980) and Generation Y (born 1981-1995)).

----- INSERT TABLE 3 ABOUT HERE -----

### **Analysis**

The correlations among the variables under study are shown in Table 3 for the full sample and Table 4 for the three generational cohorts. Structural equation modeling (SEM, Jöreskog and Sörbom 2005) was used to test the hypotheses. Covariance analyses were preferred over hierarchical regressions due to the former's correction for measurement error. Moreover, another important advantage of SEM is the ability to test models including both outcomes in the same model as well as comparative model fit of the different generations. Hypotheses were tested with structural equation modeling using LISREL 8.72 (SEM; Jöreskog and Sörbom 2005). Standardized coefficients were reported in the analyses. Multi-group analyses with SEM were used to test differences in relations for the three cohorts (Byrne 1998). In all models we controlled for the effects of gender, education. Moreover, as generational categories may include people within an age range of twenty years (Kupperschmidt 2000; Smola & Sutton 2002) we controlled for chronological age *within* cohorts. Testing for within-cohort age effects allows us to have a clearer indication of the generational differences in the effects of contract fulfillment on the outcomes. Because controlling for age within a cohort removes the explained variance in the outcomes due to age effects (such as maturation

or experience; Kooij, De Lange, Jansen & Dijkers 2008), the variance left to explain can be further ascribed to generation effects rather than age effects.

To evaluate each model, established goodness-of-fit indices were used (Hu and Bentler 1999). For the Root Mean Square Error of Approximation (RMSEA), a value of .05 or below is considered as good fit, and a value of .10 or below as acceptable. Further, Standardized Root Mean Square Residual (SRMR) should be lower than .05. The Non-Normed Fit Index (NNFI), Comparative Fit Index (CFI), and Incremental Fit Index (IFI) should all be above .90.

The hypothesized multi-group unconstrained model was tested with the single indicators for the contract fulfillment types, and latent variables with the items as indicators for affective commitment and turnover intention (see Figure 1 for more details). In this model the structural paths were freely estimated for each generation. Subsequently, this model was tested against a model with all structural paths fixed for the three cohorts to compare the proposed three-cohort solution against a single group solution. Moreover, the proposed model was tested against a model with reversed causality, whereby commitment and turnover intention predict fulfillment of the psychological contract.

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### Results

The proposed unconstrained model reached acceptable fit,  $\chi^2(139) = 521.83, p < .001$ ;  $\chi^2/df = 3.75$ ; SRMR = .055; NNFI = .90; CFI = .95; RMSEA = .090; 90% confidence interval = .081, .099. Moreover, the model fit significantly better than the fully constrained model,  $\Delta\chi^2 = 149.11, \Delta df = 32, p < .001$  as well as the reversed causality model,  $\Delta\chi^2 = 1898.85, \Delta df = 73, p < .001$ .

Moreover, we assessed ten models in which each individual structural path between the five fulfillment dimensions and the two outcome variables were freely estimated whilst

the other structural paths were constrained to be equal among the three generations to assess which of the specific paths could be freely estimated. All of these 10 models provided a significantly better fit than the constrained model, suggesting that all of the paths significantly differed among the three generations (see Table 5 for more details). The explained variance in the endogenous variables for each cohort in the proposed model was: 27% for affective commitment and 9% for turnover intention for Baby Boomers; 35% for affective commitment and 14% for turnover intention for Generation X; 28% for affective commitment and 23% for turnover intention for Generation Y.

-----INSERT TABLE 5 ABOUT HERE-----

Finally, Z-scores were calculated to examine the statistical significance of the differences between each pair of generations for the different relations between psychological contract fulfillment and the outcome variables. Unstandardized coefficients and standard errors for each of the paths in the model were used and Z-scores were computed with the following formula (Quinones, Ford and Teachout 1995):

$$Z = \frac{USC_{Gen1} - USC_{Gen2}}{\sqrt{(SE_{Gen1} - SE_{Gen2})^2}}$$

Note. USC= Unstandardized Coefficient, SE = Standard Error

Hypothesis 1 predicted that fulfillment of job content obligations related more positively to affective commitment (hypothesis 1a) and more negatively to turnover intention (hypothesis 1b) for Generation Y than for other generations. The results for hypothesis 1 are shown in Table 6. Standardized coefficients for the three cohorts are consecutively  $\gamma_{BabyBoomers} = 0.26, p < 0.01$ ;  $\gamma_{GenX} = 0.24, p < 0.001$ ;  $\gamma_{GenY} = 0.34, p < 0.001$  for affective commitment, and  $\gamma_{BabyBoomers} = 0.13, ns$ ;  $\gamma_{GenX} = -0.12, ns$ ;  $\gamma_{GenY} = -0.28, p < 0.001$  for turnover intention.

Fulfillment of job content obligations relates more positively to affective commitment for Generation Y than for Generation X ( $Z_{GenY-GenX} = 1.99, p < 0.05$ ). Moreover, fulfillment of job content obligations relates more negatively to turnover intention for Generation Y than for Generation X and Baby Boomers ( $Z_{GenY-GenX} = 3.41, p < 0.001$ ;  $Z_{BabyBoomers-GenY} = -3.34, p < 0.001$ ). Therefore, Hypothesis 1 is partly supported for affective commitment, and fully supported for turnover intention.

Hypothesis 2 predicted that fulfillment of career development obligations related more positively to affective commitment (hypothesis 2a) and more negatively to turnover intention (hypothesis 2b) for Generation Y than for other generations. The results for hypothesis 2 are shown in Table 6. Standardized coefficients for the three cohorts are consecutively  $\gamma_{BabyBoomers} = -0.05, ns$ ;  $\gamma_{GenX} = 0.07, ns$ ;  $\gamma_{GenY} = 0.20, p < 0.01$  for affective commitment, and  $\gamma_{BabyBoomers} = -0.11, ns$ ;  $\gamma_{GenX} = 0.05, ns$ ;  $\gamma_{GenY} = -0.03, ns$  for turnover intention.

Fulfillment of career development obligations relates more positively to affective commitment for Generation Y than for Baby Boomers and Generation X ( $Z_{BabyBoomers-GenY} = -17.40, p < 0.001$ ;  $Z_{GenY-GenX} = 2.97, p < 0.01$ ). Moreover, fulfillment of career development obligations relates more negatively to turnover intention for Generation Y than for Generation X ( $Z_{GenY-GenX} = 2.69, p < 0.01$ ). Also, even though standardized coefficients were both non-significant, fulfillment of career development obligations relates more positively to affective commitment for Generation X than for Baby Boomers ( $Z_{BabyBoomers-GenX} = -3.03, p < 0.01$ ), and more negatively to turnover intention for Baby Boomers than for Generation X ( $Z_{BabyBoomers-GenX} = 2.57, p < 0.01$ ). However, for none of the three cohorts the relationship between fulfillment of career development obligations and turnover intention was significant. Therefore, Hypothesis 2 is fully supported for affective commitment, but not supported for turnover intention.

Hypothesis 3 predicted that fulfillment of social atmosphere obligations related more positively to affective commitment (hypothesis 3a) and more negatively to turnover intention (hypothesis 3b) for Baby Boomers and Generation X than for Generation Y. The results for hypothesis 3 are shown in Table 6. Standardized coefficients for the three cohorts are consecutively  $\gamma_{BabyBoomers} = -0.29, p < 0.001$ ;  $\gamma_{GenX} = 0.33, p < 0.001$ ;  $\gamma_{GenY} = 0.03, ns$  for affective commitment, and  $\gamma_{BabyBoomers} = -0.25, p < 0.05$ ;  $\gamma_{GenX} = 0.09, ns$ ;  $\gamma_{GenY} = -0.07, ns$  for turnover intention.

Fulfillment of social atmosphere obligations relates more positively to affective commitment for Generation X than for Generation Y ( $Z_{GenY-GenX} = -7.31, p < 0.001$ ) and also relates more positively to affective commitment for Baby Boomers than for Generation Y; ( $Z_{BabyBoomers-GenY} = 3.54, p < 0.001$ ). Moreover, fulfillment of social atmosphere obligations only relates more negatively to turnover intention for Baby Boomers than for Generation Y ( $Z_{BabyBoomers-GenY} = 2.01, p < 0.05$ ). Therefore, Hypothesis 3 is fully supported for affective commitment, and partly supported for turnover intention.

Hypothesis 4 predicted that fulfillment of organizational policies obligations related more positively to affective commitment (hypothesis 4a) and more negatively to turnover intention (hypothesis 4b) for Generation X than for other generations. The results for hypothesis 4 are shown in Table 6. Standardized coefficients for the three cohorts are consecutively  $\gamma_{BabyBoomers} = -0.02, ns$ ;  $\gamma_{GenX} = 0.07, ns$ ;  $\gamma_{GenY} = 0.02, ns$  for affective commitment, and  $\gamma_{BabyBoomers} = -0.09, ns$ ;  $\gamma_{GenX} = -0.24, p < 0.001$ ;  $\gamma_{GenY} = -0.03, ns$  for turnover intention.

Fulfillment of organizational policies obligations relates more positively to affective commitment for Generation X than for Baby Boomers ( $Z_{GenY-GenX} = -4.92, p < 0.001$ ). Moreover, fulfillment of organizational policies obligations relates more negatively to turnover intention for Generation X than for Baby Boomers and Generation Y ( $Z_{BabyBoomers-$

$_{GenX} = -5.35, p < 0.001; Z_{GenY-GenX} = -5.21, p < 0.001$ ). However, for none of the three cohorts the relationship between fulfillment of organizational policies obligations and affective commitment was significant. Therefore, hypothesis 4 is not supported for affective commitment, but supported for turnover intention.

Hypothesis 5 predicted that fulfillment of rewards obligations related more positively to affective commitment (hypothesis 5a) and more negatively to turnover intention (hypothesis 5b) for Generation Y than for other generations. The results for hypothesis 5 are shown in Table 6. Standardized coefficients for the three cohorts are consecutively  $Y_{BabyBoomers} = -0.09, ns; Y_{GenX} = 0.03, ns; Y_{GenY} = 0.02, ns$  for affective commitment, and  $Y_{BabyBoomers} = -0.12, ns; Y_{GenX} = -0.03, ns; Y_{GenY} = -0.14, p < 0.001$  for turnover intention.

Fulfillment of rewards obligations does not relate more positively to affective commitment for Generation Y than for Baby Boomers and Generation X ( $Z_{BabyBoomers-GenY} = 1.00, ns; Z_{GenY-GenX} = -1.21, ns$ ). Fulfillment of rewards obligations does relate more negatively to turnover intention for Generation Y than for Baby Boomers and Generation X ( $Z_{BabyBoomers-GenY} = -6.20, p < 0.001; Z_{GenY-GenX} = 2.65, p < 0.01$ ). However, for none of the three cohorts the relationship between fulfillment of rewards obligations and affective commitment was significant. Therefore, hypothesis 5 is not supported for affective commitment, but fully supported for turnover intention.

----- INSERT TABLE 6 AND FIGURE 1 ABOUT HERE -----

## Discussion

The current study examined generational differences in the relations between psychological contract fulfillment and work outcomes. We explored these relationships by formulating a number of hypotheses about differences among generations in the relations between several



aspects of psychological contract fulfillment and work outcomes. Overall, we found support for our hypothesis that generational differences moderate the relationship between psychological contract fulfillment and affective commitment and turnover intention.

In this study, we explored specific fulfillment of several dimensions of psychological contract obligations (Job Content, Career Development, Social Atmosphere, Organizational Policies and Rewards) in relation to work outcomes from a generational perspective. Exploration of these relationships provides us with a clearer picture of the responses of different generations to fulfillment of psychological contract obligations. The model fit results indicate a significantly better fit for our proposed three-generation solution than for a single group solution. Furthermore, although effect sizes were modest, and control variables accounted for some explained variance, we found support for all of the five hypotheses. First, we proposed that fulfillment of Job Content obligations would be a stronger predictor of work outcomes for Generation Y than for other generations. We found support for this hypothesis in relation to turnover intention and to affective commitment. Although Job Content turned out to be a significant predictor of work outcomes for all generations, a challenging and varied job particularly seems to be a requirement to Generation Y, who grew up with the rich choice and variation found in the digital world (Tapscott 2009).

Next, we proposed that fulfillment of Career Development obligations would be a stronger predictor of work outcomes for Generation Y than for other generations. We found support for this hypothesis in relation to affective commitment but not in relation to turnover intention. Generation Y has been suggested to have a particular focus of self-development (Wong, Gardiner, Lang and Coulon 2008) combined with high self-esteem and a sense of entitlement (Twenge and S.M.Campbell 2008; Twenge and W.K.Campbell 2009) which may explain a particular focus on development opportunities in their career. Employers who provide these growth opportunities find reciprocation in kind from Gen Y through increased

affective commitment. However, the lack of predictive value for Development for Turnover Intent would suggest Gen Y will still leave for better opportunities if provided elsewhere.

We further proposed that for Generation X and Baby Boomers fulfillment of Social Atmosphere obligations was a stronger predictor of work outcomes than for generation Y. Our results supported this hypothesis. Fulfillment of Social Atmosphere obligations was a stronger predictor of affective commitment for Baby Boomers and Generation X than for Generation Y and in the case of turnover intention for Baby Boomers over Generation Y. These results are in line with earlier findings of Benson and Brown (2011). Moreover, findings of Twenge and Campbell (2008) and Twenge (2010) who found higher levels of narcissism and individualism, as well as a lower need for social approval in Generation Y may provide a further explanation why Generation Y is less responsive to fulfillment of Social Atmosphere obligations.

We also proposed that for Generation X, fulfillment of Organizational Policies obligations was a stronger predictor of work outcomes than for other generations. Our results supported this hypothesis. We found that for Generation X fulfillment of Organizational Policies obligations was a more important predictor for turnover intention than for Baby Boomers and Generation Y. These findings support Eisner's (2005) findings. She concluded that Generation X, having experienced insecurity in their work and private lives as they grew up, responds particularly well to fair treatment and clarity of communication on their employers' part. Organizational policies did however not predict affective commitment for any generation, suggesting that fair organizational policies function more as a hygiene factor; they prevent turnover intention, but do not cause increased commitment.

Finally, we proposed that Rewards fulfillment was a stronger predictor of work outcomes for Generation Y than for other generations. Our results did partly support this hypothesis. Although Rewards were not a strong predictor for work outcomes, we found that

for Generation Y fulfillment of Rewards obligations was a more important predictor of turnover intention than for Generation X. This seems to provide some support for the popular belief that Generation Y has a higher sense of entitlement than previous generations (Twenge and S.M.Campbell 2008; Twenge and W.K.Campbell 2009). However, we did not find that Rewards fulfilment also predicts affective commitment, in particular for Gen Y. Perhaps extrinsic rewards are not so much a predictor of commitment, which would line with more general findings on the relationship between rewards and motivation (Deci, Koestner & Ryan, 1999) which suggest that extrinsic rewards even undermine intrinsic motivation. We therefore propose that Rewards fulfilment (i.e. salary and job security) may function as a hygiene factor in contemporary jobs; employees expect them to be provided, and if not provided employees will leave. Given that these data were collected early on in the economic crisis, it may be that this has changed over the past few years; recent youth unemployment is likely to be a formative experience that shapes Gen Y's outlook on work and they may have developed an appreciation for job security and pay as a consequence.

### **Limitations and suggestions for further research**

This study has several limitations. First, data were collected at a single point in time for independent and outcome variables, and therefore we need to treat causal inferences in this article with caution (Taris and Kompier 2006). We did however test for reversed causality, and found a significantly worse fitting model (see Table 4). Yet, even though we found no evidence for reversed causality, longitudinal research could shed more light on these issues.

Furthermore, when studying generational differences, aging or social and cultural change one faces certain unavoidable inferential problems. Generational differences are inevitably confounded with maturational and cultural changes, as each individual within a generation is born and ages in the same historical period (Schaie 1965, 1986; Costa and McCrae 1982). Although this article does not aim to compare different perspectives on age,

we did control for chronological age effects within generational cohorts and still found significant differences between generations. Moreover, a number of studies exploring generational differences in work values based on large-scale time-lag studies over extended periods do suggest that cohort effects provide a better explanation than age effects for differences between different age groups in the workforce (Smola and Sutton 2002; Lyons et al. 2005; Twenge et al. 2010; Twenge et al. 2012; Hansen and Leuty 2012). However, we do recommend studying different age perspectives in work-related behaviors in a comparative manner to better capture the impact of all the different age-related motives that individuals may have. Future research could address this issue by a: adopting longitudinal and cross-sequential study designs with multiple measurement points to separate independent and outcome variables, and b: trying to avoid confounding by using alternative variables to determine generational membership, such as the experience of historical events that shape generations (Schaie 1986; Schuman and Rodgers 2004; Dencker, Joshi, and Martocchio 2008).

In line with these limitations, some of our findings could alternatively be attributed to career stage effects. A study by Lyons et al. (2012) did however demonstrate that the traditional career stages model (Super 1957) may no longer hold true for younger generations. Multi-directional career paths (upward, lateral, downwards; Baruch 2004), also called boundaryless careers (Arthur and Rousseau 1994), may in fact be a generational phenomenon in its own right, with each generation following different career trajectories. Moreover, Hess and Jepsen's (2009) study (departing from the traditional career stages model) found only very limited effects of career stages on relations of psychological contracts with work outcomes.

Furthermore, future studies could include group level demographic effects within generations. For instance, as new generations entered the workplace, they did so in different

gender distributions, and with different levels of education as previous generations. Future research is needed to disentangle these effects and create a more comprehensive understanding (Twenge 2010; Parry and Urwin 2011).

### **Theoretical Implications**

This study contributes to a more precise understanding of the impact of psychological contract fulfillment on work outcomes. Researchers have established clear links between contract breach (or non-fulfillment) and outcomes such as affective commitment (Coyle-Shapiro and Kessler 2000; Tekleab and Taylor 2000), turnover intention (Schalk et al. 1998). Although a number of studies explored age as a moderator in this relationship (Bal et al. 2008) and others described a change in the psychological contract over time as a result of societal changes (Anderson and Schalk 1998; Schalk 2004), very few studies have explored the alternative explanation of generational differences in psychological contracts (Hess and Jepsen 2009; Lub et al. 2011, 2012).

Our results suggest that different generations may respond differently to fulfillment of these contracts. As our SEM-analyses indicate, a multi-group (3 generational cohorts) solution provided a better fit than a single-group solution. Moreover, to the knowledge of the researchers, most previous age diversity studies have not controlled their data for cohort effects. This would suggest that a generational cohort approach may provide an alternative, or additional, explanation to previous studies that indicate chronological age differences in responses to the psychological contract (Zhao et al. 2007; Bal et al. 2008). Although more empirical evidence of generational differences in the workplace is being published, findings as well as topics of study still vary widely (Costanza et al. 2012; Parry and Irwin 2011). This suggests that further research is needed to get a better understanding of how, and if, generational differences impact different aspects of work. Results from this study suggest that the concept of psychological contract provides an attractive avenue for better understanding

how employees from different generations interact differently, or in some cases similarly, with their organizations.

### **Practical Implications**

This study has several practical implications for organizations. Organizations face challenging times with a new generation entering the workforce, and a generation of older workers leaving as a global financial crisis unfolds. Understanding different generations and incorporating empirical evidence thereof into people management therefore becomes a more pressing matter. First, this study provides further evidence of the reciprocal nature of the psychological contract. As we come to better understand the psychological contract, this may offer organizations the opportunity to better “manage” the psychological contract they entertain with employees. Findings from this study suggest that organizations may need to be more attentive to different responses to psychological contract fulfillment that different generations may have with their organizations.

Results from this study suggest that all generations respond well to varied, interesting and challenging work with a balanced workload. Generation Y may respond particularly well to career development options such as promotions, training, coaching and broad professional development, whereas Generation X seems to respond particularly well to organizations and managers that adhere to clear and fair organization policies. Generation X and Baby Boomers also seem to be more motivated by a good working atmosphere with cooperative and supportive colleagues and superiors, whereas Generation Y seems to be more individualistic. Lastly, rewards seem to be a hygiene factor for all generations (but in particular for Generation Y) with fulfillment of rewards obligations having little impact on work outcomes. Finally, different studies on generations are showing mixed results and limited effect sizes on generational differences (Costanza et al. 2012). Organizations therefore need to be careful in adopting stereotypical approaches to managing different generations.

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Table 1. Demographic Information

	<i>Boomers</i>	<i>%</i>	<i>Gen X</i>	<i>%</i>	<i>Gen Y</i>	<i>%</i>
<i>Gender</i>						
Female	113	56	280	69	216	73
Male	90	44	125	31	80	27
<i>Highest level of education</i>						
Primary	7	4	8	2	2	1
Secondary	36	19	14	4	26	9
Trade/Technical	72	37	187	47	145	51
Undergraduate Degree	53	28	139	35	84	29
(Post)graduate Degree	25	13	50	13	29	10

Table 2. Descriptives for the four subsamples

Hotels (N=224; response rate 35%)	Tourism (N=365; response rate 26%)
<p><i>Demographics:</i>            Gender: 50.2% female, 49.8% male)            Age: 35.01 years (S.D.=12.94)            Cohorts: BabyBoomers (24.2%),            Generation X (52.8%), Generation Y            (46.6%)            Education: High School or lower (37%),            Trade diploma (45%), Bachelor Degree or            higher (18%)            Contract type: Fixed (53%), Temporary            (47%)</p>	<p><i>Demographics:</i>            Gender: 92% female, 8% male            Age: 33.58 years (S.D.=9.86)            Cohorts: BabyBoomers (14.6%),            Generation X (48.5%), Generation Y            (36.9%)            Education: High School or lower (5%),            Trade diploma (66%), Bachelor or higher            (29%)            Contract type: Fixed (77%), Temporary            (23%)</p>
Insurance (N=199; response rate 94%)	Facility Management (N=116; response rate 30%)
<p><i>Demographics:</i>            Gender: 59.4% female, 40.6% male)            Age: 35.43 years (S.D.=9.10)            Cohorts: BabyBoomers (32%), Generation            X (52.8%), Generation Y (15.2%)            Education: High School or lower (9%),            Trade diploma (29%), Bachelor Degree or            higher (62%)            Contract type: Fixed (8%), Temporary            (92%)</p>	<p><i>Demographics:</i>            Gender: 62.9% female, 37.1% male)            Age: 38.41 years (S.D.=10.05)            Cohorts: BabyBoomers (27.6%),            Generation X (50%), Generation Y (22.4%)            Education: High School or Lower (0%),            Trade diploma (4%), Bachelor Degree or            higher (96%)            Contract type: Fixed (85%), Temporary            (15%)</p>

Table 3. Means, Standard Deviations, Reliabilities and Correlations of the Study Variables for the Full Sample

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10
1. Gender <sup>a</sup>	1.67	.47										
2. Education <sup>b</sup>	3.43	.88	-.13**									
3. Age	34.85	10.58	-.19**	-.09**								
4. FPC JC	3.77	.70	.05	.09**	.06							
5. FPC Dev	3.41	.98	-.01	.06	.06	.53**						
6. FPC SA	3.86	.78	.03	.00	-.16**	.41**	.36**					
7. FPC OP	3.53	.79	.03	.06	.01	.44**	.45**	.49**				
8. FPC RW	3.04	.97	-.11**	.10**	.16**	.34**	.51**	.26**	.38**			
9. AffCom	3.55	.81	.02	-.06	.21**	.39**	.35**	.32**	.34**	.27**	<b>.89</b>	
10. TI	2.62	1.02	-.04	.10**	-.20**	-.28**	-.26**	-.23**	-.26**	-.24**	-.33**	<b>.84</b>

Note. \* $p < 0.05$ , \*\*  $p < 0.01$ , FPC= Fulfilment of Psychological Contract Obligations, JC = Job Content, Dev = Career Development,

SA= Social Atmosphere, OP = Organizational Policies, RW = Rewards, AffCom = Affective Commitment, TI = Turnover intention

<sup>a</sup> 1 = male, 2 = female

<sup>b</sup> Range 1-5, 5 highest

Table 4. Means, Standard Deviations, Reliabilities and Correlations of Study Variables per Cohort (Baby Boomers/Generation X/Generation Y)

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10
1. Gender <sup>a</sup>	1.56/1.69/ 1.73	.50/.46/.45										
2. Education <sup>b</sup>	3.27/3.53/ 3.39	1.03/.83/.8 2	-.24**/-.11* /-.07									
3. Age	47.10/35.7 6/25.34	10.72/5.80 /5.07	-.09/-.22** /-.09	-.29**/- .13**/.28**								
4. FPC JC	3.81/3.82/ 3.68	.72/.70/.68	-.06/.09/.09	.18*/.11*/ -.02	-.01/.04/-.08							
5. FPC Dev	3.52/3.41/ 3.34	.97/.96/1.0 0	.04/-.02/.01	.05/.10/.04	.04/.03/-.09	.57**/.53**/ .51**						
6. FPC SA	3.78/3.83/ 3.96	.79/.76/.78	-.09/.05/.05	.18*/-.06/ -.07	-.22**/-.04	.54**/.37**/ .42**	.40**/.39**/ .31**					
7. FPC OP	3.59/3.51/ 3.50/2.82	.80/.79/1.0 0	-.16*/.07 /.15*	.15*/.03/.05	.03/.01/-.09	.48**/.43**/ .41**	.49**/.48**/ .38**	.55**/.51**/ .47**				
8. FPC RW	3.24/3.10/ 2.82	.90/.95/.99	-.15*/-.10* /-.03	.16*/.15**/ .01	-.02/.11* /.08	.33**/.33**/ .35**	.46**/.51**/ .54**	.36**/.32**/ .17*	.38**/.40**/ .38**			
9. AffCom	3.77/3.57/ 3.39	.79/.82/.78	-.02/.06/.05	-.14*/ -.09/.09	.19**/.12*/. 01	.37**/.38**/ .40**	.29**/.33**/ .39**	.32**/.43** /.24**	.30**/.39** .28**	.22**/.23** .28**	<b>.90/.90/</b> <b>.86</b>	

10. TI	2.37/2.56/	.97/1.01/1.	-.04/-07	-.15*/.03	-.13/-10*/	-.22**/-	-.26**/-	.19**/-	-.17*/-.33**	-.13/-22**/	-.24**/-	<b>.84/.82/</b>
	2.88	01	/.14*	/.14*	-.05	.24**/-	.25**/-	.32**/-	/-.20**	-.27**	.31**/-	<b>.85</b>
						.35**	.27**	.21**			.36**	

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*Note.* \* $p < 0.05$ , \*\*  $p < 0.01$ , Scores represent respectively Baby Boomers/ Generation X/ Generation Y, FPC= Fulfilment of Psychological Contract Obligations, JC = Job Content, Dev =

Career Development, SA= Social Atmosphere, OP = Organizational Policies, RW = Rewards, AffCom = Affective Commitment, TI = Turnover intention

<sup>a</sup> 1 = male, 2 = female

<sup>b</sup> Range 1-5, 5 highest

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Table 5. Results of Model testing

Model fit	$\chi^2$	<i>df</i>	$\chi^2/df$	SRMR	NNFI	CFI	RMSEA	90% CI	$\Delta df$	$\Delta\chi^2$
<i>Multigroup (Baby Boom: N=202, GenX: N=403, GenY: N=295)</i>										
Baseline, Constrained model	670.94***	171	3.92	.079	.90	.94	.092	.084, .100		
Proposed 3 cohorts unconstrained model	521.83***	139	3.75	.055	.90	.95	.090	.081, .099	32	149.11***
Alternative model: reversed causality	2420.68***	212	11,42	.140	.69	.76	.185	.180, .190	41	1749.74***
Common-method factor model	1911.38***	238	8,03	.180	.73	.77	.154	.150, .160	67	1240.44***
<i>Specific Path Analyses</i>										
Development-commitment free	576.94***	157	3.67	.064	.91	.95	.089	.081, .098	14	94.00***
Development-leave intention free	574.94***	157	3.66	.060	.91	.95	.089	.081, .098	14	96.00***
Job content-commitment free	577.53***	157	3.68	.065	.91	.95	.090	.081, .098	14	93.41***
Job content –leave intention free	570.73***	157	3.63	.058	.91	.95	.089	.080, .097	14	100.21***
Organizational policies-commitment free	571.05***	157	3.64	.068	.91	.95	.089	.080, .097	14	99.89***
Organizational policies-leave intention free	573.74***	157	3.65	.067	.91	.95	.089	.080, .097	14	97.20***
Rewards-commitment free	577.12***	157	3.68	.065	.91	.95	.089	.081, .098	14	93.82***
Rewards- leave intention free	570.76***	157	3.64	.060	.91	.95	.089	.080, .097	14	100.18***
Social Atmosphere-commitment free	553.73***	157	3.53	.070	.91	.95	.087	.078, .095	14	117.21***
Social Atmosphere-leave intention free	577.28***	157	3.68	.066	.91	.95	.089	.081, .098	14	93.66***
<i>Note. ***p &lt; .001. SRMR = Standardized Root Mean Square Residual; RMSEA = Root Mean Square Error of Approximation; NNFI= Non-Normed Fit Index; CFI = Comparative Fit Index; 90% CI = 90% Confidence Interval</i>										



Table 6. Standardized Coefficients predicting Affective Commitment and Turnover Intention for Three Generations and Z-scores for Differences between Generations

Dependent variables	Affective Commitment			Turnover intention		
	BB <i>Y</i>	Gen X <i>Y</i>	Gen Y <i>Y</i>	BB <i>Y</i>	Gen X <i>Y</i>	Gen Y <i>Y</i>
<i>Control variables</i>						
Gender <sup>a</sup>	.01	.07	.00	.10	.00	-.12*
Education <sup>b</sup>	-.25***	.01	.07	-.11	.10*	.14*
Age	.20**	.18***	.06	-.12	-.05	-.13*
<i>Independent variables</i>						
FPC Job Content	.26**	.24***	.34***	.13	-.12	-.28***
FPC Development	-.05	.07	.20**	-.11	.05	-.03
FPC Social Atmosphere	.29***	.33***	.03	-.25*	-.09	-.07
FPC Organizational Policies	-.02	.07	.02	-.09	-.24***	-.03
FPC Rewards	-.09	-.03	.02	-.12	-.03	-.14*
<i>Explained Variance</i>	.27***	.35***	.28***	.09**	.14**	.23***
<i>Z-score for differences</i>	BB - Gen X	BB- Gen Y	Gen Y-Gen X	BB - Gen X	BB- Gen Y	Gen Y-Gen X
FPC Job Content	1.37	0.50	1.99*	2.10*	-3.34***	3.41***
FPC Development	-3.03**	-17.40***	2.97**	2,57**	1.43	2.69**
FPC Social Atmosphere	-.44	3.54***	-7.31***	1.70	2.01*	-1.10
FPC Organizational Policies	-4.92***	-1.17	-1.80	-5.35***	0.99	-5.21***
FPC Rewards	.93	1.00	-1.21	2.43*	-6.20***	2.65**

Note. Standardized regression coefficients and Z-scores are reported \*p<0.05, \*\*p<0.01, \*\*\*p<0.001, BB=Baby Boomers (born 1945-1964), Gen X= Generation X (born 1965-1980), Gen Y= Generation Y (born 1981-1995), FPC=Fulfilment of Psychological Contract Obligation

<sup>a</sup> 1 = male, 2 = female

<sup>b</sup> Range 1-5, 5 highest

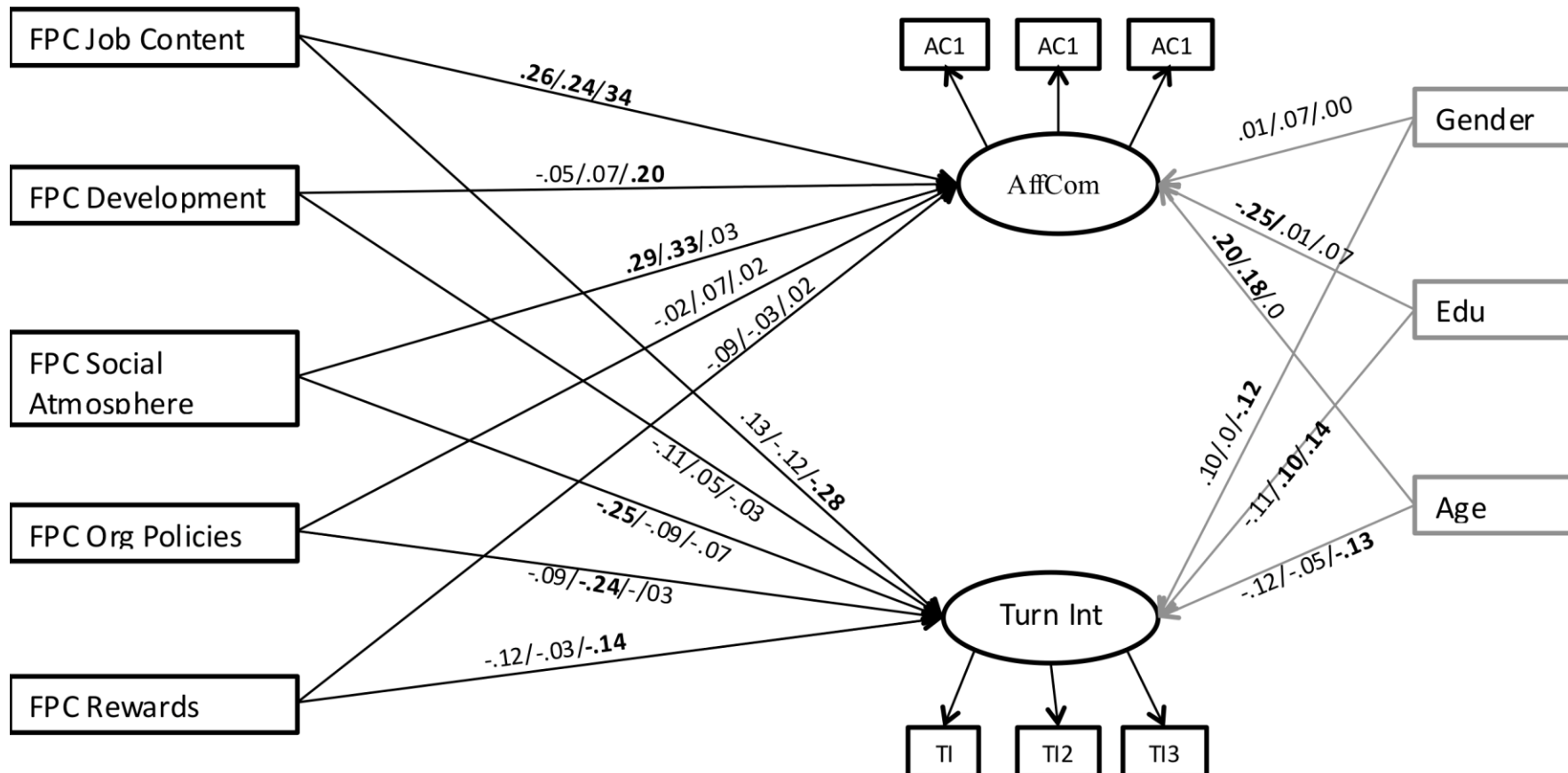


Figure 1. Structural Model ( $N = 900$ ). Model fit  $\chi^2(139) = 521.83^{***}$ ;  $\chi^2/df = 3.75$ ; SRMR = .055; NNFI = .90; CFI = .95; RMSEA = .090; 90% confidence interval = .081, .099. Intercorrelations of independent variables are omitted from the diagram; Control variables are shaded gray; FPC = Fulfilment of psychological contract dimension; Org Policies = Organizational Policies; AffCom = Affective Commitment; Turn Int = Turnover Intention; standardized coefficients are reported for three generations (Baby Boomers/Generation X/Generation Y); significant standardized coefficients are in bold.