

The impact of formative work experiences on the psychological contract:

The case of the Generation-X knowledge worker

By

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ABSTRACT

Organisations operating in today's market are facing an upcoming shift in workforce demographics. A majority of today's current workforce belong to the Baby Boomer generation (individuals born between 1946 and 1964). Many of these workers have already reached retirement age with many more reaching retirement age in the near future. The workers who are next in chronological line to fill the vacancies created by these departures belong to Generation X. There has been much speculation in the popular press concerning these workers, their work histories, and their workplace expectations. There has also been extensive study of the employment relationship (the psychological contract), a worker's assessment of that relationship, and the outcomes associated with it. However, there is no model directly tying worker experiences to the psychological contract and in turn outcomes of the psychological contract.

This case study applied qualitative and quantitative methodologies to investigate the role work experiences play in the formation of the psychological contract with a present employer and the outcomes associated with it. Survey data were collected and in-depth personal interviews were completed with 66 Generation X middle level managers working for one of Canada's top employers competing in the knowledge sector. Findings suggest that several key work experiences in the labour market as well as experiences with a present employer are influential in perceptions of the relationship employees have with their employer, how they assess that relationship, and ultimately the outcomes of engagement and trust.

The study concludes with: (1) a model illustrating the relationships between workers' experiences and the psychological contract process, and (2) a typology of worker types based on the effects of previous work experiences and perceptions of experiences with a current employer.

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Lastly, neither of my parents had the privilege of pursuing their education, but made sure I did. They took great pride in my educational accomplishments. For many years of my childhood, they would tease me when I was being a youthful “know it all” by playfully asking “Where did you get your PhD?”. At the end of the day, one of my greatest disappointments lies in the fact that my parents did not live long enough to see their only son actually hooded as a Doctor. It is to my parents that I dedicate this thesis. I can honestly say that I would trade all of the fruits that have and will result from these labours to be able to say:

“At Carleton, Mom... at Carleton...”

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1. INTRODUCTION

Today's organisations are likely to experience significant changes in their labour force over the next several years because the majority of their employees belong to the Baby Boomer generational cohort (Smola and Sutton, 2002). Commonly referred to as Boomers, this cohort consists of individuals born between 1946 and 1964 (Smola and Sutton, 2002), and projections indicate a looming wave of retirement as Boomers exit the workforce over the next couple of decades. Frank, Finnegan and Taylor (2004) have claimed that the effects of this exodus of workers and the resulting labour shortage will be felt worldwide. As many as 61 million Americans may retire over the next thirty years (Rothwell, 2002), and a similar situation is projected for Canada. Canadian population demographics of 2001 indicate that approximately 8.2 million (62%) of the 13.3 million workers in the Canadian workforce are members of the Baby Boomer cohort. Considering that the average retirement age of a Canadian worker in 2006 was 61.5 years of age (Statistics Canada, 2006), the fact is that the Baby Boomers are now reaching retirement age.

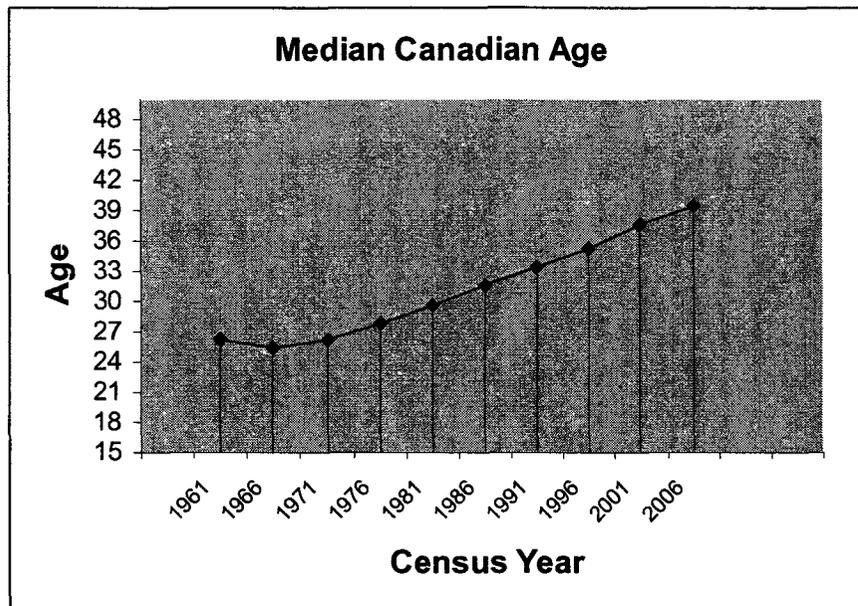
The exodus of Baby Boomers from the labour market will cause many organisations to grapple with succession planning issues as they struggle to find management talent both willing and able to fill the Baby Boomers' shoes in middle and upper management within the organisation. Who will they find to replace the retiring Baby Boomers in general? The next group of workers in

chronological line are employees in the "Generation X" cohort (commonly referred to as Gen X) whose members were typically born between 1965 and 1982 (Smola and Sutton, 2002). Although retirement of a generation of workers is not new, this particular generational retirement situation is unique. According to Losyk (1997a), US birth rates between 1946 and 1964 were approximately 25.3 births per 1,000 of population, resulting in a present US Baby Boomer workforce of approximately 77 million. In contrast, the birth rate fell drastically for approximately 11 years following 1964 to a low of 14.6 births per 1,000 of population. As a result, the US Generation X workforce is presently approximately 44 million, significantly less than the population of Baby Boomers they are to replace. This spells potential problems for organisations trying to plan for succession of retiring Baby Boomers.

As can be seen in Figure 1, the Canadian population will face similar issues. According to census data compiled by Statistics Canada (2006), the Canadian population is aging; the median age of the Canadian population has increased in each of the last eight censuses over forty years. As a result, workers in the Generation X will become the prevalent group in the labour market.

Available literature suggests, however, that the Generation X has had vastly different experiences from the Baby Boomers that preceded them and from the Nexus generation (individuals typically born between 1983 and 1994) that follow them demographically (Smola and Sutton, 2002). For example, according to

Figure 1 (Source: Statistics Canada, 2006)



popular press sources (e.g. Losyk, 1997a and 1997b) the formative experiences of the Generation X cohort include “the Persian Gulf War, escalating crime, riots, AIDS, the nuclear threat, and pollution” (Losyk, 1997a pg. 40), declining salaries, downsizings and layoffs. On the family front, upwards of 40% of this group come from a divorced home and had parents that gave time to work at the expense of time with their family. The popular press also reports that, compared to the Baby Boomers, the Generation X group is more individualistic and technoliterate, communicate differently, crave attention and fun, and often question authority (Losyk, 1997a; Maltby, 1999; McGuinnis, 1997). Generation X employees have often reported that they view jobs more as temporary solutions to provide for their immediate needs rather than life-long careers (Losyk, 1997a). According to Bernstein, Alexander and Alexander (2008), the generations also differ in such

workplace dimensions as work style, desire for work-life balance, and views on leadership, rewards, recognition, and loyalty.

While much of the popular press writing on generations appears to be largely opinion-based, some authors have found empirical evidence to support the idea of differences in attitudes and values between the cohorts. For example, Lyons (2003) found differences in work values between the generations. Dries, Pepermans, and De Kerper (2008) reported differences between generations concerning the nature of their careers: traditional or bounded careers with one or two organisations versus boundary-less, more transient or self-managed careers. Santos and Cox (2000) found that members of the Baby Boomer and Generation X cohorts self-reported differing experiences of role overload, role boundary and physical environment stress, vocational and interpersonal strain, and self-care and social support coping mechanisms.

First, the ideas found in many of the articles noted above contradict each other. Despite the musings in the popular press, the literature linking generational cohort and attitudes to work is limited at this time. Second, there has, to date, been no empirical investigations completed that are aimed at determining specifically how the Generation X cohort views the employment relationship (i.e. the psychological contract). Finally, few studies have been undertaken to validate or refute the generational myths that abound in the popular press.

With the lack of agreement in the popular press and the lack of empirical literature on the characteristics of the Generation X, organisations have little reliable information available to help them better understand this generation. This is unfortunate as organisations need to retain this group and prepare them for advancement to senior management positions vacated by the retiring Baby Boomers.

The research forming the basis of this thesis is a case study using in-depth personal interviews completed with a sample of Generation X knowledge workers and was designed to address many of these gaps. The study looks specifically at how this sample of high potential Generation X employees views the employment relationship. The goal of this research is to offer practical information to aid organisational leaders in making decisions associated with employment relationships of organisational talent in the Generation X cohort and perhaps dispel some of the myths that have been created about this generation.

The psychological contract is the theoretical framework used in this research to investigate the work relationship experiences of our sample. In short, the psychological contract has been defined to be the cognitive comparison of what an employee expects of and perceives they receive from their employer with what the employee perceives the employer expects of them and what they deliver.

This study uses the psychological contract as a framework to explain the following issues:

- The relationship between the formative work experiences and the psychological contract expectations of Generation X
- Generation X knowledge workers' perceptions of their relationship with their employer
- Generation X knowledge workers' perspective of the psychological contract fulfillment process
- The relationship between fulfillment or non-fulfillment of the psychological contract and the outcomes of engagement, and trust

1.1 Road map of the thesis

The thesis is organised as follows. In Chapter 1, we outline the context of the issues being investigated providing the why, what and how of this research. In Chapter 2, we review the extant literature associated with this dissertation. The literature that discusses the constructs related to the psychological contract is reviewed first in Sections 2.1 through 2.6. Next, we review literature related to the concept of the generational cohort, generational groupings, and the formative work experiences of the Generation X cohort in Sections 2.7 through 2.10. Chapter 3 presents the theoretical framework that guides this thesis along with our research objectives and related research questions. In Chapter 4, we cover

methodology, describe the focal organisation, and discuss the background to this study. Chapter 5 provides our results and our discussion is found in Chapter 6. In the final chapter, Chapter 7, we present our conclusions, limitations, directions for future research, and practical implications.

2. LITERATURE REVIEW

This study is rooted theoretically in two literatures: writings on the psychological contract and material on the generational cohort. The psychological contract is the cornerstone of the employment relationship, and research in this relatively new topic provides a theoretical lens through which we can examine the relationship between worker and employer in the dissertation. We will first review literature associated with the following aspects of the psychological contract:

- definition of the psychological contract (Section 2.1)
- Rousseau's (1989) framework of the psychological contract exchange relationship (Section 2.2)
- evaluation of the psychological contract (Section 2.3)
- the outcome of engagement (Section 2.4);
- the outcome of trust (Section 2.5).

Our critique of this body of literature concerning the psychological contract is presented in Section 2.6.

Generations have been studied for many years, but have received little attention in the context of the employment relationship (i.e. psychological contract). The influence of the formative work experiences of a generational cohort on the psychological contract has also received little attention. Following our review of literature relating to the psychological contract, we will present in Sections 2.7 through 2.11, literature linking generational cohort and formative work experiences. We begin, in Section 2.7, with a discussion of our definition of

generational cohort boundaries. In section 2.8 we discuss why generational cohorts form. Section 2.9 explains our generational groupings, and in Section 2.10 we provide a timeline and discuss the formative work experiences and general characteristics of the Generation X cohort. A critique of the generational cohort literature appears in Section 2.11.

2.1 Definition of psychological contract

Rousseau (1989) defined the psychological contract as “an individual’s beliefs regarding the terms and conditions of a reciprocal exchange agreement between that focal person and another party” (p. 123). For Rousseau and Hiltrop (1995), the individual’s belief about the terms and conditions of the exchange agreement is a central factor in the psychological contract. Hiltrop also claims that “the present use of this term focuses upon an individual’s belief in and interpretation of a promissory contract, whether written or unwritten...” (p. 287). However, several other authors (Dunahee & Wangler, 1974; Guest & Conway, 2002) have conceptualised the term as pertaining to both the individual’s as well as the organisation’s perceptions of the reciprocal obligations of each of the parties (employer and employee) to the employment relationship. Guest and Conway (2002), for example, adapting Herriot and Pemberton’s (1997) definition of psychological contract, claim that the psychological contract is “the perceptions of both parties to the employment relationship – the organization and individual –

of the reciprocal promises and obligations implied in that relationship...” (p. 22).

For the purpose of this study, Rousseau’s (1989) definition of psychological contract, which focuses on the perceptions of the individual, is accepted.

Rousseau (1989) states:

Note that this conceptualization of a psychological contract focuses on the *employee’s* experience. Individuals have psychological contracts, organizations do not. The organization, as the other party in the relationship, provides the context for the creation of a psychological contract, but cannot in turn have a psychological contract with its members. Organizations cannot “perceive,” though their individual managers can themselves personally perceive a psychological contract with employees and respond accordingly. (p. 126)

Rousseau’s definition appears to have credibility in the literature as several authors (Sparrow, 1996; Sparrow, 1998; Turnley & Feldman, 2000; Gakovic & Tetrick, 2003) have cited her various works in their operational definitions of the psychological contract.

2.2 Rousseau’s Model of the Psychological Contract

In this section, we will review literature associated with the expectations described in Rousseau’s (1989) model of the psychological contract.

Specifically, we will discuss literature concerning: the formation of psychological contract expectations in Section 2.2.1; the relational and transactional aspects of the psychological contract in Section 2.2.2; the mutuality of the psychological contract in Section 2.2.3; and the comparison of expectations with reality in Section 2.2.4.

Rousseau's (1989) conceptualisation of the psychological contract (Figure 2) proposes an equity type of equation: a ratio of the employee's perception of the expectations the organisation has of him or her over what the employee delivers is compared to a ratio of the expectations the employee has of the organisation over what they perceive the organisation delivers to them. This conceptualization is based on the idea that what the individual delivers to the organisation will partly depend on how well that person believes his or her expectations have been met.

$\frac{\textit{Expectations Placed On Me}}{\textit{What I Deliver To The Organization}} = \frac{\textit{Expectations I Place On The Organisation}}{\textit{What The Organisation Delivers To Me}}$ <p style="font-size: small; margin: 0;"><i>(What the organization expects of me)</i></p>	$\frac{\textit{Expectations I Place On The Organisation}}{\textit{What The Organisation Delivers To Me}}$ <p style="font-size: small; margin: 0;"><i>(What I expect of the organization)</i></p>
---	--

Figure 2. Rousseau's (1989) View of the Psychological Contract from the Employee's Perspective

The equation described by Rousseau is strikingly similar to the type of comparison schema proposed by Adams (1963) in his theory of inequity. This similarity has been noticed by other authors (e.g. Rousseau, 1989; Turnley & Feldman, 1999). In the Adams theory, *person* compares a ratio of his or her

outcomes and inputs with that of some referent *other*. If the ratios are not equivalent, then the person experiences a state of unrest or cognitive dissonance which motivates him or her to rectify the inequity by adjusting the components either cognitively or in actuality (Adams, 1963; Adams & Jacobson, 1964; Festinger, 1957; Suazo, 2008).

Comparison of the psychological contract with Adam's Equity Theory makes logical sense given the evaluation and comparison components of each, but Rousseau points out that we should be cautious in drawing sharp distinctions between the two (psychological contracts and equity theory) indicating that perhaps "psychological contracts might be viewed as a special case of equity theory..." (p. 127). Rousseau, however, also points out that the foundations of the psychological contract lie in "an element of trust, a sense of relationship, and a belief in the existence of a promise of future benefits that one party has already 'paid for'..." (p. 129). She also points out that the psychological contract is different from an expectation. Her contention is that the expectation is more general in nature and is not "*promissory and reciprocal*" (p. 390) as is the psychological contract. Rousseau (1990) further maintains that when individuals believe there are reciprocal obligations between themselves and the organisation, they hold a psychological contract.

This distinction between equity and psychological contract can be better understood by looking at the definitions of expectations and obligations given in

the *Reader's Digest Great Encyclopedic Dictionary* (1966). To “expect” means “[t]o look forward to as certain or probable: anticipate” and “[t]o look for as right, proper, and necessary”. An expectation is then defined as “the act of expecting, or the state of mind of one who expects” and “[s]omething expected or looked forward to” (p. 467). An obligation, on the other hand, is defined as the “duty, promise, contract, etc., by which one is bound” and “[w]hat one owes in return for a service, favour, etc.; also the service or favour itself” (p. 932).

Rousseau’s model (Figure 2) informs the present thesis in two ways. First, the model posits that the psychological contract appears to have deeper meaning than simple inequity issues. Second, the model provides justification for focusing on the individual’s perceptions with respect to reciprocal expectations.

2.2.1 Formation of psychological contract expectations

Integral to understanding the psychological contract is a discussion concerning how an individual’s expectations with respect to the employment relationship are formed by experience. Some authors, including Rousseau (1990), indicate that the foundation of expectations is not necessarily based on explicit statements, but rather inference and past experience. In discussing why psychological contracts exist, Spindler (1994) compares the explicit aspects (i.e. legal contract) of the employment relationship to the implicit or expectation aspects (i.e.

psychological contract) of the employment relationship. Because it would be nearly impossible to specifically dictate every aspect of the employment relationship in a formal legal employment contract, the psychological contract is, Spindler contends, a result of unexpressed expectations and as such a necessary part of the employment relationship.

In addition, Sutton and Griffin (2004) contend that expectations with respect to the employment relationship “have no restriction in content, they are formed prior to entry, they are based on pre-job experience, and there is only one party to the understanding...” (p. 497). Dunahee and Wangler (1974) also claim that the actual employment relationship expectations of both parties to the employment relationship begin to form during pre-employment negotiations. Rousseau (1990) indicates that expectations with respect to the employment relationship form through “inference and observation of past practices....”

In the case of expectations, the promise of reciprocity in exchange for some action or effort is the basis of the contract. Promises need not be made explicitly. Weick (1981) argues that when two parties can predict what each other will do in an interaction, (based upon both inference and observation of past practices) a contract to continue those behaviors into the future emerges and structures their future relationship . . . (p. 390).

Sparrow (1998) adds that messages are conveyed to employees by the employer during the hiring and socialisation processes...” (p. 45). Rousseau (2001) claims that the building blocks (i.e. expectations) of the contract may even begin to form prior to the pre-employment phases of employment. More

specifically she notes that we may form schema based on a number of things including prior work and other experiences (social learning).

This is not to say that the expectation or contract formation process ends with the pre-employment phase of employment. For example, Robinson, Kraatz and Rousseau (1994) investigated changes that develop in the perceptions employees have of obligations they have to and from their employers. In their longitudinal study, the authors found that, in the first two years of the employment relationship, the perceptions employees have of what they owe their employer decreases while what they perceive is owed to them by the employer increases.

As suggested, some of the information employees use to form their perceptions of expectations and obligations is socially learned, and Salancik and Pfeffer's (1978) discussion of constructed reality by way of social information processing is pertinent to the central discussion of the formation of expectations. Salancik and Pfeffer note (as do other theorists referred to by them) that our perceptions of the environment and its components are a constructed rather than shared reality. Although a thorough review of the literature concerning cognitive processes and attitude formation is beyond the scope of the topic of the present dissertation, ideas relevant to this thesis are reviewed below.

Salancik and Pfeffer claim that the reality construction process relies on informational cues from the environment itself as well as the judgements and

actions of others. The authors hypothesise that, as a result, this constructed reality has an effect on what information we process and how we perceive it. Rousseau (2001) similarly states that the information we process and how we perceive it from the world around us rely largely on the schemata (“cognitive organization or mental model of conceptually related elements” p. 513) we possess at that time. These schemata are based on previous experience and are adjusted and changed as we gather new information. If Rousseau’s portrayal of this process is accurate, we can assume that the formation of expectations, as well as perceptions of these expectations being met or unmet, result from very subjective experiences.

Within the context of the psychological contract, one important point concerning expectations with respect to the employment relationship is whether or not they are perceived to have been met. A frequently cited definition of *unmet expectations* by Porter and Steers (1973, p. 152) is as follows: “[U]nmet expectations may be viewed as the discrepancy between what a person encounters on the job in the way of positive and negative experiences and what he expected to encounter...”. By logical extension, we can define met expectations as *congruence* between what one encounters on the job and what one expected to encounter.

Since unmet expectations may lead to undesirable outcomes such as reduced job satisfaction, decreased performance, and an increase in turnover intention

(Porter & Steers, 1973; Wanous, Poland, Premack & Davis, 1992), it is important to note again that the key to whether or not expectations are met is in the eye of the beholder and influenced by experience. For example, in discussing perceived breaches of the psychological contract Rousseau (1989) points out that the perception of a breach of the psychological contract is a subjective experience based on one's perceptions. In Greenhaus, Seidel and Marinis's (1983) discussion concerning their choice of approach to their study of expectations and job values, they add that "ultimately the realism of a person's expectations depends on his or her own unique job experiences..." (p. 397).

2.2.2 Relational and transactional aspects of psychological contract

Research into the nature of the obligations, stated and perceived, in psychological contract (including how obligations of the psychological contract might change and how a new hire perceives the employer's obligations) provides further foundation information on the psychological contract.

When Rousseau (1990) studied psychological contracts using a sample of 224 MBA graduates who had already accepted job offers, she created a self-report survey comprised of items "developed a-priori based on specifications of the underlying concept being measured..." (p. 393). Two types of obligations associated with the psychological contract were identified in the study –

transactional and relational – on either end of a *contractual continuum* (p. 390).

Transactional obligations are economically and extrinsically focused, are closed-ended and have a specific time frame, and are static, narrow in scope, public and observable in nature. At the other end of the continuum are relational obligations. Relational obligations are both economically and non-economically focused, are socio-emotional and intrinsic in nature, have an open-ended and indefinite time frame, are dynamic, much broader in scope, and are more subjective and intuited rather than public and observable. Rousseau's investigation concerning the nature of obligations yielded support for three of her four hypotheses:

- the existence of two distinct aspects of the obligations associated with psychological contracts – transactional and relational;
- the positive relationship between the employees' perceptions of expected organisational tenure and their relational obligations to the employer; and
- careerism's (the urge to advance one's career) negative relationship with both employee's and employer's relational obligations of the psychological contract.

Based on the results of her investigation, Rousseau (1990) makes a number of interesting arguments. First, she differentiated between expectations versus the obligations in the psychological contract by pointing out that “[a]ll expectations are not obligations...” (p. 198). At the time of her study, there was no literature in press that explored the consequences of unmet obligations. However, Rousseau indicated a belief that an unmet obligation would result in a “more emotional reaction” (p. 398) – a prophetic statement that was later investigated and

determined to be valid (see Section 2.3.8).

A second issue pointed out by Rousseau (1990) is that not all types of obligations were touched on in her study and that “specific or local labor market factors can impact the relationship between employer and employee obligations...” (p. 398). Rousseau also called for future research to “employ a more direct measure of reciprocity by asking” both parties to the employment relationship “what specific actions and outcomes they expect the other party to provide them in response to their discreet contributions...” (p. 398). As will be discussed in our methods section (Chapter 4), the present dissertation employs methodology that addresses Rousseau’s call for more direct measures.

Guest (1998a) argues that slightly amending the contract continuum allows for identification of “at least four conceptually distinct steps in the continuum...” (p. 662). Guest claims that the steps include the “formal contract of employment”; the “various handbooks and rule books that exist in most organizations”; “within agreements...usually between manager and subordinate that emerge from processes such as appraisal, performance reviews and goal setting”; and “those areas that remain implicit and unwritten such as understandings about career and reciprocal commitment” (p. 662). This typology, however, appears more to represent sources of information than it does types of psychological contracts.

2.2.3 Mutuality of the psychological contract

Much of the extant literature ignores the notion that the psychological contract is premised on a reciprocal exchange relationship between employer and employee. According to Rousseau (1989), a reciprocal exchange relationship is described as “the belief that a promise has been made and a consideration offered in exchange for it, binding the parties to some set of reciprocal obligations...” (p. 123). This definition leads one to ask the following: From whose perspective are these obligations determined? Do the parties need to agree on the obligations (mutuality) or are the obligations subjectively set? Literature speaking to these issues is reviewed below.

Arnold (1996) notes an apparent lack of consistency in the literature concerning the mutuality of the psychological contract. For example, while Rousseau (1990) states that mutuality is not a requisite condition for the contract, Robinson and Rousseau (1994) later claim that both parties to the contract have made promises and have accepted the terms. Robinson and Rousseau (1994) however also state that the employer provides the context for the creation of the contract, but only the employee perceives the actual contract as the organisation is incapable of “perception” through its agents (i.e. managers). Guest (1998a; 1998b) also later argues that the psychological contract requires mutuality by virtue of the definition of the term “contract”. The above discussion suggests that perception is key here, a conclusion that is supported by Rousseau (2001) who

states that a “presumption of mutual agreement in psychological contracts itself can reflect a cognitive bias . . .” (p. 529).

Rousseau (2001) indicates that there are four factors giving rise to mutuality of the psychological contract. These factors include “(a) objective accuracy in individual perceptions; (b) shared information between the parties; (c) having the power or the right to ask for terms deemed in one’s own interest; (d) having the right to consent to or reject the terms of the agreement...” (p. 535). The issue of mutuality is important in the context of the current study which will try to determine if a disconnect exists between what Generation X employees perceive they are delivering to their employer and what they perceive they are receiving.

Coyle-Shapiro and Kessler (2000) studied the psychological contract from a mutuality perspective. Their investigation, which considered both employer and employee perspectives, examined the consequences of breaches of the contract (breach is defined in Section 2.3.4) among managers and employees of local authorities. The authors adopted two approaches to data collection: asking explicitly the degree that an employer has fulfilled its obligations (providing no indication of the extent of the perception of the obligation), as well as separately measuring obligations and the degree of fulfilment of the obligation. Coyle-Shapiro and Kessler found the outcomes of psychological contract fulfillment included organisational commitment, perceived organisational support, and organisational citizenship behaviours.

Upon analysis of the data, three factors emerged: transactional obligations, relational obligations (both previously defined), and training obligations (which they defined as the employer's obligation to provide the employee with training) (Coyle-Shapiro & Kessler, 2000). Results of the study indicate that a large majority of employees perceived a breach in transactional (89%), relational (81%) and training (78%) obligations by the employer. The results indicated managers are more likely than employees to perceive that organisations fulfill their obligations. This study supports the idea that there may, in fact, be a disconnect between the organisation's view of the state of the employment relationship and the perceptions of the employee. Additional support for this notion comes from work done by Tekleab and Taylor (2003) who also found that managers and employees do, in fact, have varying perceptions of obligations as well as breaches of the contract.

2.2.4 Comparison of expectations with reality

The processes by which employees compare their expectations with the reality of the job situation have been previously investigated by Breugh (1983) and Breugh and Stark (2000). The process of comparison itself appears at first glance to be straightforward: The new hire enters the organisation with various levels of expectations of the employment relationship that were formed during pre-employment activities (e.g. interviews) and research. These expectations

are confirmed or refuted after he or she starts working and experiences the reality of the organisational situation.

As simple as it is, according to Breugh (1983), this may be a relatively accurate description of how employees compare expectations to reality. Breugh (1983) presented a model similar to this description in the realistic job preview literature. Conway and Briner (2002) also support this view of the process. A number of other authors (for example Stark, 2000; Rynes, 1991) note, however, that we know little about what happens after the employee enters the organisation and encounters new or changed expectations – an issue examined in this dissertation.

2.3 Evaluation of psychological contract

The theoretical model developed for this thesis, in addition to Rousseau's model of psychological contract, draws heavily from Morrison and Robinson's work on psychological contract violation. Morrison and Robinson (1997) hypothesise that after the employee has compared his or her expectations with experiences on the job, an evaluation of contract fulfillment occurs. This evaluation process results in the employee's perception of the condition of fulfillment of the psychological contract. Morrison and Robinson's proposed model of psychological contract violation (Figure 3) offers insight into this process.

The following subsections of the literature review present Morrison and Robinson's (1997) model (Figure 3) as well as a discussion of the constructs related to it (i.e. renegeing and incongruence, unmet promises, perceived breach, and violation). Specifically, we will discuss Morrison and Robinson's model of contract violation in Section 2.3.1; met verses unmet promises and renegeing verses incongruence in Section 2.3.2; unmet promises in Section 2.3.3; perceived breach in Section 2.3.4; violation in Section 2.3.5; differentiation between unmet promises, breach and violation in Section 2.3.6; and the consequences of unmet promises, psychological contract breach and violation in Section 2.3.7.

Morrison and Robinson's model explores the conditions associated with and predicts four psychological contract outcomes: met expectations, unmet expectations, breach, and violation. These in turn are defined as follows. Expectation is defined in Section 2.2.2 as "the act of expecting, or the state of mind of one who expects" and "[s]omething expected or looked forward to" (*Reader's Digest Great Encyclopedic Dictionary*, 1966). Met expectations are defined as the fulfillment of what one was expecting or looking forward to while unmet expectations are a lack of fulfillment of what one was expecting or looking forward to. Breach is defined as one's belief that his or her organisation has not fulfilled the obligations of the psychological contract, whereas a violation is the emotional reaction to a breach (Morrison & Robinson, 1997). As can be seen from Figure 3, Morrison and Robinson's model hypothesises a progression of the

psychological contract evaluation process from unmet promises to breach of the psychological contract, and from breach of psychological contract to the emotional reaction of violation.

2.3.1 Morrison and Robinson's model of contract violation

In essence, Morrison and Robinson's model posits four stages in the psychological contract evaluation process:

- Stage 1: When for one reason or another, an employer is unable or unwilling to fulfill the expectations of the employee (by renegeing or through incongruence), the employee may or may not "perceive" (by virtue of salience or vigilance) an unmet promise.
- Stage 2: Those employees who perceive an unmet promise undertake a comparison process driven by self-serving biases and threshold effects in which they evaluate the importance of the unmet promise.
- Stage 3: Employees who identify the unmet promise to be important perceive a breach of the psychological contract. They then undertake a process that evaluates this breach through an outcomes assessment, attributions, fairness judgements and the social contract.
- Stage 4: Those employees who have evaluated the breach as significant experiences the emotional reaction of violation.

The following discussion will be framed around the constructs, renegeing and incongruence, unmet promises, perceived breach and violation in Morrison and Robinson's model (Figure 3) following the model from left to right. An alternative model of psychological contract violation offered by Sutton and Griffin (2004) is also discussed and critiqued in the subsections that follow.

2.3.2 Met vs. unmet promises: renegeing versus incongruence

As shown in Figure 3, Morrison and Robinson (1997) hypothesise that when employees evaluate their psychological contract, they may perceive an unmet promise either because they feel their employer is renegeing or from incongruence within the psychological contract. They distinguish between these terms as follows. Renegeing occurs when the employee perceives that the employer is aware of its obligation, but knowingly fails to follow through with it. Incongruence occurs when the employee's perceptions of the employer's fulfillment of an obligation differ from the perceptions held by the employer.

The authors go on to explain that certain conditions beyond the employer's control will often force the employer to renege on previous promises. An example would be the "inability" condition under which the employer, for one reason or another, simply is unable to fulfill earlier promises. Some examples include promising new recruits rapid career advancement when in fact advancement opportunities are known to be limited, or not fulfilling promises due to changing internal or external environmental conditions usually out of the employer's control. Other times, conditions within the employer's control are seen as the cause of the employer's renegeing. An example here is the "unwillingness" condition under which the employer wilfully refuses to fulfill an earlier made promise, either because it was the original intent or was decided later. In any event, the employer believes that the benefits of renegeing outweigh

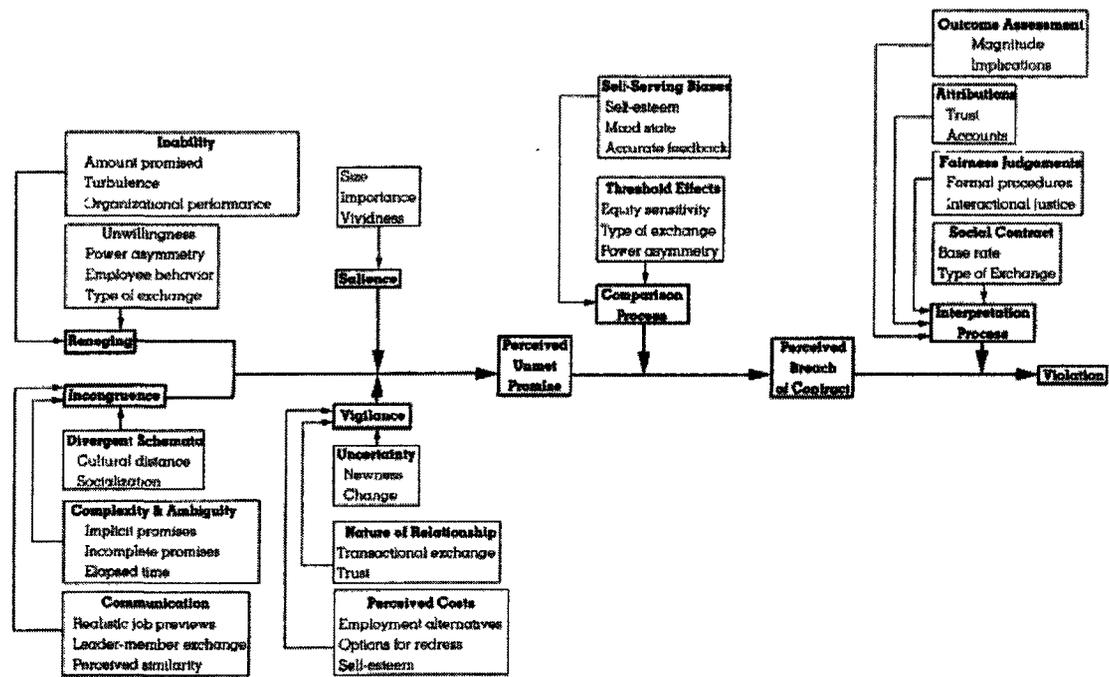


Figure 3. Morrison and Robinson's (1997, p. 232) Model of Psychological Contract Violation

his or her costs.

The authors go on to explain that certain conditions beyond the employer's control will often force the employer to renege on previous promises. An example would be the "inability" condition under which the employer, for one reason or another, simply is unable to fulfill earlier promises. Some examples include promising new recruits rapid career advancement when in fact advancement opportunities are known to be limited, or not fulfilling promises due to changing internal or external environmental conditions usually out of the employer's control. Other times, conditions within the employer's control are seen as the cause of the employer's renegeing. An example here is the "unwillingness" condition under which the employer wilfully refuses to fulfill an earlier made promise, either because it was the original intent or was decided later. In any event, the employer believes that the benefits of renegeing outweigh his or her costs.

The authors also provide some suggestions concerning the causation of incongruence. They explain that incongruence can occur at the time of the initial promise or may develop over time. They hypothesise that its development depends on three factors: divergent schemata, complexity and ambiguity of obligations, and communication (Morrison & Robinson, 1997).

The first factor is divergent schemata. Morrison and Robinson state: "Schemata

are cognitive frameworks that represent organized knowledge about a given concept or type of stimulus.... They guide how people take in, remember, and make inferences about raw data, thereby simplifying the process by which people make sense of events and situations..." (p. 235). Morrison and Robinson further indicate that schemata "form mainly through experience" (p. 235) and that cultural differences based on national origin may result in divergent schemata concerning the employment relationship.

The second factor, the complexity and ambiguity of obligations, is posited to provide opportunity for incongruence as well. Griffin and Ross (1991) indicate that as the complexity and ambiguity of some stimuli increase, so does the divergence in perceptions of that stimulus. Additionally, Griffin and Ross indicate that as individuals attempt to interpret and recall ambiguous stimuli, they engage in a "construal" process through which gaps are filled-in with subjective information construed from context and prior information.

The last issue addressed by Morrison and Robinson (1997) regarding incongruence is the role that communication between employer and employee may play in reducing or minimising incongruence. The authors state that communication is key at the time of the initial promise as well as in the time period between the promise and when it is to be fulfilled. The point here is that as the parties communicate, given that the communication is truthful and accurate, more information is shared concerning the promise which thereby

reduces the potential for incongruence and increases the opportunity for shared meaning. Guest and Conway (2002) found evidence that echoes these views. This inverse relationship between communication and incongruence seems feasible given that as the parties communicate, discrepancies among their perceptions of various facets of the promise should become evident and be clarified.

2.3.3 Unmet promises

A promise can be defined as “any communication of future intent” (Morrison & Robinson, 1997) or “[r]easonable ground for hope or expectation, especially of future excellence or satisfaction” (*Reader’s Digest Great Encyclopedic Dictionary*, 1966, p. 1078). By logical extension, an unmet promise would be defined as the discrepancy between that which was communicated or declared as a “future intent” and what is actually experienced.

In their model, Morrison and Robinson (1997) identify two issues that might influence when an individual perceives an unmet promise: salience and vigilance. Salience, according to Fiske and Taylor (1984), is the extent to which something stands out from its current context. Morrison and Robinson add that salience will be affected by several factors:

- the size of the discrepancy between what was promised and what the employee perceives was delivered,

- the importance of the promise to the individual, and
- how vivid the promise is in the individual's mind.

This definition suggests that even though their work conditions are identical, some workers may perceive an unmet promise while others may not.

Vigilance, the second issue identified by Morrison and Robinson, is how closely individuals monitor fulfillment of the promises they perceive were made to them.

Vigilance itself is hypothesised to be affected by three factors:

- uncertainty (i.e. the newness of the situation or the amount of change taking place),
- the nature of the relationship (i.e. whether transactional or relational), and
- the perceived costs of discovering unmet promises (i.e. alternatives to the employment situation or costs to self-esteem).

Morrison and Robinson claim that the degree to which an individual will be vigilant depends on whether or not the relationship is transactional (short-term) or relational (long-term), as well as how much the relationship is founded in trust. Of particular interest to this study is the nature of the relationship.

2.3.4 Perceived breach

Morrison and Robinson's (1997) model (Figure 3) posits that as a result of a comparison process (discussed in the following paragraphs), an unmet promise made by the employer may be perceived as a breach of the psychological

contract. Morrison and Robinson define breach of the psychological contract as being the “cognition that one’s organization has failed to meet one or more obligations within one’s psychological contract in a manner commensurate with one’s contributions...” (p. 231). However, Lambert, Edwards and Cable (2003) offer an expanded view of the psychological contract that includes the idea that over-fulfillment of certain types of expectations may also play a role in perception of breach of the contract. Specifically, they cite over-fulfillment of expectations concerning skill variety, skill development and career training as resulting in decreased levels of satisfaction.

Lambert and colleagues (2003) discussed methodological and statistical difficulties with measuring psychological contract breach in the traditional view of psychological contract (as have other authors such as Irving and Meyer, 1994; Irving and Meyer, 1995; Montes and Irving, 2008; Irving and Montes, 2009). As such, Lambert and her colleagues did not differentiate between unmet promises and breach while Morrison and Robinson (1997) did. According to Morrison and Robinson, the characteristic that distinguishes between a perceived breach of the psychological contract and an unmet promise lies in the reciprocal nature of the relationship represented by the psychological contract. Unmet promises and perceived breach of the psychological contract may represent different levels of incongruence in that an unmet promise is the failure of one party to follow through with some declared intent and, unlike the definition of breach, does not include any reference to reciprocation.

In their model, Morrison and Robinson (1997) identify a comparison process that determines if an unmet promise becomes a perceived breach. This comparison, according to the authors, comes in the form of an equation similar to that offered by Rousseau (1989) (see Figure A). Morrison and Robinson's equation compares the benefits provided and promised by the organisation with the contributions provided and promised by the employee. Morrison and Robinson indicate in their model that for a breach to occur, not only must the individual perceive that a promise has been unmet, but also that he or she had made contributions towards these promises.

In addition, Morrison and Robinson's model proposes the comparison process is mediated by two sets of factors – self-serving biases and threshold effects. The notion of a self-serving bias indicates that individuals may recall their own contributions in a more positive light and tend to overvalue them more than was actually the case. The self-serving biases may, however, be minimised or reduced by self-esteem, mood state or accurate feedback. For example, the authors quote Vasta and Brockner (1979) who point out that individuals with low self-esteem will evaluate their own contributions as inferior compared to individuals with high self-esteem. Individuals with low self-esteem also have fewer self-serving biases in general (Robinson & Morrison, 1997). Additionally, having prior negative moods may hinder the presence or intensity of self-serving biases. Morrison and Robinson cite Kuiper (1978) as showing that individuals with prior negative mood will be less likely to overestimate the extent to which

they had met their obligations. Lastly, Morrison and Robinson claim that having received accurate feedback concerning performance will also reduce self-serving biases because this feedback makes it difficult to distort perceptions concerning that performance.

Morrison and Robinson (1997) explain that threshold effects are those factors that “affect an employee’s threshold for determining that a breach of contract has occurred...” (p. 241). Lambert and colleagues (2003) posit that the recognition process is affected by the substantive nature of the inducement the promise entails (e.g. pay, recognition, etc.) and whether the inducement helps or hinders the worker in task accomplishment. Conway and Briner (2002) contend simply that over-fulfillment will result in positive emotional reactions and mood, whereas under-fulfillment results in negative responses. Huseman, Hatfield and Miles (1987) say that equity sensitivity may mean that individuals have differing levels of tolerance for inequitable situations. Their research identified three types of individuals: equity sensitives, benevolents and entitleds. Equity sensitives desire equity and fairness in social exchanges; benevolents are tolerant of negative inequity (receiving proportionally less than their comparison other); and entitleds prefer situations of positive inequity (receiving proportionally more than their comparison other). Morrison and Robinson claim that these individual differences will affect the threshold of recognition of an unmet promise as a breach. Specifically, they propose that individuals who are equity sensitive will more readily interpret an unmet promise as a breach than would an individual

who is a benevolent or an entitled.

The type of exchange relationship, transactional or relational, that the individual has with the organisation is also seen to affect whether or not an individual interprets a situation as an unmet promise or a breach. According to Morrison and Robinson, an individual with a transactional relationship with the organisation will be more interested in immediate compensation and balance in the exchange than an individual with a relational type of association. The individual with a transactional relationship will thus have a lower threshold for tolerance of unmet promises and interpret them as a breach more readily. Robinson and Morrison (2000) later found that individuals with a prior history of perceived breach with other employers would also more readily perceive breach in their current employment.

Lastly, the power asymmetry of the relationship between employee and employer is also postulated to affect the process by which a breach is perceived. Morrison and Robinson (1997) claim that individuals who are more powerful will feel entitled and thus also be less tolerant of unmet promises.

In summary, researchers have identified the following factors that may increase the likelihood that an employee will perceive an unmet promise as a breach of the psychological contract:

- Self-serving biases – recalling one's contributions in a more positive light than was the reality. These biases may be reduced by:

- self-esteem
- mood state
- accurate feedback
- Threshold effects – factors affecting employee's threshold for evaluating a situation as a breach:
 - nature of the inducement
 - level of over-fulfillment or under-fulfillment
 - equity sensitivity

Other important issues to address are the nature and role of communication in perceived breach of the psychological contract. The Guest and Conway (2002) investigation of senior human resource managers revealed support for their hypotheses that more effective communication may result in more explicit content in the psychological contract; lower likelihood of managers reporting a breach in the contract; perceptions of greater fairness in the employment exchange; and a more positive effect of promises and commitments on employee attitudes and behaviours. Additionally, the authors hypothesised that the use of the psychological contract as a framework for managing the employment relationship will result in more explicit contract terms and fewer reported breaches. These findings are significant in that they highlight the role good communication potentially plays in managing the employment relationship.

Tekleab and Taylor (2003) also believe that “creating a conducive environment for communicating reciprocal obligations may be one basis for minimizing

perceptions of” breach of the psychological contract (p. 603). These communications would logically be the source of information employees draw upon when forming their contract as discussed previously. According to Rousseau (2001), the promises made to an individual do not need to be verbally expressed or expressed in writing to signal intent, and she points out that non-verbal sources, such as history, observation, or interaction experience, can also provide perceived intentions.

As previously mentioned, several authors (Rousseau, 1989; Robinson & Morrison, 2000) have claimed that breach of the contract is a subjective experience and is based on one’s perceptions. This study looks at formative work experiences of a generational cohort (see sections below) as a possible source of subjective differences in psychological contract formation and fulfillment. The idea of divergence in perceptions of the psychological contract has previously been investigated, but not in the context of formative work experiences of a generation. For example, Lester, Turnley, Bloodgood and Bolino (2002) used survey methodology to investigate varying perceptions of the psychological contract, breach of the contract, and attribution of the breach between supervisor and subordinate dyads. Their results generally indicated that subordinates in their sample did perceive higher levels of breach of the contract than did their supervisor counterparts on dimensions of pay, opportunity for advancement, and a good employment relationship. Lester and colleagues (2002) indicate that perceptions of breach are the norm rather than the exception

and cite Robinson and Rousseau's 1994 work as an example.

Lester and colleagues (2002) also noted that changing labour market conditions may affect perceptions of breach of psychological contract because these conditions may force organisations to make different offers to different employees in the market or make promises to potential employees to attract them which employers are later unable to deliver. As noted previously and will be addressed again later in this literature review, Generation X employees have experienced different labour market conditions than other generational cohorts. Lester's work supports our idea that the formative work experiences of a generational cohort may influence psychological contract expectations and our decision to examine the formative work experiences of Generation X employees as a source of difference in psychological contract perceptions.

2.3.5 Violation

In the context of the psychological contract, violation is defined by Morrison and Robinson as "the emotional and affective state that may... follow from the belief that one's organization has failed to adequately maintain the psychological contract..." (p. 230). According to Robinson and Morrison (2000), "[E]mployees will experience more intense feelings of violation following a perceived breach if they attribute it to reneging rather than to incongruence (i.e., misunderstanding)"

(p. 532). Morrison and Robinson (1997) differentiate between these two constructs as follows. A perceived breach in a psychological contract is associated with the “cognitive assessment of contract fulfillment that is based on an employee’s perception of what each party has promised and provided to the other...”. Contract violation, on the other hand, is associated with “the emotional and affective state that may... follow from the belief that one’s organization has failed to adequately maintain the psychological contract...” (p. 230).

The process of perceiving violation appears to be a highly subjective experience because it is based on an individual’s perceptions and cognitions. According to Morrison and Robinson (1997), the interpretation process is not perfect and the individual experiencing the violation is not even necessarily aware or deliberately reflective of its occurrence. The authors point out that this interpretation process determines if a perceived breach is interpreted as a violation. Several issues arise here concerning mediating factors to the process and how this interpretation process actually functions. These factors include outcomes assessments, attributions, fairness judgements, and the underlying social contract (see Figure 3).

The outcome assessments in the model include the magnitude of the breach as well as its implications. Morrison and Robinson (1997) explain the likelihood of recognising a violation is positively associated with the size of the discrepancy perceived between the parties’ contributions. The recognition of violation is also

posited to be related to the implications of the breach for the employee. For example, Morrison and Robinson (1997) hypothesised the greater the acquisition of negative valence outcomes or the greater the loss of positive valence outcomes associated with the breach, the more intense the perception of violation.

The attribution factor, the second mediator in the model, involves assignment of causation. According to Morrison and Robinson, for a breach to be perceived as a violation, the individual must be able to attribute causation to, or blame, the organisation for failing to meet his or her expectations. The issues Morrison and Robinson identify that affect attribution include trust (formally defined in Section 2.5) and social accounts. According to Morrison and Robinson, if individuals trust the organisation, they may be less apt to assign blame for the breach to the organisation (i.e. attribute the breach to some external factor rather than an intentional breach of contract). This issue is central to this dissertation as the literature indicates that the Generation X worker would tend to exhibit a generally lower level of trust in the organisation based on their formative experiences than their Baby Boomer predecessors would have. The notion of social accounts may also intervene in the perception of violation. Social accounts in this context would be excuses or reasons for the breach offered by organisational representatives. The authors contend that as accounts are offered to the individual, they may be less apt to perceive the breach as a violation.

Fairness judgements, which include formal procedures and interactional justice, are also posited to affect perception of violation. According to Morrison and Robinson (1997), four conditions concerning the formal procedures in the organisation may affect perceptions of violation: the nature of the formal procedures themselves that led to the breach; the level of consistency of those procedures; the ability or lack of ability of the individual to have had a voice in the development of the procedures; and the impartiality of the procedures. Additionally, an individual's perceptions of interactional justice may also affect the perception of violation. Morrison and Robinson define interactional justice as the overall perceived honesty and respectful treatment of an individual in receiving an outcome. Perception of violation may also be affected by an adequate or inadequate justification being provided for a breach (Bies & Shaprio, 1987).

Lastly, the perception of violation may be affected by the social contract. Morrison and Robinson (1997) explain that "A social contract refers to the assumptions, beliefs and norms about appropriate behavior within a particular social unit..." (p. 246). This is in essence the playing field for the psychological contract – how things are expected to be done. If the perceived breach falls outside of the expected behaviours of the social contract, the occurrence of perception of violation would be expected to increase.

Turnley and Feldman (2000) have also indicated that the majority of "respondents ...experienced some degree of psychological contract violation..."

(p. 38). Although violation is a different construct from breach, the two are intricately related. For example, according to Suazo's (2008) study of 196 service-oriented employees, violation mediates the relationship between psychological contract breach and several work-related attitudes and behaviours, including job satisfaction and intentions to quit. Additionally, in their investigation of the effects of contract violation on employee exit, voice, loyalty and neglect behaviours, Turnley and Feldman (1999) called for future research to "examine how individual dispositional characteristics influence employee's perceptions of psychological contract violations..." (p. 918). The present study addresses the issue concerning individual dispositional characteristics by seeking to understand the relationship between the formative work experiences of the Generation X and the psychological contract.

2.3.6 Differentiation between unmet promises, breach and violation

Although Morrison and Robinson do not state that unmet promises, breach, and violation form a continuum, the constructs of breach and violation are related and could be considered degrees of experiencing a lack of fulfillment of the psychological contract. As mentioned, Suazo (2008) reported that violation serves as mediator to the relationship between psychological contract breach and work-related attitudes and behaviours. As such, an individual will not experience violation without having perceived breach of the psychological

contract. In this thesis, we use Morrison and Robinson's model as a foundation and extend their work by conceptualising the psychological contract as a continuum that begins with a comparison process that differentiates whether the psychological contract has been met or has resulted in unmet promises. A second comparison process then distinguishes between unmet promises and a breach of the psychological contract. A third interpretation process is hypothesised to distinguish between a breach and a violation. Therefore, according to Morrison and Robinson, a breach is preceded by an unmet promise while a violation is preceded by a breach. Thus, the individual will perceive a breach of contract when his or her perceived unmet promises are the result of a failure by the other party to reciprocate the contributions the individual has made. In other words, breach is an assessment. Violation on the other hand is the emotional response to the perception of breach.

2.3.7 Consequences of unmet promises, psychological contract breach and violation

This thesis investigates how the various psychological contract outcomes (i.e. contract fulfilled, unmet needs, contract breach, and violation) are associated with employee engagement and trust in the organisation. This section will discuss what is known/postulated about the consequences of unmet promises, psychological contract breach or violation.

Several authors (Gakovic & Tetrick, 2003; Deary, Iverson & Walsh, 2006; Robinson & Rousseau, 1994; Robinson, 1996; Robinson, Kraatz, & Rousseau, 1994) have done empirical work concerning the consequences of psychological contract non-fulfillment. Others (Turnley & Feldman, 2000; Morrison & Robinson, 1997) have investigated how breach and violation of the psychological contract affect outcomes such as trust, job satisfaction, perceived obligations to the organisation, and intent to remain with the organisation.

Gakovic and Tetrick's (2003) review of the extant literature found the following outcomes to be negatively associated with the breach experience: performance, citizenship behaviours, commitment, engagement, trust, job satisfaction, employee's intent to remain with the firm, and turnover. In their own empirical work, Gakovic and Tetrick (2003) found that fulfillment of organisational obligations (i.e. fulfillment of the psychological contract) was negatively related to emotional exhaustion and positively related to job satisfaction. More recently, Deary, Iverson and Walsh (2006) reported a positive relationship between psychological contract breach and absenteeism as well as a negative relationship between breach and trust in the employer.

Concerning the relationship between perceived violation and employee outcomes, Robinson and Rousseau (1994) reported that violations of the psychological contract were negatively related to satisfaction, trust, and the employee's intent to remain with the firm. These results are not strikingly

different from the results previously discussed concerning breach of the contract.

Turnley and Feldman (2000) investigated potential effects of violation on outcomes considering unmet expectations and job dissatisfaction as mediators to the relationship. The authors clearly differentiate between breach and violation similar to Morrison and Robinson (1997), and their findings were in line with those presented by Robinson and Rousseau (1994) – violations of the psychological contract resulted in negative impacts on intent to leave, job neglect, and organisational citizenship behaviour. Turnley and Feldman also reported (similar to Robinson's 1996 findings) that unmet expectations as well as job dissatisfaction partially mediated this relationship.

While researchers have investigated the results of breach of the psychological contract and violation, no studies were found that investigate the effect of all the various states of psychological contract non-fulfillment (unmet promises, psychological contract breach, and violation) on the specific outcomes of engagement and trust. The present thesis aims to contribute to our understanding of this relationship.

2.3.8 Alternative model of contract violation

Sutton and Griffin (2004) offer an alternative model of the development of a

psychological contract violation that differs from that offered by Morrison and Robinson (1997) in two key ways. First, Sutton and Griffin claim that “psychological contracts consist only of promissory obligations, are formed post-organizational exchange and have the employer and the employee as parties to the agreement...” (p. 497). Second, Sutton and Griffin used a liberal definition of “violation” in the context of the psychological contract and claim the employee experiences violation “[w]hen one party to a psychological contract believes that the perceived promissory obligations have not been met...” (p. 495).

Sutton and Griffin’s initial hypothesised model indicated that unfavourable post-entry experiences concerning job characteristics, pay and supervision (i.e. the employee’s pre-employment expectations not being met) would be positively related to psychological contract violation. They also hypothesised that experiencing contract violation would be negatively related to satisfaction which is ultimately related to turnover intentions. The authors surveyed their initial sample of 475 Australian students preparing to graduate and enter the workforce. After fourteen months, the subjects were resurveyed with 248 respondents. Tests of the hypotheses led to a revised model that includes only one significant relationship between the post-entry experiences and contract violation – a negative relationship between supervision and contract violation. The hypothesised relationship between contract violation and job satisfaction is also included in the revised model.

While Sutton and Griffin's model does offer some insight into the formation of psychological contract violation, two issues with the study limit its applicability in the present dissertation. First, Sutton and Griffin limited the dimensions of the post-entry experiences to only three potential factors – job characteristics, pay, and supervision – thus limiting the subjects' potential responses to the survey. Second, the components in Morrison and Robinson's model and their definitions of key constructs are much more comprehensive than those offered by Sutton and Griffin. For example, Sutton and Griffin's model includes no reference to the construct of psychological contract breach whereas Morrison and Robinson discuss the construct extensively. These factors render the Sutton and Griffin model inferior to Morrison and Robinson's model for the purposes of this dissertation which relies on a more holistic view of violation.

2.4 Engagement

Engagement is one of the outcomes of the psychological contract being investigated in this dissertation. A good definition for engagement is difficult to pin down. Bates (2004), Roberts and Davenport (2002), Seijts and Crim (2006), and Thatcher (2005) offer rather informal definitions of the construct (i.e. definitions that are not fully developed or that describe engagement in terms of other constructs). Authors such as Kahn (1990), Luthans and Peterson (2002), Gubman (2004), and Schaufeli and Bakker (2004), however, provide relatively

comprehensive and succinct definitions of engagement. Kahn (1990) claimed that engagement is “multifaceted” and defined the contrast as follows: “Personal engagement is the simultaneous employment and expression of a person’s ‘preferred self’ in task behaviors that promote connections to work and to others, personal presence (physical, cognitive, and emotional), and active, full role performances” (p. 700). In their review of the engagement literature, Luthans and Peterson (2002) noted that the major components of psychological engagement are emotional and cognitive engagement. They describe an emotionally engaged individual as one who forms meaningful connections to others and experiences empathy and concern for others. They define cognitive engagement, on the other hand, as an acute awareness of one’s role and mission in the organisation.

Gubman (2004) states that the literature describes engagement as “a heightened emotional connection to a job and organization that goes beyond satisfaction...” (p. 43). Gubman claims that there is a level above engagement one can achieve that he calls “passion”. According to Gubman, engagement is the function of “what you do and where you do it...”, whereas passion adds “who you are” to the formula making it a part of the person (p. 43). He goes on to claim that using measures of the “Big 5” personality traits will reveal those individuals capable of feeling passion for their jobs.

Schaufeli and Bakker (2004) provide a comprehensive definition of engagement

as being “a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption” (p. 295). They go on to describe vigor as “high levels of energy and mental resilience at work...willingness to invest effort...and persistence”. Dedication is “a sense of significance, enthusiasm, inspiration, pride, and challenge...”. The third dimension of engagement, absorption, is described as “being fully concentrated and happily engrossed in one’s work, whereby time passes quickly and one has difficulties detaching oneself from work...” (p. 295). Due to the comprehensive nature of their explanation, Schaufeli and Bakker’s definition of engagement will be adopted as the working definition for this dissertation.

2.4.1 Why engagement is important

Bates (2004) and Greenfield (2004) indicate that the profile of the average organisation’s workforce shows that it is extremely disengaged. According to Bates (2004), “a fourth of the employees are totally turned off by their jobs, fully half the workers do just enough to get by, and only the remaining 25 percent are enthusiastic” (p. 44). Greenfield (2004) reports that “more than half of all employees” are disengaged and cites a study by Forrester reporting “that only 24 percent of employees are engaged” (p. 14). Other authors (Frank, Finnegan & Taylor, 2004; Aselstine & Alletson, 2006; Seijts & Crim, 2006) have also noted these findings concerning the lack of engagement. Similarly, Aselstine and

Alletson (2006) report that “less than one in five Canadians is highly engaged by their work. Globally, only 14 percent of employees are highly engaged” and “[m]any more (62 percent globally and 66 percent in Canada) are only moderately engaged...” (p. 1).

But why should low engagement be of concern? Engagement is an important issue to the organisation for both human-oriented and financially oriented reasons. For example, Wagner (2006) found in the nursing management literature that engagement is a predictor of job satisfaction and intention to remain with an organisation. Luthans and Peterson (2002) state that “soft human-oriented measures” such as engagement are now being recognised as important indicators of firm performance. Other authors (Schiemann, 2006; Greenfield, 2004; Konrad, 2006; Frank et al., 2004; and Seijts & Crim, 2006) have alluded to the costs associated with disengaged employees. Schiemann (2006), for example, claims that engagement is one of the core elements of “people equity” and highlights a number of potential consequences of low engagement: lower customer satisfaction, productivity, margins, and referrals of talent, in addition to dead wood and cynicism (p. 37). Each of these consequences is potentially financially costly. Curt Coffman (as cited in Bates, 2004), an author with the Gallop Organization, claims that due to a lack of engagement the US economy is running “at 30% efficiency...” (p. 46).

Other evidence supports Schlieman’s contentions. Konrad (2006) cited a Gallop

Organization study which stated: "About 2/3 of the business units scoring above the median on employee engagement also scored above the median on performance, while only about 1/3 of companies below the median on employee engagement scored above the median on performance..." (p. 1). Frank et al. (2004) cite study results that state "companies described as having low overall engagement lost 2.01 percent operating margin and were down 1.38 percent in net profit margin over a three-year period..." (p. 16). This same report states that "high-engagement companies gained 3.74 percent operating margin and 2.06 percent net profit margin..." (p. 16).

These findings support the idea that engagement is positively associated with profitability. In fact, Seijts and Crim (2006) claim that engagement is not just a correlate, but rather a driver of results in the organisation.

The above research establishes that engagement is important but does not help us understand why some employees report higher levels of engagement than others. This thesis looks to extend our knowledge in this area by examining the potential link between an employee's formative work experiences (i.e. the formative experiences of a generational cohort) and the formation of their psychological contract expectations; between psychological contract expectations and psychological contract fulfillment; and between conditions of psychological contract fulfillment and engagement. We hypothesize that one potential reaction to perceived diminished fulfillment of the contract would be an

emotional withdrawal from one's job – i.e. a decrease in engagement. This reaction is likely to be covert and cognitive in nature, allowing the employee to enact it without direct attention from the employer.

2.5 Trust

Trust is an important issue to the organisation for a number of reasons. According to Dirks and Ferrin (2001), higher levels of trust are related to such outcomes as more positive attitudes, higher levels of cooperation, superior levels of performance, and better team processes and performance. This section will review the trust literature, providing a working definition for trust and a current model of trust in the literature. It will then discuss the various ways that trust may influence the psychological contract and outline our examination of trust in this thesis.

2.5.1 Definition of trust

It is critical to establish a working definition for the term trust before continuing the discussion of a potential relationship with the psychological contract.

Kee and Knox (1970) claimed that several terms are often used synonymously

with trust, including cooperation, faith, and confidence. Fifteen years later, Mayer, Davis and Schoorman (1995), also addressed the continued lack of differentiation in the literature between trust and other constructs such as predictability.

Numerous authors from distinct areas of literature (Frost, Stimpson & Maughan, 1978; Rich, 1997; and Rousseau, Sitkin, Burt, & Camerer, 1998) have provided differing definitions of trust with varying comprehensiveness, but many of these definitions are discipline specific and fail to distinguish between trust and other constructs. For example, Frost et al. conceptualized trust in the psychology literature as “an expectancy held by an individual that the behaviour (verbal or non-verbal) of another individual or group of individuals would be altruistic and personally beneficial to himself...” (p. 104). Rich (1997) defined trust in the marketing literature “as the extent to which a salesperson has confidence in the manager’s reliability and integrity...” (p. 321).

Battacharya, DeVinney and Pillutla (1998) attempted to construct a “mathematical and statistical”, integrated definition of trust from various genres of study. They identify several themes that indicate trust “exists in an uncertain and risky environment...”; “reflects an aspect of predictability – that is, it is an expectancy. . .”; has the characteristics of importance and strength; “exists in an environment of mutuality – that is, it is situation and person specific . . .”; and is “good” (p. 462). The definition developed by Battacharya and colleagues comes

with several interesting implications. First among these is that trust is not independent of the environment. The authors indicate that it is impossible for someone to have an “innate” level of trust or trustworthiness due to the very nature of trust being dependent on the situation at hand. Second, trust is not an attribute of behaviour, but rather is dependent on actions, outcomes, and consequences. This implication could be interpreted in two ways in the context of the study at hand: (1) that a given individual could not have some inherent level of trust or distrust for employers, but rather trust would develop through interaction and experience, and (2) that a cohort of employees could in fact form some inherent level of trust based on the formative experiences that shaped the cohort to start with. This second interpretation ignores the dynamic nature of trust which changes based on experiences as previously indicated.

Rousseau et al. (1998) point out that trust may take several forms. Of interest to the present discussion are two of these forms – calculus-based trust and relational trust. Calculus-based trust “is based on rational choice – characteristic of interactions based on economic exchange. Trust emerges when the trustor perceives that the trustee intends to perform an action that is beneficial...” (p. 399). This perception of intention is based not only on the existence of deterrence but also on credible information (p. 399). The authors do not differentiate this type of trust as being targeted only at individuals. That said, if one can perceive an “intention” of an organisation, calculus-based trust may be at play in the employment relationship.

Relational trust on the other hand results “from repeated interactions over time between truster and trustee...” (p. 399). The basis of this form of trust is information “from within the relationship itself...” (p. 399). The authors do specifically mention career advancement of an employee in their discussion of this form of trust. The notion of employment being a relationship certainly follows the same line of logic previously discussed in the review of psychological contract literature – in particular the relational form of psychological contract. If Rousseau and her colleagues (1998) are accurate, relational trust would seem to be an outcome as well as a type of feedback between organisational outcomes and the psychological contract comparison process discussed previously. That is to say, over time, trust as an outcome of the psychological contract relationship can be hypothesised to affect the psychological contract relationship itself.

Rousseau and colleagues (1998) reviewed definitions of trust from across disciplines in a special issue of the *Academy of Management Review* dedicated to trust. Although citing some blurring from the erroneous use of the term trust in place of other constructs, they found reasonable commonality across disciplines. Their own definition, that “Trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviours of another” (p. 395), assumes that trust is not behaviour or choice, but an underlying psychological condition. Kramer (1999) would agree, stating that his review of the literature revealed that “whatever else its essential features [are], trust is fundamentally a psychological state...” (p. 571). Based on the

comprehensive nature of their definition derived from literature from across disciplines, we will use Rousseau et al.'s (1998) definition for the purpose of our study.

2.5.2 A model of trust

Because it is consistent with the conceptualisation of trust in this study, a brief overview of the Mayer et al. (1995) model of trust (see Figure 4) is included in this thesis.

The Mayer et al. (1995) model of organisational trust positions trust as an outcome of several *factors of perceived trustworthiness* of the object of trust. These researchers hypothesised that the relationship between the factors and trust is moderated by the trustor's propensity to trust. Trust, then, is hypothesised to lead to risk taking in a relationship, which is moderated by perceived risk. Finally, it is postulated that risk taking leads to outcomes which result in a feedback loop to the original factors of perceived trustworthiness.

One factor included in the model pertinent to the present research is *propensity to trust*. The authors describe propensity to trust as "a trait that leads to a generalized expectation about the trustworthiness of others..." and a "general willingness to trust others" (p. 715). In their discussion of propensity to trust, the

authors mention that the trustor's willingness to trust varies based on such factors as differing developmental experiences, personality types, and cultural backgrounds.

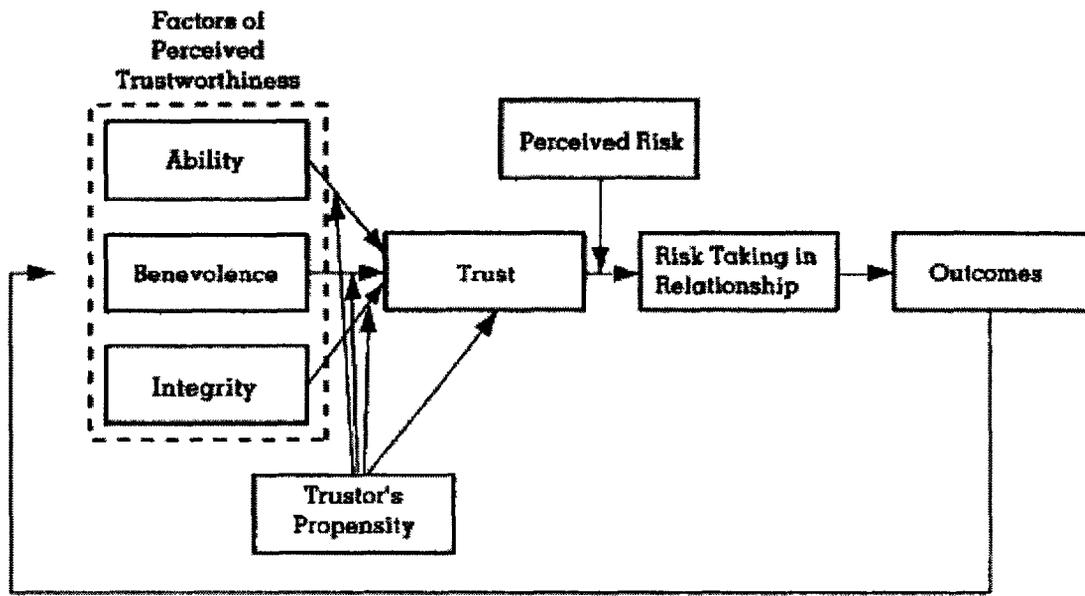


Figure 4. Trust model offered as “Figure 1” in Mayer, Davis and Schoorman (1995, p. 715)

A second factor of perceived trustworthiness found in the model and applicable to the present study is *integrity* which the authors define as involving “the trustor’s perception that the trustee adheres to a set of principles that the trustor finds acceptable” (p. 719). The authors add:

Such issues as the consistency of the party’s past actions, credible communications about the trustee from other parties, belief that the trustee has a strong sense of justice, and the extent to which the party’s actions are congruent with his or her words all affect the degree to which the party is judged to have integrity. (p. 719)

While not specifically addressing fulfillment of the psychological contract affecting

perception of integrity, most of these issues are related to whether or not the employer would be perceived as having the propensity to follow through on his or her obligations.

Another interesting feature of the Mayer et al. (1995) model is the inclusion of an outcome feedback loop. Basically, the model posits that as individuals (known as “trustors” in the model) gain experience by taking risk in another person or group (known as “trustees” in the model), the outcomes of those experiences (positive or negative) effect the factors of perceived trustworthiness of the trustee (i.e. make him/her more or less trustworthy). This feedback feature of the model is similar to the relational trust construct described by Rousseau et al. (1998).

2.5.3 Examination of trust in this thesis

Rousseau et al.'s (1998) definition of trust, adopted for this research, describes what appears to be the general nature of the psychological contract – a relationship fundamentally based on trust. An employee creates expectations of organisational contributions to the relationship based on the social information he or she derives primarily from historical organisational behaviours or information provided by current or past organisational members. The employee also creates expectations concerning his or her anticipated contributions to the relationship. If the worker decides the terms of the relationship are acceptable, then

employment is accepted with the expectation that the organisation will fulfill its obligations to the employee.

This expectation is sometimes based on explicit contract terms, but may also be based on faith in the good intentions of the organisation. For example, if a person works "X" number of hours, employment laws dictate that the employee must be paid for that time. However, the expectation that hard work or extra hours of work will eventually pay off for the individual in the form of a raise or promotion may not be dictated by law or contract; it is simply based on trust. Trust here might come in the form of accepting vulnerability by foregoing other employment opportunities, educational opportunities, etc. that would provide the outcomes the individual desired (i.e. the raise or promotion) (Rousseau et al. 1998).

While the relationship between trust and the psychological contract has been identified in the literature by several authors (i.e. Robinson & Rousseau, 1994; Morrison & Robinson, 1997; Robinson, 1996), there is little agreement on what this relationship actually looks like. Robinson and Rousseau (1994) mention that when promises are broken, anger and an erosion of trust in the relationship occur (trust as an outcome). Robinson and Morrison (1995) found survey evidence indicating that unfulfilled obligations of the employer were negatively related to organisational citizenship behaviour and that this relationship was partly mediated by trust (trust as a mediator). Further, Morrison and Robinson (1997)

proclaim that an individual's level of trust in the organisation will affect the person's perception of a breach of contract as a violation (trust as a moderator).

Robinson's (1996) longitudinal study of newly hired managers showed "that the relationship between trust and psychological contract breach is strong and multifaceted..." (p. 574) and that initial trust in an employer was negatively related to perceptions of breach of contract after 18 months (trust as a mediator). Initial trust in an employer also mediated the relationships between perceived breach and subsequent trust, and between contract breach and subsequent contributions to the firm (Robinson, 1996). Robinson's findings indicate that trust may be a mediating factor in the perception of breach of the contract. The findings also indicate that the perception of breach is in the eye of the beholder rather than a universal phenomenon. Robinson also reports that prior trust (initial trust) moderates "the relationship between psychological contract breach and subsequent trust..." (p. 594).

Rousseau et al. (1998) noted, "Theorists and researchers of trust may model the concept as an independent variable (cause), dependent variable (effect), or interaction variable (a moderating condition for a causal relationship)..." (p. 396). Based on the literature in this area, it appears that trust can play three potential roles in the psychological contract: outcome, mediator variable, or moderator variable. This thesis will examine trust in the role of outcome. The view of trust as an outcome is consistent with a significant body of literature. For example,

the Battacharya et al. (1998) definition of trust positions trust as an outcome. A meta-analysis by Zhao, Wayne, Glibkowski, and Bravo (2007) also found a relationship between psychological contract breach and mistrust in the employer.

2.6 Critique of psychological contract literature

The empirical literature in the psychological contract area is relatively young and as a result suffers from a number of shortcomings. One such shortcoming is that the term psychological contract has been used loosely by researchers. Guest (1998a; 1998b), for example, claims that the term “psychological contract” is an improperly used metaphor. Guest’s reasoning concerns the definition of the term “contract”. Guest refers to the *Oxford English Dictionary* definition of the term and argues that “law is closely associated with the concept of contract” and “the contract is defined in terms of the agreement between parties” (p. 674). Taken literally, Guest’s point is a valid concern. However, the context and spirit of the psychological contract in organisational behaviour research is such that the two terms, “psychological” and “contract”, together are intended to guide the reader away from the literal meaning of the individual terms and towards a new and unique meaning. The literature has other shortcomings:

- gaps in our knowledge of the psychological contract,
- lack of agreement on definition of key constructs,
- lack of qualitative studies in the area, and

- a lack of generalisability due to the use of student samples.

Details on each of these issues are given below.

According to Guest (1998a), "At present there is no more than embryonic theory about the psychological contract..." (p. 650). Robinson (1996) concurs and claims that certain areas of knowledge of the psychological contract are currently not completely understood: "Unfortunately, empirical study of psychological contract breach remains in its infancy" (p. 574). One gap in the literature is an understanding of the potential relationship between formative work experiences and perceptions of the psychological contract. The present thesis addresses this issue through an in-depth study of how the formative experiences of one demographic cohort, Generation X, impact perceptions of the psychological contract.

Research in the area is also limited by the fact that many researchers have developed operational definitions for key constructs as well as survey instruments that are specific to their study rather than relying on definitions or instruments already in use. As a result, we lack universally accepted definitions for the key constructs such as psychological contract and violation, making a comparison of findings in different studies difficult. In an attempt to forward the acceptance of consistent definitions by the majority of investigators in this field, the present research adopted established definitions for the major constructs being examined. Of the three definitions reviewed for the term psychological

contract, both the Dunahee and Wangler (1974) and the Guest and Conway (2002) definitions considered the perceptions of reciprocal obligations from both the individual's as well as the organisation's viewpoint. Rousseau's (1989) definition, however, considered only the perceptions of the individual and was adopted as our operational definition because it better captures our conceptualisation of the nature of the psychological contract.

Similarly, of the two definitions of violation we reviewed, Sutton and Griffin (2004) define violation as occurring when an individual's "promissory obligations have not been met" (p. 495) whereas Morrison and Robinson (1997) define the term as the emotional response to a perceived breach of the psychological contract. We adopted the Morrison and Robinson definition because it represents the progressive nature of contract fulfillment as we conceptualised it. Such consistency of terms will, it is hoped, increase the utility of this study for future researchers in the area.

Our review of the literature suggests that researchers lack comprehensive knowledge concerning the factors contributing to the process of comparison of the psychological contract, and we also do not fully understand the dynamic nature of the process by which psychological contract fulfillment is evaluated. This makes it difficult to develop valid measures of these constructs. To properly model perceptions of the psychological contract, for example, the response options would need to be exhaustive and to account for other potential issues

(i.e. generational issues, trust, etc.) that could affect the individual's perceptions of the psychological contract's components. This lack of response options presents problems because, as explained by Patton (1990), the use of a priori response categories on a survey measuring the experiences of an individual results in "pigeonholing or delimiting what those experiences will be in advance of fieldwork" (p. 45). This thesis avoids these limitations by conducting a qualitative study using open-ended interview questions.

Our review of the psychological contract literature reveals that most researchers in this area use a quantitative research design. Only three articles could be found that used qualitative methods to study the psychological contract: Robinson, Kraatz and Rousseau (1994) used interviews to develop a survey, Guest and Conway (1997) used telephone interviews, and Conway and Briner (2002) used diaries.

The lack of qualitative studies in this area means that to date we do not have the kind of data we need to develop our in-depth knowledge of this domain. Several authors (Miles & Huberman, 1984; Eisenhardt, 1989; and Patton, 1990) have called for use of qualitative methodologies when studying a phenomenon that has a diverse and highly-personalised nature such as that of the psychological contract. In-depth personal interviews create unlimited response categories that are later grouped generally by similarity or theme and may reveal more about the subjects' experiences and perceptions. Additionally, case study methodology

allows for on-site study of the phenomenon that affects the subjects. Therefore, this thesis will use qualitative techniques to explore Generation X knowledge worker perceptions of the psychological contract and to study the effects of formative experiences on those perceptions.

Finally, much of the research in this area used recent MBA graduates or undergraduate students as either part of or as their entire sample. This is unfortunate because current or recent students could potentially be biased in their perceptions of the work relationship (i.e. the psychological contract) when contrasted with a sample of seasoned workers with long-term tenure. This difference could prove to be problematic when attempting to generalise the findings from a student group (i.e. recent MBA graduates) to the general population of current workers. Additionally, one could assume that the majority of student subjects would be at an earlier stage in their life cycle (i.e. not married, no children, no mortgage, etc.). A student accepting either a fictitious job (in an experimental setting) or perhaps a first full-time or part-time job, close to or after completing a degree, would likely have divergent views of the need for that job than would the experienced worker. Students may also have differing views of their prospects for finding another job from an experienced worker who has less opportunity (i.e. less education) or greater life responsibilities (i.e. a mortgage or family). The present thesis uses a sample comprising individuals who have been employed for a number of years to address this potential limitation.

2.7 Definition of generational cohort

This thesis explores the impact a generational cohort has on formative work experiences and the psychological contract. Having focused on the psychological contract, we now turn our attention to the other important construct in our model – the generational cohort.

One of the most frequently referenced definitions of a generation was developed in Mannheim's (1952) essay "The Problem of Generations". Pilcher (1994) referred to this definition as the "most systematic and fully developed treatment" of a "generation" (p. 481). Pilcher points out:

...Mannheim identifies generational location as a key aspect of the existential determination of knowledge. Generational location points to 'certain definite modes of behaviour, feeling and thoughts' (Mannheim 1952: 291), and the formative experiences during the time of youth are highlighted as the key period in which social generations are formed. According to Mannheim's account, contemporaneous individuals are further internally stratified: by their geographical and cultural location; by their actual as opposed to potential participation in the social and intellectual currents of their time and place; and by their differing responses to a particular situation so that there may develop opposing generational 'units'. (p. 483)

Pilcher also points out problems with the use of terminology in generational research. For example, she notes that the terms "generation" and "cohort" have

frequently been used interchangeably in the literature, while in fact they have different literal meanings. Generation can be defined in terms of parental relationships (i.e. “The process of begetting offspring” and “A successive step or degree in natural descent”), or as referring to an age group (i.e. “a group of individuals born at about the same time” and “a group regarded as having similar opinions or behaviors”) (*The Reader’s Digest Great Encyclopedic Dictionary*, 1966, p. 556). Cohort is defined as a “group of people with a statistic in common” (Dictionary.com, n.d.). According to Pilcher (1994), “Many contributors to generational analysis have pointed out that the way in which Mannheim and others have used ‘generation’ is really in the sense of ‘cohort’ and that this would be a more accurate term to employ” (p. 483).

Other authors have developed their own definition of generational cohort that appears to exemplify the issues pointed out by Pilcher. For example, Kopperschmidt (2000) defined a generation as “an identifiable group (cohorts) that shares birth years, age location, and significant life events at critical developmental stages (times)..” (p. 66). Jurkiewicz and Brown (1998) adapted a definition for generational cohort in their discussion of differences in generational preferences. They referred to Rosow’s definition of an “age cohort” as “a group of people who share a given historical or socially structured life experience, the effects of which are relatively stable over the course of their life and serve to distinguish one generation from another...” (1998 p. 19).

Other authors defined the generational cohort by describing its function. For example, Ryder (1965) viewed the generational cohort as a societal change mechanism which constantly replaces people in society through birth and death (“a massive process of personnel replacement” (p. 843)). Ryder states that the formative events that may affect the characteristics of a cohort are numerous and diverse; and as generational cohorts form and progress through life, they do become fundamentally different from preceding cohorts.

Neither the definition of “generation” nor the definition of “cohort” alone represents the essence of the construct we have referred to thus far in this dissertation as a generational cohort. Heeding Pilcher’s concerns, we adopt Kupperschmidt’s (2000) definition of a “generation” as our operational definition of “generational cohort”. To reiterate, Kupperschmidt (2000) claims that a generation is “an identifiable group (cohort) that shares birth years, age location, and significant life events at critical developmental stages (times)...” (p. 66).

2.8 How and why cohorts form

This section describes how and why generational cohorts form. Many authors (Schuman & Scott, 1989; Scott, 2000; Lyons, 2003) refer to the work of Mannheim (1952) for guidance concerning the characteristics of a generation. Schuman and Scott state that Mannheim addresses the generation as a social

creation. Mannheim claims that each generational group “receives a distinctive imprint from the social and political events of its youth” (p. 359) and that in societies with little or no distinctive events, generational groups may not even appear (Schuman & Scott, 1989). Schuman and Scott’s (1989) investigation revealed a relationship between age and experience with different events identified among different cohort groups. The most memorable events were those that occurred roughly between the ages of 16 and 27. These findings support the notion that the generational cohort forms through some common types of experiences that take place during specific formative times in life. As such, some formative experiences may occur prior to joining an organisation (i.e. what we call “labour market effects”), while others may occur while employed with a present employer (i.e. what we call “employer effects”).

Scott (2000) also discusses Mannheim’s (1952) writings concerning generations and the importance of social factors in their formation. Scott (2000) notes that these factors result in social representations that guide the group’s perceptions and beliefs, making the theory of generations constructivist in nature. Scott further points out an aspect of Mannheim’s theory of interest in the present discussion – social representations not only categorize and affect our perceptions of what we encounter, but may also act prescriptively and impose a structure on what we should think. In the formation of the generational cohort, experiences of collective social events result in guiding social representations.

Other authors attempt to differentiate and identify generational groupings using other types of criteria. For example, Scott cites Mills (1967) as using linguistics as the categorising criteria, while Pilcher (1994) cites Mannheim (1952) in her discussion of different types of time and calendar references (i.e. quantitative or measurable time versus qualitative or “subjectively experienceable” time) as potentially useful for categorising generations. This thesis restricts its analysis to shared meaning and perception.

2.9 Generational groupings – definition of cohort boundaries

Lyons (2004) points out that simply describing the generations and their boundaries has received a “breadth of attention...” with “a surprising degree of agreement among commentators...” (p. 132). Lyons reviewed eight separate typologies of the generational groupings in developing his operationalisation of generations. The present dissertation will operationalise the generational groups using the configuration described by Smola and Sutton (2002) which is typical of those identified in the literature. According to Smola and Sutton (2002), the generational cohorts prevalent in the workforce today include the Baby Boomers (born between 1946 and 1964), the Generation X (individuals born between 1965 and 1982) and the Nexus or Millennials (born between 1983 and 1994). Of particular interest to the present study is Generation X – those individuals born between 1965 and 1982.

The large Baby Boomer cohort, which started as the result of prosperous economic and social times, has dominated the labour and economic markets for many years. Boomers enjoyed the benefits of prosperity until downsizing and rightsizing trends started in the late 1970s. These trends changed the economic and employment landscape (Gandolfi, 2008) and became a staple of work life in the 1980s. Much of today's employment relationship in terms of what is offered to employees was formulated throughout the years when the Baby Boomer cohort dominated the labour market. Having reached retirement age, the eldest members of this Boomer cohort are now beginning to retire from the labour market, and the remaining and incoming cohort(s) are inheriting the employment relationship formed while the Baby Boomers were the majority of the workforce.

Research on the psychological contract has largely focused on the Baby Boomer generation, but our review of the literature suggests the formative work experiences of that generation were very different from those experienced by Generation X. The following sections discuss the formative experiences and characteristics of the Generation X cohort.

2.10 Formative work experiences

This thesis contends that formative work experiences are related to how Generation X views the employment relationship. To begin this discussion, we

must first define what formative work experiences are. According to Scott (2000), the ideas or beliefs of a generation are structured “in part, according to the experiences people had in the formative years of their own childhood” (pg. 356). Scott further claims that generational membership may “set the parameters of experience” which lead to certain ways of thinking, feeling and behaving that come together to form “a ‘natural’ view of the world. These natural views of the world serve the individual throughout their life as an interpretive anchor for later experiences. In accordance with Scott, we would define formative work experiences as the subset of experiences that a person has that influences how they view work and the behaviours of their organizations and organizational leaders.

Scott also identifies that generational research is often limited because in attempting to “go directly from the quantitative delineation of cohorts in terms of age to the prediction of later thought or action”, researchers fail to identify “the way a cohort’s earlier experience is used in their qualitative assessment of a situation” (pg. 357). As such, we propose that formative work experiences can be divided into two types – labour market effects (i.e. those formative work experiences the employee had prior to joining the current employer) and employer effects (i.e. those formative work experiences the employee has had since joining the present employer). Several authors (e.g. Rousseau, 1990; Sutton et al 2004) posit that an employee’s psychological contract expectations are based on past experience and form prior to joining the firm. It logically

follows then that an employee's formative labour market experiences will contribute to their perception of their psychological contract with their employer. Considering again Scott's contention that previous experiences serve as an evaluative anchor for later experiences means formative experiences will influence how an employee interprets their current employer's behaviour. We hypothesise that how their current employer behaves may serve to either reinforce their view of the world (be it positive) or re-evaluate their views.

To place the labour market formative work experiences of Generation X in context, Figure 5 offers a timeline of relevant events and trends. This timeline highlights the approximate periods of officially declared economic recessions and associated unemployment rates and the downsizing philosophy in common use at the time. Since ages of 16 to 27 are the most important for generation cohort formation (Schuman et al, 1989), the labour market formative work experiences those in the Generation X cohort were most likely to encounter when they were aged 16 to 27 are highlighted. While a thorough discussion and review of literature concerning each of the potential formative events and trends (e.g. organisational downsizing strategy, periods of recession) is beyond the scope of this research, we will briefly discuss each timeline event and link it to the idea of labour market formative work experiences.

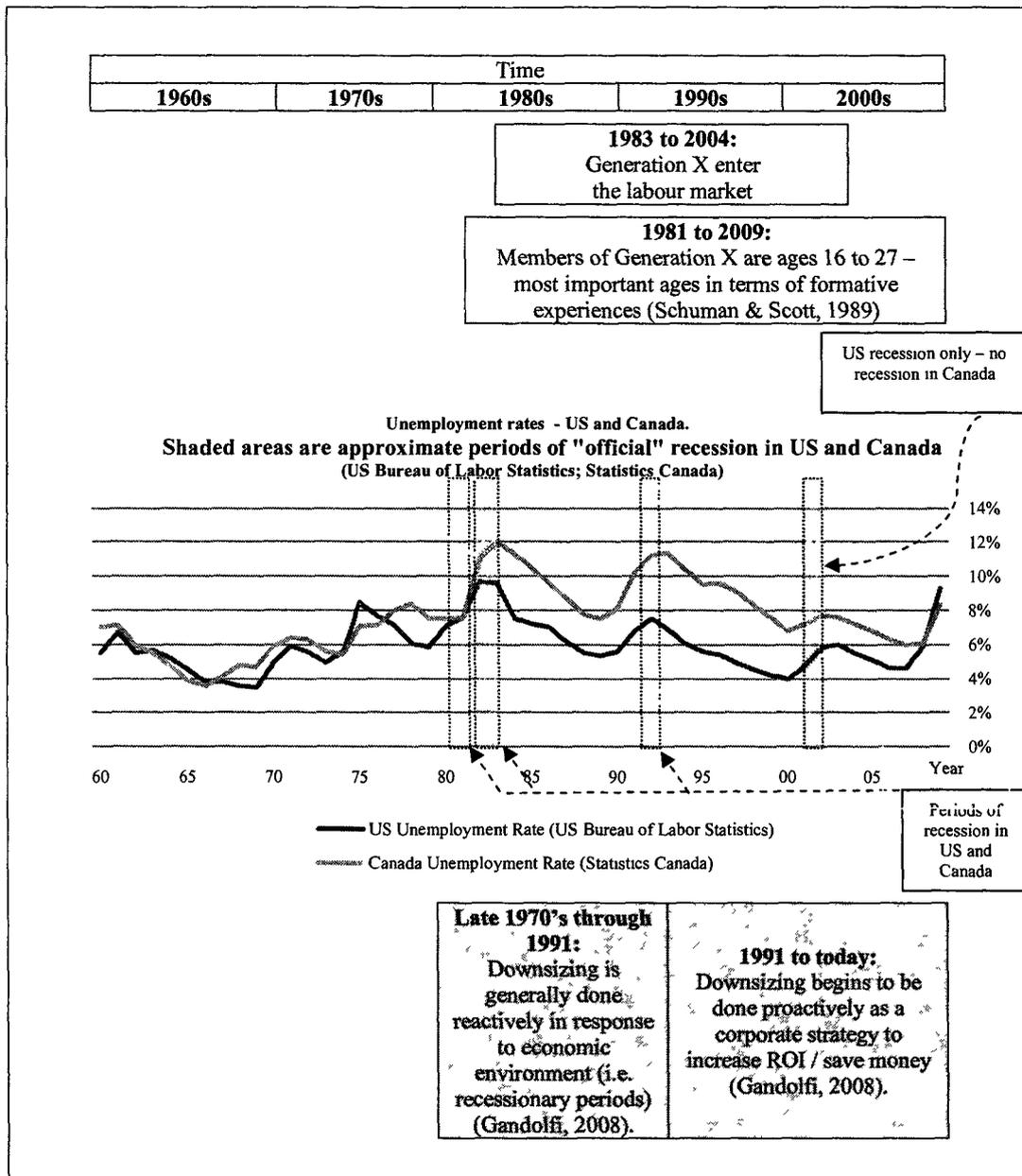


Figure 5: Labour market formative work experiences timeline.

We begin our discussion with the time frame during which members of the Generation X would have entered the labour market. Members of the Generation X cohort were born between 1964 and 1982. For the purposes of this discussion, we will assume that the typical member of the cohort would have

graduated from high school at an age of approximately 18 years. While some members of the cohort went on to attend university for a four year degree (i.e. entered the workforce at age 22), others would have entered the workforce on a full-time basis immediately after high school. Based on these assumptions, the first of the Generation X (i.e. those born in 1964) would enter the labour market around 1983. The last of the cohort (i.e. those born in 1982) would enter the labour market as late as 2004 (or later if they did post graduate work).

Figure 5 illustrates that the economic conditions throughout the years the cohort entered the job market (1983-2000) were varied. According to Labonte and Makinen (2002), several periods of economic recession occurred between 1983 and 2004 (indicated by the shaded boxes on the unemployment rate chart) which were followed by subsequent periods of economic expansion. Basically, an economic recession results in decreases in consumer demand which, in turn, results in an increase in inventories and a decreased need for workers. This in turn often results in higher levels of unemployment, increased difficulties in getting a job, and an increase of incidence of precarious employment relationships (i.e. contingent work or part time work) (Labonte et al, 2002).

We contend that in addition to the timing of a respondent's labour market entrance, the location a respondent works in is also an indicator of the type of labour market and logically, formative work experiences of the respondent. We argue that the Calgary labour market can be considered to be dynamic and

unstable because it is heavily influenced by the oil and gas industry. This labour market can change rapidly (i.e. boom or bust) being either “on fire” or downsizing, depending on economic conditions. In contrast, the Ottawa labour market is more stable, regardless of economic conditions – primarily driven by public service and government employment opportunities. This is illustrated in Chart 1 that shows during times of higher unemployment (i.e. 1987-1995), the rate of unemployment in Calgary is higher than in Ottawa. Conversely, during times of lower unemployment (i.e. 1995-2009), the rate of unemployment in Calgary is lower than in Ottawa. As a result, it would seem that workers in the dynamic market would have different formative work experiences than their colleagues working in the stable market (i.e. having more previous employers and more frequently leaving employers involuntarily).

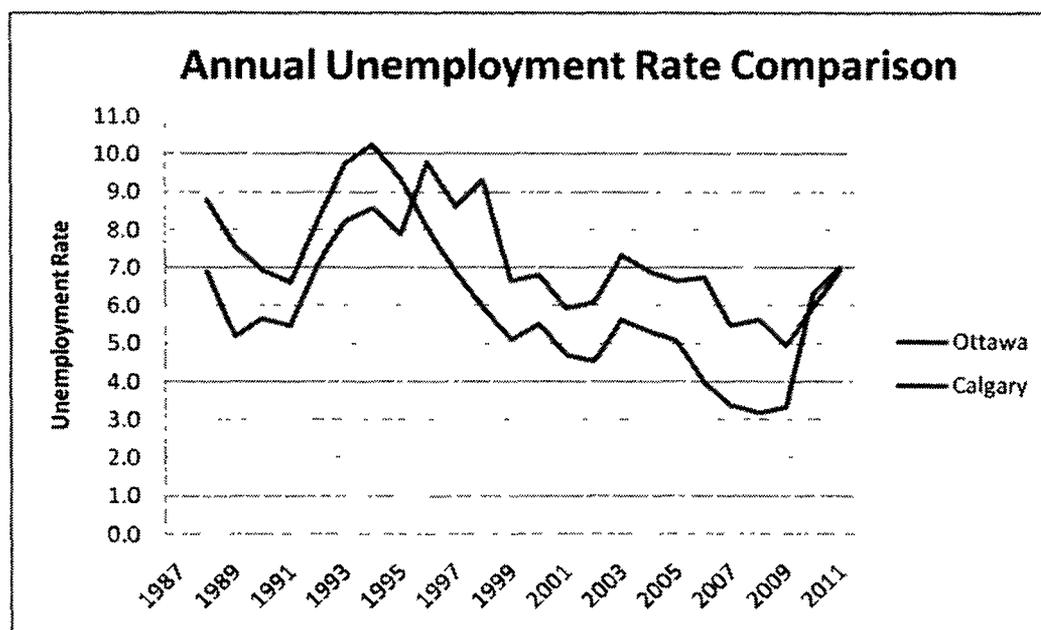


Chart 1: Calgary and Ottawa annual unemployment rates (Statistics Canada).

There were four recessionary periods in the US and three in Canada between 1980 and 2004 (the timeframe that the Generation X cohort entered the labour market). In the US and Canada, these periods occurred roughly between January and July 1980, July 1981 and November 1982, and July 1990 and March 1991. In the US, there was an additional recession between March 2001 and November 2001 (Cross, 2009; Labonte et al, 2002). To give the reader an appreciation of the differing economic conditions created by each recessionary period, Figure 5 provides an overview of the relative length and unemployment rates associated with each of these recessionary periods (data adapted from Labonte et al, 2002; US Bureau of Labour Statistics: "Employment status of the population, 1940s to date"; Statistics Canada: "Historical Statistics of Canada"). As can be seen in Figure 5, even though periods of economic expansion follow a recession, the downturns in employment caused by a recession often continue for some time into an economic expansion period. As a result, although the recession itself may be short, the effects on employment often last much longer (Labonte, 2002).

According to Gandolfi (2008), downsizing is a contraction in size of an organisation's workforce. As illustrated in Figure 5, downsizing started to occur in the late 1970s and by the 1980s was a regular practice taken in order to react to economic environmental conditions such as a recession. However by the early 1990s, not only was downsizing used as a means to counteract economic conditions, the practice became a proactive organisational strategy taken to

bolster financial performance by reducing headcount and payroll (Gandolfi, 2008; Mirabal & DeYoung, 2005).

This shift in downsizing paradigm may have affects on two aspects of the psychological contract. First, in accord with Rousseau's (1990) comment that "specific or local labor market factors can impact the relationship between employer and employee obligations" (p. 398), the paradigm shift may affect an employee's view of the relationship he or she has with their employer (i.e. may feel differently about an employer that downsizes to survive verses one that downsizes to increase profits).

Second, Morrison and Robinson (1997) report that employee perceptions of unmet psychological contract promises may be affected by an employer reneging on promises made because they were unwilling (as opposed to being unable) to fulfill them. We can assume that when an employee is offered employment, they have an expectation that if they are doing a good job the employer will reciprocate by offering continued employment. An employer downsizing to increase their financial performance would seem to violate that expectation. If this assumption is accurate, the downsizing experiences of the early Generation X (i.e. pre 1991 when downsizing was done out of necessity) may have affected this group differently than the downsizing experiences of the late Generation X (post 1991 when downsizing was done to increase ROI).

It would be difficult to argue that downsizing would produce a positive outcome for the employees who experience it, and downsizing does not always produce positive outcomes for the organisation. Burke and Nelson (1997) report that in a 1995 survey of 1034 organisations across Canada completed by the Murray Axmith consulting firm, roughly 75% of the firms had completed a downsizing over the previous five years. While just over half of the firms reported an increase in productivity and a third reported improved customer service, two thirds reported decreases in morale, half reported decreased company loyalty, and a third reported decreased job satisfaction. Similarly, Burke and Nelson cite a survey of 1468 firms completed by the Society for Human Resources Management that revealed that for more than half the firms “productivity either stayed the same or deteriorated following downsizing” (p. 327).

Additionally, employees may react differently if the downsizing is in reaction to a financial necessity as opposed to an attempt to increase return on investment or shareholder value. In a study of hospital downsizing survivors, Burke (2001) found a significant negative relationship between survivor perceptions of the fairness of the process of downsizing implementation and a “fearful” reaction (a fearful reaction was defined as respondents having a perception that the downsizing has potential for harm and a belief they have little ability to cope with the downsizing). Additionally, according to Mirabal and DeYoung (2005),

Organizations that implement large-scale downsizing (interventions of 10% or greater) significantly under-perform those corporations that implement smaller interventions. A possible contributory factor

to under-performance might be attributed to employee perceptions that a psychological contract between the organization and employees has been violated. This infringement of the implied psychological contract negatively affects behaviour, attitude, and ultimately, performance and productivity. (p. 42)

Many members of Generation X would have entered the labour market as organisations proactively downsized for strategic reasons (i.e. post 1991). This may be an organisational decision that, in accord with Mirabel and DeYoung's previously cited comments, may exacerbate "employee perceptions that a psychological contract between the organization and employees has been violated" (p. 42).

Of particular relevance to this study is the fact that in the opening discussion of their investigation of how violations of the psychological contract develop, Morrison and Robinson (1997) mention "restructuring, downsizing, increased reliance on temporary workers, demographic diversity, and foreign competition..." (p. 226) as trends that have clouded the psychological contract by confusing the understanding of what each party to the employment relationship owes the other. The authors also mention that these employment trends are making it difficult for employers to fulfill the obligations they have to their employees. According to Morrison and Robinson's model, employers being unable to fulfill their employee's obligations may result in employees perceiving their employer is reneging on promises made to them which in turn may cause the employees to more readily recognise unmet promises.

Consistent with comments in the literature (e.g. Rousseau, 1990, 2001; Sutton et al, 2004; Dunahee et al, 1974) concerning the formation of psychological contract expectations being influenced by labour market factors and past experiences, we contend that the issues of the timing of labour market entry and work location are potential indicators of labour market formative experiences that are relevant to the psychological contract discussion.

We also consider having worked for more (or less) previous employers and whether an employee left previous employers voluntarily or involuntarily (i.e. downsizing) as labour market formative work experiences. Concerning the number of previous employers an employee has worked for, Rousseau (1990) found a negative relationship between an employee's careerism (i.e. penchant for career advancement) and relational obligations in her study of the relational and transactional aspects of the psychological contract. As such, we contend that an employee who has worked for more previous employers and left them voluntarily had different formative work experiences than a colleague who either had a stable employment history or experienced being downsized. Accordingly, we argue that the number of previous employers an employee has worked for and the reasons they left those employers (i.e. voluntarily or involuntarily) are also potential indicators of labour market formative experiences that are relevant to the psychological contract discussion.

2.10.1 Formative work experiences and characteristics of the Generation X cohort

Lyons, Duxbury and Higgins (2007) report that the formative period for the Generation X was a time “of economic uncertainty, marred by recessions in the early 1980s and 1990s and ‘stagflation’ or simultaneously high unemployment and inflation...” (p. 343). Kupperschmidt (2000) reports the Generation X experienced other formative experiences, “self-absorbed parents, divorce, ...soaring national debt, an educational system that emphasized social skills and self-esteem rather than academic achievement, an anti-child society, and reality-driven television shows and movies...”, that resulted in an increase in the number of latchkey kids (p. 69). According to an article in *The Futurist*, higher rates of suicide and homicide among teenagers, increases in poverty levels, the AIDS epidemic, and decreases in literacy levels and skills are all conditions that previous generations did not face (Anonymous, *The Futurist*, 1997).

Losyk’s (1997a) discussion in the practitioner literature of the Generation X workforce cohort provides a summary of some of the hypothesised differences between the Generation X workers that are relevant to this study and their Baby Boomer counterparts. He also discusses some of the postulated causes of these differences spurred by the events experienced by Generation X during their “formative” years. Losyk notes that compared to those in the Baby Boomer cohort, the members of the Generation X cohort:

- Have a more negative view of the world: He contends that this difference can be attributed to the fact that Generation X was faced

with negative world events and sociological trends, changes in the family structure due to high divorce rates, declining income levels for younger people, and the perception that they were inheriting a world that has many problems.

- *Are highly independent:* Members are hypothesised to be accustomed to being alone resulting from reported trends of “latchkey” kids and/or one-parent homes.
- *Have lower levels of loyalty and commitment:* Members reported to have witnessed parents and grandparents experiencing layoffs and downsizings and later being themselves downsized as an organisational strategy. It is theorized these experiences have diminished job security and caused them to keep constant vigil for better job situations.
- *Desire different types of communication:* The Generation X cohort is accustomed to having information technology available for much of their lives. It is hypothesized that they want faster, more efficient, real and factual communication.

Authors postulate that these conditions have resulted in a generation of cynical and highly self-reliant individuals who are loyal not necessarily to an employer but rather to their own skills (Losyk, 1997a; Jennings, 2000; Yu & Miller, 2005). In a review of the generational cohort literature, Yu and Miller (2005) found the following characteristics of the Generation X cohort: a penchant for seeking personal satisfaction, being loyal to their skills, preferring to work alone, putting the individual before the team, not wanting to be leaders, and being technologically savvy. Santos and Cox (2000) report that the Baby Boomers who participated in the study expressed negative views of the Generation X's work values and commitment to the organisation. Flynn (1996) and Jurkiewicz (2000) also report that members of Generation X are less committed to their employer. Of interest is the fact that Generation X employees who participated in Santos

and Cox's study indicated they did not have poor work values or low commitment, but were simply trying to improve their skill-set and remain self-reliant – something they had been forced to do throughout their lives.

Jennings (2000) claims that Generation X members prefer a more relaxed and comfortable working environment, bring technological competence to the workplace, and rely heavily on email. As a group, they are results-oriented and value getting the job done more so than honouring the process or authority structure itself. As a result, they are willing to go over their supervisor's head if they need information to achieve results (Jennings, 2000). Although they appreciate employment staples such as good pay, signing bonuses and stock options, perks that are non-monetary (i.e. flexible work schedules, shorter commutes, an interesting work culture, prestige, in-house gyms, and day-care centers) are all important to the Generation X as well (Jennings, 2000). They desire appreciation and respect for their skills, knowledge and abilities; and they want authority based on those attributes afforded to them immediately rather than based on their longevity with the firm. They also want a voice in the decisions that they feel will affect them (Losyk, 1997b).

2.11 Critique of generational cohort literature

The organisational studies research literature dealing with the issue of the

generational cohort suffers from the following shortcomings:

- limitations with respect to scope and application of generation issues in the workplace,
- lack of empirical rigour, and
- lack of agreement on key terms.

Each of these shortcomings will be described and discussed below.

Although much has been written concerning generational cohorts and their corresponding value systems, until recently, few authors have attempted to address the issue of generational differences in the specific context of the employment relationship. As has been discussed, with an impending shift in the demographic majority of the workforce, generational differences should be investigated. Additionally, the over-abundance of practitioner literature concerning generational issues is a concern because many studies are atheoretical in nature, lacking proper definition of key constructs, measurement of constructs, or substantive data. Conjecture and inference are reported which can play a very important role in creating opinion. As Adams (2000) claims, these untested reports may actually affect the shaping of Generation X itself. The lack of empirical investigation into the nature of generations leaves many gaps in our knowledge of generational perceptions of the psychological contract and outcomes related to it.

Additionally, Lyons (2003) expressed concerns over the lack of concrete general agreement among researchers in defining the boundaries of generational cohort

birth years. There also appears to be a lack of general agreement in defining various terms such as generation or cohort in this literature. Again considering the pervasive nature of popular press and practitioner coverage on the topic of the generation, it is important for investigators to come to some consensus on issues such as the boundaries of the generational groups and the definition of key terms in order to forward a concerted research agenda in this area. This dissertation addresses these shortcomings by investigating the Generation X knowledge workers' perceptions of the psychological contract and related outcomes in a specific context, their workplace, through an in-depth, empirical study using previously defined generational boundaries and terminology that may begin development of this area of research.

3. THEORETICAL FRAMEWORK, RESEARCH OBJECTIVES AND RESEARCH QUESTIONS

This chapter of the dissertation presents the theoretical framework upon which this research is based, research objectives, and the associated research questions answered to achieve those objectives.

3.1 Theoretical framework

The psychological contract literature provided two theoretical frameworks (presented in Chapter 2) upon which this research is grounded: Rousseau's (1989) framework of the psychological contract exchange relationship and Morrison and Robinson's (1997) model of psychological contract violation. In our theoretical framework (Figure 6), Rousseau's framework is illustrated as Box 1, and Morrison and Robinson's model is the foundation for Box 2. While already described in detail (Chapter 2), each is briefly summarised below to put the research framework into context.

Rousseau's (1989) framework of the psychological contract exchange posits that the employment relationship can best be thought of as a social exchange relationship premised on mutual obligation. The psychological contract is, in its most simplistic form, a cognitive equation of ratios: on the left side are the expectations the employees perceive their employer has of them over their

perception of what they deliver on those expectations (employer's perspective), and, on the right side are the expectations the employees have of their employer over the employee's perceptions of what the employer delivers on those expectations (employee's perspective). Data collection and analysis for this dissertation concentrated on the employee's perception of the psychological contract equation. That equation from the employee's perspective is represented in Box 1 of our model (Figure 6).

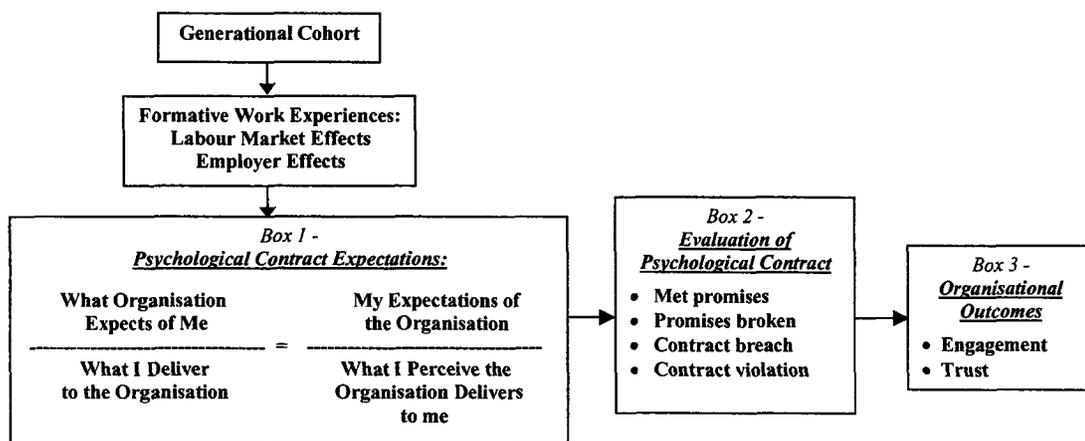


Figure 6: Generation cohort formative work experiences effects on psychological contract

Box 2 of the model provides a summary of the potential results of the employee's evaluation of psychological contract fulfillment as described by Morrison and Robinson (1997). Morrison and Robinson claim that psychological contract breach is a cognitive assessment of the state of fulfillment of the psychological contract, while violation is an emotional reaction to a breach in the contract. Many researchers in the psychological contract area focus their studies on breach and violation of the psychological contract, and these constructs were

defined and contrasted in detail in section 2.3.

The theoretical framework guiding this research (see Figure 6) postulates that each generation of employees will be subjected to a unique set of formative work experiences (labour market effects and employer effects) that will influence how these employees perceive the expectations that comprise their psychological contract (Box One). It further posits that psychological contract expectations will impact the extent to which the employee feels that his or her psychological contract has or has not been fulfilled (Box Two). Finally, the model hypothesises that the extent to which an employee perceives that the psychological contract has or has not been fulfilled (operationalised as promises met, unmet promises, psychological contract breach, and violation) will impact the key organisational outcomes of engagement and trust.

The specific relationships and constructs in Figure 6 that are examined in this dissertation include:

- the proposed relationship between formative work experiences and psychological contract expectations (Box 1)
- psychological contract expectations (Box 1)
- the proposed relationship between psychological contract expectations (Box 1) and evaluation of the psychological contract (Box 2)
- evaluation of the psychological contract (Box 2)
- the proposed relationship between how employees evaluate their psychological contract (Box 2) and the organisational outcomes of engagement and trust (Box 3)

3.2 Research objectives and associated research questions

The four key objectives and the associated research questions of this dissertation are summarised as follows.

1. Increase our understanding of the formative work experiences that shaped the psychological contract expectations of Generation X.

The theoretical model assumes that formative work experiences (both labour market effects and employer effects) of the Generation X will affect their psychological contract expectations. We identified three potential indicators of formative labour market experiences in our literature review: 1. when the respondent entered the workforce; 2. the type of labour market in the location of work (i.e. dynamic or stable); and 3. the number of previous employers and the reasons for leaving them. It is important for researchers and practitioners alike to understand the extent to which formative work experiences stemming from the labour market can be linked to the psychological contract. Researchers (e.g. Gakovic & Tetrick, 2003; Deary, Iverson & Walsh, 2006; Robinson & Rousseau, 1994; Robinson, 1996; Robinson, Kraatz, & Rousseau, 1994) have found negative impacts on psychological contract outcomes such as engagement, trust, satisfaction, and performance associated with non-fulfillment of psychological contract expectations. It is also important to know if the behaviours of a current employer can have an impact on the effects of formative labour market experiences (i.e. magnify or reduce such impacts). This type of knowledge will

allow researchers and practitioners to begin to learn if the negative effects of labour market experiences can or cannot be remediated and whether or not the design and implementation of intervention programs may be successful in overcoming these effects.

Accordingly, we seek to answer the following questions:

1. *Is when the respondent entered the labour market a good indicator of formative labour market experiences of the Generation X knowledge worker?*
2. *Is the type of labour market in the location of work (i.e. dynamic vs. stable) a good indicator of formative labour market experiences of the Generation X knowledge worker?*
3. *Is the number of previous employers and the reasons for leaving them a good indicator of formative labour market experiences of the Generation X knowledge worker?*

2. Study the Generation X knowledge workers' perceptions of their relationship with their employer through a psychological contract lens.

This thesis examines the various components of the psychological contract as they are perceived by members of the Generation X cohort. Our aim is to better understand what psychological contract expectations this group includes as priorities in their perception of the psychological contract and the potential effects formative work experiences may have on those priorities. No other empirical studies have used in-depth personal interview methodology to determine specifically what this generational group expects from their employment relationship. Such information should prove to be useful to organisations as it

will allow them to examine the types of things they currently offer their workforce compared to what this group wants. Such information should help ensure they are providing for the wants and needs of their employees.

To address Objective 2 we seek answers to the following questions:

4. *What psychological contract expectations are held by the Generation X knowledge worker? Specifically, from the employee's perspective, what do the Generation X knowledge workers:*
 - a. *perceive their employer expects of them?*
 - b. *perceive they deliver to their employer?*
 - c. *expect from their employer?*
 - d. *perceive their employer delivers to them?*

The answers to these questions will give us the information necessary to determine the extent to which Generation X workers perceive their expectations are being fulfilled by their employer (i.e. the extent to which their psychological contract is being met or unmet). The theoretical model assumes that formative work experiences (both labour market effects and employer effects) of the Generation X will affect their psychological contract expectations. This information may be useful to organisations in developing hiring policies by providing valuable knowledge in determining the emphasis that should be placed on a potential employee's past experiences. As such, we also seek to answer the following questions:

5. *Do formative labour market work experiences affect the Generation X knowledge worker's psychological contract expectations?*

6. Do formative employer work experiences affect the Generation X knowledge worker's psychological contract expectations?

3. Explore the Psychological Contract Fulfillment process from the Generation X knowledge worker's perspective.

This thesis seeks to assess the process by which employees may perceive that the expectations they have of their employer have or have not been met. Research using Morrison and Robinson's (1997) model of contract breach and violation supports the idea that environmental factors that shaped the formative work experiences of the Generation X cohort (i.e. corporate restructuring and downsizing) may also contribute to perceptions of psychological contract breach or violation.

The research aims to identify the frequency that Generation X knowledge workers perceive they have experienced each of the psychological contract fulfillment conditions: expectations met, promises broken, psychological contract breached, and violation. The research also aims to determine the factors that may influence each of these psychological contract conditions. It does this by seeking answers to the following questions:

7. Approximately what percentage of Generation X knowledge worker employees:

- a. perceive their psychological contract has been fulfilled?*
- b. perceive that promises made to them were broken?*
- c. perceive their psychological contract has been breached?*
- d. perceive violation of their psychological contract?*

8. *What psychological contract fulfillment conditions (i.e. promises met, promises broken, psychological contract breach, or violation) can be associated with the Generation X knowledge worker's perception that:*
- a. *their psychological contract has been fulfilled?*
 - b. *promises made to them have been broken?*
 - c. *their psychological contract has been breached?*
 - d. *their psychological contract has been violated?*

Information such as this should prove useful to both researchers and organisations. Researchers can use this information as a starting point in future research endeavours aiming to learn how to increase the level of psychological contract fulfillment for a workforce. Organisations can use this information to aid in the design and implementation of programs and adjustment of work conditions to increase employee perceptions of psychological contract fulfillment and ultimately reduce the negative impacts associated with perceived non-fulfillment of the psychological contract.

4. Investigate the relationships between psychological contract fulfillment (i.e. contract met, promises broken, psychological contract breach, and violation) and employee engagement and trust.

Organisations are becoming increasingly concerned with key outcomes such as employee engagement and trust. These outcomes have been linked to vital issues such as recruitment, retention, productivity, and adaptability. In fact, Guest (1998a) claims, "We... need to switch the focus much more to the content of the psychological contract and to issues such as trust, fairness and exchange" (p. 660). Guest further states that "We need to learn much more about the

causes and consequences of a positive psychological contract and to build a psychology of contract process..." (p. 660). This thesis examines how perceived contract fulfillment, broken promises, and psychological contract breach and violation may affect each of the outcomes of engagement and trust. Specifically, it addresses the following research questions:

9. *Is there a linkage between engagement and*

- a. *perceptions of the psychological contract being met?*
- b. *the perception of promises being broken?*
- c. *the perception that the psychological contract has been breached?*
- d. *perceptions of psychological contract violation?*

10. *Is there a linkage between trust and*

- a. *perceptions of the psychological contract being met?*
- b. *the perception of promises being broken?*
- c. *the perception that the psychological contract has been breached?*
- d. *perceptions of psychological contract violation?*

4. METHODS

This chapter of the dissertation will provide an overview of the methodologies used to collect and analyse the data used in this study. Section 4.1 presents some background information to the study. Section 4.2 includes an overview of the research design including a description of grounded theory and the methodology used in this study (which is based on grounded theory) to analyse the qualitative data, the theoretical sampling technique used, the pre-interview survey and in-depth personal interviews used for the data collection, and the methods of data analysis. In Section 4.3, we provide an overview and explanation of how our methodologies depart from “true” grounded theory research.

4.1 Background to the study

This research was undertaken in co-operation with a large, multi-location private sector Canadian subsidiary where, in 2002, 2005 and 2007, Duxbury and Higgins had surveyed the entire workforce of approximately 2000 employees. This firm operates in the knowledge sector and, with the exception of assembly line workers, employees are largely professionals. Analysis of the data sets indicated that employees of the firm who were members of the Generation X cohort provided significantly different responses to most of the items in the survey

regarding job satisfaction, view of culture, work-life balance, stress, and intent to turnover than did members of other generational cohorts. These findings motivated the organisation to participate in this current research initiative.

The sample used for this thesis was made up of the organisation's middle-level managers who belong to the Generation X cohort (those individuals born between 1965 and 1982) and were classified by the organisation as being "high potential" employees for promotion to senior management positions (see Section 4.2.2 for definition of a "high potential" employee).

4.2 Research design and method

This study set out to employ a case study/grounded theory research design (a discussion concerning the constraints places on data collection which prevented the use of true grounded theory is provided in Section 4.2.1). Miles and Huberman (1984) define a case or case study as "a bounded context in which one is studying events, processes and outcomes..." (p. 28). They add that the phenomenon being investigated by the case study researcher is always observed in "a specified setting..." and that the researcher "cannot study individual cases devoid of their context in the way that a quantitative researcher often does..." (p. 28). The grounded theory approach is described below in Section 4.2.1. Given the broad nature of the issues at hand, both qualitative and

quantitative research methods were utilised to better ascertain an understanding of the phenomenon being investigated. Eisenhardt (1989) advocates for multiple methods of data collection stating that using “multiple data collection methods provides stronger substantiation of constructs and hypotheses...” (p. 538).

The quantitative research method used in our study was a three-page, pre-interview survey administered to the interview participants. A copy of the survey can be found in Appendix A, and a detailed discussion of the pre-interview items is provided in Section 4.2.3.1. The qualitative method implemented was personal interviews with workers using semi-structured, open-ended questions. A copy of the interview instrument can be found in Appendix B, and the items included in it are described in detail in Section 4.2.4.1. The sample used for the study is described along with a discussion of theoretical sampling in Section 4.2.2.

4.2.1 Grounded theory

This study set out to employ grounded theory. Grounded theory finds its roots in inductive theory building – that is, theory is *inducted* or derived from empirical data rather than theory being logically *deducted* from a priori assumptions (Patton, 1990). When using grounded theory, Eisenhardt (1989) advocates for theory building that approaches “the ideal of no theory under construction and no hypotheses to test...” – an ideal she admits is unrealistic (p. 536). The

fundamental issue Eisenhardt is getting at is that the empirical data must drive the theory, rather than theoretical assumptions driving the theory building. Patton (1990) adds that grounded theory is a useful strategy when “generating and confirming theory that emerges from close involvement and direct contact with the empirical world...” (p. 153). A grounded theory approach is appropriate in this study. The lack of definitive a priori knowledge of the constructs and relationships within our proposed theoretical model creates an opportunity to both confirm existing and potentially generate new theory in a setting that is in direct contact with the environment in which it exists. As such in accordance with Patton (1990), the framework presented in Figure 6 (Chapter 3) is used as a starting point to establishing the link between existing theories (i.e. between formative work experiences and psychological contract expectations, between psychological contract expectations and psychological contract fulfillment, and between psychological contract fulfillment and the outcomes of engagement and trust) and generating new theories concerning these linkages.

Eisenhardt (1989) provides clear guidance in the application of the process of building theory using the grounded theory approach. Her recommended methodology combines qualitative and quantitative methods in a case study context. In discussing grounded theory, Johnson (2006) states that the process “begins with basic description of a single case, moves to *conceptual ordering* (organizing data into discrete categories according to their properties or dimensions) and then to *theorizing* (conceiving or intuiting ideas, such as

concepts or relationships, and formulating them into a logical scheme)” (p. 110). Eisenhardt’s model was succinctly summarized and adapted by Johnson (2006, pp. 120-124), who saw seven distinct “steps” to Eisenhardt’s process:

1. “Specification of constructs and research questions...
2. Sampling...
3. Crafting instruments and protocols...
4. Iteration of data collection and data analysis in the field...
5. The *constant comparison* technique (italics in original text)...
6. Enfolding the literature in the final shaping of properties, constructs, or theory...
7. Closure...”.

The first step of Eisenhardt’s process – specification of constructs and research questions – has been addressed in Chapter 3 (theoretical framework, research objectives and research questions) of the thesis. Step two, sampling, is described in Section 4.2.2 (description of our sampling methods). The third step, crafting instruments and protocols and part of step four, data collection, are addressed in Sections 4.2.3 and 4.2.4 (the overview of our quantitative and qualitative data collection methods). The remaining piece of step four, data analysis, and step five, the constant comparison technique, are described in Section 4.2.5. Lastly, steps six and seven, enfolding the literature and closure are completed in the results and discussion sections of the dissertation.

4.2.2 Description of sampling

Eisenhardt (1989) advocates the use of theoretical sampling when using case study methodology. A theoretical sample is a sample “chosen for theoretical, not statistical reasons...” (Glaser & Strauss, 1967 as cited in Eisenhardt, 1989, p. 537). Our sample, as identified by the Human Resources Department of the organisation, was the population of individuals in the organisation who met two criteria: having a high potential for promotion and belonging to the Generation X cohort (as previously defined in Section 3.1.3). The organisation defines a high potential employee as an individual who has been recognized as having the highest potential for success in a senior management position and as a result has been targeted or labelled for grooming and inclusion in senior level management succession plans.

This study will use the individual as the unit of analysis. According to Patton (1990), “*The key issue in selecting and making decisions about the appropriate unit of analysis is to decide what it is you want to be able to say something about at the end of the study*” (p. 168, italics included in original text). The sample was selected to enable us to answer the specific research questions provided in Chapter 4. Due to constraints on time, resources, and access to subjects (the company under study is interested in succession planning, and as a result we only had access to high potential employees and were unable to alter the respondent list), we were unable to add cases, for example to include subjects

from other classification categories (i.e. lower level potential employees) or from other generational cohorts for comparison purposes.

Eisenhardt (1989) addresses the appropriateness of using a theoretical sample rather than a random sample. Eisenhardt states that “the sampling of cases from the chosen population is unusual when building theory from case studies...”, and “the goal of theoretical sampling is to choose cases which are likely to replicate or extend the emergent theory...” (p. 537). This is precisely the aim of this study.

Our sample included sixty-nine employees from varying departments and projects within the firm of which sixty-six yielded usable data (2 individuals failed to return the pre-interview data and the sound file for 1 interview was corrupt). After further classification and analysis, our final sample comprised fifty-six individuals (see Chapter 5 for a description of how the sample went from $n = 66$ to $n = 56$). The size of this sample is somewhat large for research based on grounded theory. However the sample is divided among several different groups which allows for multi-case analysis.

4.2.3 Quantitative data

Quantitative data are commonly collected through survey instruments. Patton (1990) states that standardised measures are used so as to fit the perspectives

and experiences of people “into a limited number of predetermined response categories...” (p. 14). He also notes that an advantage to using quantitative methods is the ability to obtain “the reactions of a great many people to a limited set of questions” (p. 14). Other authors have advocated the use of multiple methods of data collection including combining quantitative and qualitative methods (Eisenhardt, 1989; Patton, 1990; Santos & Cox, 2000).

The inclusion of a quantitative instrument served a three-fold purpose in this research. The first purpose was to gather data – reactions of the respondents in predetermined categories – in a manner similar to what Patton described. Second, using survey instruments to measure constructs about which a good understanding exists is a recognised methodological strategy. Our use of validated quantitative measures of key constructs to triangulate quantitative and qualitative data increased our confidence in the interpretation of the findings. The third purpose was to reduce the time expended on the interview process by collecting the more routine data by way of a survey. The components of the survey will be overviewed in Section 4.2.3.1. The administration of the survey will be described in Section 4.2.3.2.

4.2.3.1 Survey measures

The survey instrument can be found in Appendix A. The survey comprises four

parts: “Historical Information”, “Trust at Work”, “Engagement at Work”, and “Demographic Information”. A table mapping the associated literature, the survey items (Appendix A), and the interview items (Appendix B) to the components of the theoretical model can be found in Appendix Item C.

The first section of the survey, “Historical Information”, asks for information on the respondent’s employment history including their former employers. For each previous job, they were asked for their job title, length of employment, and categorical responses to why they left the job (e.g. “I received a better offer elsewhere” or “There was no opportunity for advancement”). These questions are used to explore the idea that a person’s formative work experiences prior to joining the current employer (i.e. market effects) may affect their perceptions of psychological contract expectations, which in turn may affect psychological contract evaluation. The last section of the survey, “Demographic Information,” asked the respondent for basic demographic information such as age and gender, whether the respondent and/or parents were born in Canada, marital and parental status, and educational level. These items are not specifically tied to any research question, but rather are used for classification purposes as well as to test if any of these categories are related to the components of our theoretical framework.

The survey also included measures for our two key outcomes: engagement and trust. A review of the engagement literature failed to produce a good measure of

engagement. The author was fortunate enough to have the engagement items included in the survey provided as a professional courtesy to the dissertation supervisor Dr. Linda Duxbury by Hewitt Associates of Vancouver, B.C. This large consulting firm with over one hundred offices throughout the world has worked in the area of human resource consulting for sixty-five years, and the six-item measure it provided has been developed and tested in more than fifteen-hundred of Hewitt's client firms. These items (Appendix A) were coded using a 6 point scale where 1 was "Strongly Disagree" and 6 was "Strongly Agree". The individual responses were tallied and a mean and standard deviation calculated.

Trust was measured using the twelve-item scale developed by Cook and Wall (1980). These items were coded using a 7 point scale where 1 was "Strongly Disagree" and 7 was "Strongly Agree". Two of the trust items were reverse scored (items 2 and 12). The trust items are used to create an *overall trust* measure for each respondent by calculating the mean response to all of the items for use in analysis. Additionally, the trust items in the survey were categorised into measures of *trust in management* (items 1, 2, 4, 6, 7 and 12) and *interpersonal trust* (items 3, 5, 8, 9, 10 and 11). A trust in management score and an interpersonal trust score were created for each respondent by calculating his or her mean score on the respective items. The trust scores were used to investigate the relationship between the psychological contract process and the outcome of trust.

4.2.3.2 Administration of the survey

The survey instrument was sent (via the company's internal system) to interview subjects as an attachment to an email reminding them of their interview appointment. The Assistant to the Vice President for Human Resources sent the email and attachment directly to the participants the day before their scheduled interview. For those individuals scheduled for a Monday interview, the reminder email was sent on Friday.

The email included instructions for the participants to print out and complete the survey prior to their interview appointment and to bring the completed survey with them to the actual meeting. The intention for this method of return was to aid in bolstering the response rate to the survey. The time required to complete the survey was approximately thirty minutes, and the response rate was 97.1% (67 of the 69 participants returned their survey). The first section of the survey (employment history information) was briefly reviewed prior to beginning the interview. This was completed so that the interviewer could probe respondents concerning the potential effects previous work experiences could have on the respondents' perceptions of their current work situation (see the discussion of interview items four and five in Section 4.2.4.1). After completion of the interviews, the pre-interview surveys were coded with an identification code and filed along with the respondent's signed "Statement of Informed Consent".

4.2.4 Qualitative data

Qualitative methodology has been utilised in a number of studies in order to better understand issues initially identified using other methods of inquiry. For example, Eisenhardt (1989) describes several studies that utilised surveys and followed up with interviews for deeper investigation. Santos and Cox (2000) used the OSI (Occupational Stress Inventory) initially to identify stress differences between groups and then followed up with focus groups to investigate specific causes of the problems. Qualitative data are found in the form of words or symbols and are collected through observation, interview, extraction from documents, or recordings (Miles and Huberman, 1984). Although quantitative data are more easily manipulated and analysed than are qualitative data, they lack the depth or “fatness” qualitative data provides, and the inclusion of qualitative data in organisational studies research has become increasingly frequent in recent decades (Ibid). Patton (1990) adds that the use of qualitative methods will “permit the evaluator to study selected issues in depth and detail ...without being constrained by predetermined categories of analysis...” (p. 13).

The method of qualitative data collection for the present dissertation was in-depth personal interviews. The interview schedule containing the items included in the interview can be found in Appendix B. The components of the interview schedule will be discussed in Section 4.2.4.1, and the administration of the interviews described in Section 4.2.4.2.

The interview items were written to address the components of the theoretical model previously posed in Chapter 3. After pre-testing the interview, questions were re-worded to clarify and address issues of concern. Appendix C maps the questions asked in the survey and interview to the components of the theoretical model. The section below provides key details on how this mapping was done.

4.2.4.1 Items related to formative work experiences (labour market effects and employer effects)

To learn about potential indicators of the formative work experiences of our respondents prior to joining their present employer, we asked four questions in the survey to learn:

- How many previous employers the respondent had worked for
- Why the respondent left their previous employers
- The respondent's age
- The respondent's level of education

Responses to the last two questions were used for demographic purposes as well as to determine the approximate time the respondent entered the labour market.

To learn about the formative work experiences of our respondents since joining their present employer, we asked the following questions in the interview:

- What do you do at ABC right now?
- How long have you held this position?
- How many hours do you spend in work activities per week – all things considered?
- Do you feel more positive, the same, or less positive about ABC today than you did when you first joined them? Why do you feel this way?
- Concerning your previous employment situations and how you left them, have these experiences affected how you feel about your employment relationship with ABC?

Responses to the first four questions provide information concerning the respondents' formative work experiences in their current employment situation (employer effects). The first three were used for classification purposes (i.e. types of jobs, length of tenure, etc.) to determine if any differences in patterns of responses to interview items appear among these categories.

The fourth item asked respondents if they felt more or less positive or the same now compared to when they first joined the firm (employer effects). The last question asked if respondents felt their labour market formative work experiences had affected their view of their present employer (labour market effects). Responses to these two items were used to categorise respondents into four groups based on their formative work experiences for analysis in our results and discussion section. Formation of the analysis groups is also elucidated in our results and discussion chapter.

4.2.4.2 Items related to Box 1 – psychological contract expectations

We asked a number of questions that would help us understand the employee's perceptions of the organisation's expectations of the employee and how well the employee perceives he or she has delivered on those expectations (i.e. the left side or "employer's perspective" of the psychological contract equation). We also asked questions to determine what the employee expects of the company and what they perceive the company has delivered on those expectations (i.e. the right side or "employee's perspective" of the psychological contract equation). In doing this we were guided by the psychological contract equation as described by Rousseau (1989) and outlined in Box 1 of our theoretical model. The issue of what the employee perceives the organisation expects of them was examined by asking:

- What do you feel ABC expects of you? In other words, what do you feel they expect you to deliver for them?

The "*What I deliver*" portion of the psychological contract was addressed by asking:

- What do you feel are your obligations to ABC?

Other questions were designed to help us understand the employee's expectations of the company and how well the company has delivered on those

expectations. To address the issue of what the employee expects of the organisation we asked:

- What are your expectations of ABC? In other words, what do you expect from your employer?
- What, in your opinion are ABC's obligations to you?

"What the organisation delivers" was examined in two ways. First by asking the respondent to articulate what they feel the organisation actually *does* deliver:

- What are the three best things about your job at ABC?
- What three things do you find most frustrating about your job at ABC?

We also asked two questions to help us understand areas in which the respondents feel the organisation is not meeting expectations:

- What, if anything, could ABC do to help you meet their work expectations?
- What could ABC do to better fulfill each of the expectations you have of them?

4.2.4.3 Items related to Box 2 – evaluation of psychological contract

Box 2 in our theoretical model illustrates the evaluation of the psychological contract as was described and modeled by Morrison and Robinson (1997) who note that when employees experience a breach or violation of the psychological

contract, they may react by adjusting their inputs in order to bring the situation back to being equitable. The questions associated with Box 2 (listed below) are based on Morrison and Robinson's work and were designed to address how people have evaluated their psychological contract with respect to fulfillment. The following five items were included in the interview schedule to address this question:

1. For each of the expectations ABC has of you, using a 5 point scale where 1 is the lowest possible extent and 5 is the highest possible extent, to what extent do you feel that you have fulfilled these different expectations?
2. Using a 5 point scale where 1 is the lowest possible extent and 5 is the highest possible extent, to what extent do you feel that ABC recognizes or acknowledges that you have fulfilled all of their expectations?
3. Referring to ABC's work expectations of you: Do you perceive that they are very fair, fair, somewhat fair/somewhat unfair, unfair, very unfair?
4. Again referring to ABC's work expectations: Do you perceive that they are very realistic, realistic, somewhat realistic/somewhat unrealistic, unrealistic, very unrealistic?
5. Using a 5 point scale where 1 is the lowest possible extent and 5 is the highest possible extent, to what extent do you feel that ABC has met each of your expectations of them?

The responses to these five interview items were intended to allow us to compare the employees' actual work situation with what they had expected from their employer and as such provide insight concerning the employee's evaluation of the fulfillment of their psychological contract. For example, if the employee perceived the expectations the employer had as fair and realistic, one would expect that these expectations are not out of line with what the employee expected. If the employee perceived these expectations as unfair and

unrealistic, one could infer that this is not what the employee expected.

Sutton and Griffin (2004) also used similar measures of an employee's perception of the extent to which their employer had met their obligations in psychological contract research. Sutton and Griffin calculated a mean score across eight items and used this as "an overall continuous measure of psychological contract violation..." (p. 503). Consistent with work done by Sutton and Griffin (2004), we created a Psychological Contract Fulfillment Continuum which was anchored with violation at one end and met promises at the other. We then calculated a Psychological Contract Fulfillment Score by summing the scores for each respondent on Questions 1 to 5 as described below.

Respondents provided up to three responses for each of the three five-point scale items listed above (Questions 1, 2 and 5). For each individual, we first calculated the average response for Questions 1, 2 and 5. Questions 3 and 5 were then recoded as follows: Responses of very fair / realistic were given a score of 5, fair / realistic were given a score of 4, somewhat fair/unfair / realistic/unrealistic were given a score of 3, unfair / unrealistic were given a score of 2, and very unfair / unrealistic were given a score of 1.

For each respondent, we then added the scores for Questions 1 to 5 to give us their total Psychological Contract Fulfillment Score. This score was then used to determine where the employee falls along the Psychological Contract Fulfillment

Continuum. The continuum scores range from a potential low of 5 to a potential high of 25. When constructing the continuum, we started with the assumption that all five of the items are of equal importance because, at this time, we have no information to suggest otherwise. As a starting point prior to looking at the distribution of actual scores, the range was divided into four equal intervals to which we assigned the four psychological contract fulfillment conditions as shown Table 4-1.

Table 4-1: Psychological contract fulfillment score / state of contract fulfillment assignments

Psychological Contract Fulfillment Score	Contract Fulfillment State
20 to 25	Met Promises
15 to 19	Promises Broken
10 to 14	Contract Breach
5 to 9	Contract Violation

Mapping of the distribution of results of the calculation of scores to the state of psychological contract fulfillment is presented in Section 5.3.5. In that section, we also present a discussion of the methodological problems we encountered in our attempt to measure this construct.

4.2.4.4 Administration of the interview

Interviews were completed on a one-on-one, face-to-face basis by the primary

investigator at the employee's plant location. Upon greeting, the interviewer provided the participant with a copy of the Carleton University Ethics Committee's "Statement of Informed Consent" for their review and signature. Copies of this signed document were retained and are on file with the author.

Participants were then asked for their permission to record the interview. Once granted, the subject's permission to record the interview was itself recorded at the beginning of the session. Participants were also assured on the recording that they were free to refuse to answer any questions they deemed uncomfortable or too confidential in nature to discuss. The time allotted for the interview was approximately one hour.

Interviews were recorded utilising a laptop computer and the Timeline Narration features of Microsoft "Movie Maker" software. Sound files were later burned (recorded) onto recordable CD's for retention and storage and the original files deleted from the laptop. As per the Carleton University Ethics Committee's and host organisation's requirements, those files were ultimately destroyed.

4.2.5 Data analysis

The data analysis methodology section is divided into four parts. We begin with a discussion in Section 4.2.5.1 of the constant comparison method in relation to

coding the qualitative data, followed by a description of our methods for enfolding the quantitative survey data into the analysis in Section 4.2.5.2. Section 4.2.5.3 will describe the display of data, and Section 4.2.5.4 overviews the issue of establishing confidence in our results.

4.2.5.1 Constant comparison method – qualitative data coding and inference

As previously discussed, this dissertation is a case study using an approach to data analysis that is based on grounded theory. According to Patton (1990), grounded theory is a method that “takes the researcher into and close to the real world so that the results and findings are ‘grounded’ in the empirical world...” (p. 67). The *constant comparison method* as explicated by Eisenhardt (1989) “grounds” the case study findings in the empirical context of the research situation through “frequent overlap of data analysis and data collection...” (p. 538). When theory building using grounded theory methodology, it is acceptable to go so far as to adjust the interview schedule or add to the sample being investigated to probe emerging theory or themes that arise as the data is collected and simultaneously analysed (Eisenhardt, 1989). Although no substantive adjustments could be made to our interview schedule or additions made to our sample, the present study adopted the constant comparison method when creating bins in coding of the dataset. Further, we used the constant comparison technique when drawing inferences during analysis of the data.

According to Johnson's (2006) discussion of Eisenhardt's process, the application of the constant comparison method is accomplished in levels. The first level of analysis is within-case analysis, or the description process, and answers the question "what do I see happening in this instance?" (p. 111). This level provides the researcher with an intimate familiarity with each case "as a stand-alone entity" (ibid). In the present study, this process involved assigning initial codes to the respondent's responses to interview items. According to Miles and Huberman (1984), codes are labels or tags used to assign some meaning to the responses, allowing for retrieval and analysis of the data.

The next level of analysis is cross-case analysis which yields the conceptual ordering. This step includes the first comparisons the researcher will complete. Cross-case analysis begins after several cases have been described and initially coded and involves the researcher searching for patterns, similarities or differences among the responses of the cases. As more cases are described and coded, the initial codes are adjusted, new codes are added, or codes are changed to reflect the emerging themes or patterns. This process ensures that the categories of responses are inferred from and grounded in the empirical world from which they are being obtained rather than a-priori assignment. This coding process is part of the analysis of the case study (Miles and Huberman, 1984).

Once the cases have been described and coded, the researcher begins the next

level of analysis – theorising – which involves “intuiting ideas, such as new concepts or relationships and formulating them into a logical scheme...” (Johnson, 1996, p. 146). This process was completed during analysis of the data.

4.2.5.2 Enfolding quantitative survey data

Eisenhardt (1989) tells us that “the triangulation made possible by multiple data collection methods provides stronger substantiation of constructs and hypotheses” (pg. 538). Johnson (2006) adds that when using grounded theory within a case study, the researcher should not attempt to have quantitative data stand alone. Rather, the quantitative data should be used “to triangulate the qualitative data *within each case...*” (p. 149 – italics included in original text). The research design in the present study does not include statistical analysis of the quantitative data, but rather includes the scores in each record along with the qualitative data for triangulation purposes. For example, if a pattern emerged from the qualitative data indicating that both fulfilled and unfulfilled conditions of the psychological contract are present among various respondents in our sample, the quantitative data could be reviewed to search for patterns of levels of engagement or trust correlating with the fulfillment conditions.

4.2.5.3 Display of data

Miles and Huberman (1984) note that “the creation and use of displays is not something separate from analysis, it is a *part* of analysis...” (p. 22 – italics included in original text). In fact, the display of data is how the qualitative researcher creates a chain of evidence supporting their findings. Johnson (2006) states that researchers must make careful decisions concerning what displays to include in their report as “the potential number of tables that might be produced in a qualitative study...is immense” (p. 151). Johnson argues, as does Miles and Huberman, that the decisions on which displays to include and how they are formatted should “flow from the research questions” (p. 151).

Specific formats for each of the research questions were developed as the analysis of the data progressed. Miles and Huberman (1984) note that just as qualitative data evolve, “display *formats* nearly always evolve too...” (pp. 89 – italics included in original text) and the researcher may go through several iterations before settling on a format.

An example of one potential data display format can be illustrated using this dissertation’s research question 4: “*What psychological contract expectations are held by the Generation X knowledge worker?*”. As noted in Chapter 3, question 4 has four sub-questions, answers to which can be associated with various items on the interview schedule. Sub-question 4c is descriptive in nature and asks

“Specifically, from the employee’s perspective, what does the Generation X knowledge worker expect from their employer?”. Answers to this question can be associated with the interview item that asks “What are your expectations of ABC? In other words, what do you expect from your employer?”. One potential data display format for the data associated with this interview item can be found in Exhibit 4-1.

Exhibit 4-1: Sample format of data display for research question 4c

What does the Gen X knowledge worker expect of the organisation?		
Expectation	Frequency	Sample items
Career development	x	Training, advancement opportunities
Extrinsic rewards	x	Market pay, bonus
Professional environment	x	Professional treatment, high standards
Job security	x	Job security, steady work
Safe, healthy work environment	x	Safe working conditions
Flexible hours	x	Flex-time program, flexible workweek
Challenging work	x	Mentally stimulating work
Rewards and recognition	x	Recognition program, note from boss
All others	x	Responsible employer, good customer service

In order to facilitate analysis of the data, one approach to addressing the research questions is to formulate a matrix of the responses from a pertinent interview item (i.e. the interview item that asks “Using a 5 point scale... to what extent do you feel that ABC has met... your expectations?”) and categorise the

responses to that question based on some other measure (i.e. reported level of trust from the survey). This approach, illustrated below, in essence creates a “chain of evidence” to support suppositions regarding the research questions (Miles and Huberman, 1984).

To illustrate this process, we will demonstrate a potential approach to investigating research question 8a: “Is there a linkage between trust and perceptions of the psychological contract being met?”.

First, we begin with a simple table (Exhibit 4-2) illustrating frequency of responses to the interview item (“Using a 5 point scale... to what extent do you feel that ABC has met... your expectations?”). In order to investigate if there is “a linkage between trust and perceptions of the psychological contract being met”, one could enfold the quantitative data from the survey items on trust with the data from the interview item. An example of this format of data display can be found in Exhibit 4-2 where we can easily identify the frequency of individuals who had reported each of the five levels of expectation fulfillment and who had reported low or high levels of trust. This categorisation allows for analysis and ready identification of patterns in the data.

Further categorisation of the data may reveal other patterns or inferences concerning the issues being investigated. An example would be the nature of the trust items on the survey which can be broken down into sub-items concerning

interpersonal trust and trust in management. Categorising the interview data based on that configuration may reveal new or different patterns of the linkage between perceptions of the psychological contract and interpersonal trust or trust in management.

Exhibit 4-2: Sample format of data display for building a chain of evidence for research question 10.

Evidence supporting hypothesised linkage between trust and perceptions of the psychological contract being met.		
Extent employee feels ABC has met their expectations – 1 is lowest, 5 is highest.	Frequency of employees reporting low levels of trust	Frequency of employees reporting high levels of trust
1	xx	xx
2	xx	xx
3	xx	xx
4	xx	xx
5	xx	xx

4.2.5.4 Interpretation of data

In our results chapters, we describe the demographic characteristics of our sample and present findings obtained using the entire sample. We then go on to reclassify the results to look at key between group differences. We used the following criteria for determining if a between group difference is substantive or not for the purpose of this analysis. First, response category tables in the results

and discussion chapters show only those categories indicated by 10% or more of the respondents for that question. Those responses not indicated by at least 10% of respondents are reported under an "All other" category where applicable. Second, there is no test for statistical significance because this thesis is a qualitative study, and our focus is on identifying meaningful, substantive differences between groups.

Our total sample was 66 individuals with a final usable sample size of 56. During the analysis, cell size decreased substantially every time we categorised the data into sub-samples on the basis of the responses on a variable of interest. We arbitrarily chose a 20% difference in response rates as a starting point to represent substantive between group differences. We calculated 20% of the sample to equal approximately 13 people when we are looking at the full sample (i.e. our analysis of individuals whose views of their current employer and/or work itself were affected by their formative experiences); when looking at subgroups, the 20% would be fewer than 13 (i.e. our analysis of perceptions of the company's expectations when categorised by analysis group). Using a smaller percentage would potentially allow for identifying differences as substantive when, due to small cell counts, they may not be. Using a larger percentage would restrict what we would identify as a substantive between group difference and create a situation where we could potentially miss a substantive finding and attribute it to the small cell counts. Accordingly, we decided that a 20% difference in the extent to which a response was given would allow us to better

identify true between group differences in our sample, not just differences attributable to small sample sizes, while reducing the possibility of missing substantive between group differences. Finally, relying on the data to guide those judgements, we may identify differences lower or higher than the 20% starting point as substantive or not substantive depending on the nature of the question being analysed and the patterns of responses for a given question.

4.2.5.5 Confidence in results

As noted by Johnson (2006), grounded theory data is not suitable for statistical analysis. As a result, qualitative researchers must use other methods in establishing confidence in their findings. Johnson compiled information from Miles and Huberman (1984), Eisenhardt (1989) and Yin (2003) concerning four tests “that are generally accepted to establish the quality of any empirical social science research...” (p. 159) and summarised them in table form which is replicated in Table 4-2.

Concerning construct validity, the proposed study implemented all of the outlined protocols summarized by Johnson in her “Table 4-3”. Specifically:

- The constant comparison method was used in coding the qualitative data.
- A chain of evidence procedure was used in the data analyses.
- Clarity and consistency was achieved through our interview protocol which included a preamble statement intended to clarify the nature of the study

and explanations of each section of items during the interview (see Appendix B).

- An initial report was provided to the host organisation and preliminary findings presented to a panel of the participants of the interview process who provided useful feedback which aided in guiding our final data analysis.
- The study design included both qualitative and quantitative methods of data collection to achieve obtaining multiple lines of evidence.

Table 4-2: “Quality procedures for case study research applied in proposed study”

Test	Procedure
Construct validity	<ul style="list-style-type: none"> • constant comparison method • systematic tabulation of logic (chain of evidence) • clarity and consistency in interview protocol • key informant review of draft report • multiple lines of evidence
Internal validity	<ul style="list-style-type: none"> • frame study in existing theory • pattern matching • address rival hypotheses
External validity	<ul style="list-style-type: none"> • case to theory generalization • maximum variation sampling • explicit identification of boundary conditions
Reliability	<ul style="list-style-type: none"> • documented case study protocol • chain of evidence • separate case study database

Adopted from Johnson’s (2006) Table 4-3 “Quality procedures for case study research applied in proposed study” (p. 166). Original source indicates “Compiled from: Eisenhardt (1989); Miles and Huberman (1984); Yin (2003).”

All of the internal validity procedures outlined by Johnson are also addressed in this study. Specifically:

- The study was framed in existing theory using a psychological contract lens to explore the issues being investigated.
- During analysis of the data, pattern matching was utilised.

- After the data analysis stage, rival hypotheses were explored and addressed or discussed.

Johnson outlines three procedures for establishing external validity, and the present study has incorporated two of the three techniques. We have addressed:

- Case to theory generalisation was accomplished during the interpretation of our data.
- The explicit clarification of boundary conditions. The case study boundaries were very clearly explicated concerning the host organisation and the subjects included in the sample. Future researchers will be able to identify these conditions in considering replication of the study in other site settings.

However, the sampling procedure used for the present study was limited in terms of variation for two reasons. First, the host organisation had a specific and limited audience which they wanted us to investigate (“high potential” Generation X managers). Second, due to a limitation of access to respondents in other categories (i.e. Generation X managers not considered “high potentials”), we were unable to include a varied sample for this study.

All of the procedures outlined by Johnson concerning reliability have been addressed in the thesis. Specifically:

- We have clearly documented our case study protocol.
- We established a chain of evidence in order to substantiate our hypotheses and inferences.

- We have created a separate case study database.

4.3 Departure from grounded theory

As previously mentioned, the intended methodology for this dissertation was grounded theory. However, due to a combination of security concerns and specific issues of interest to the company, the sample made available to us and the methods used in collection of data during the interview were constrained. This resulted in our methodology departing from true grounded theory research in three primary ways.

First, grounded theory has the researcher study a sample that is drawn specifically for theoretical rather than statistical reasons. As stated by Eisenhardt (1989), theoretical sampling generally involves the researcher having the freedom to add or include cases and change the sample with the intention of having the cases studied “replicate or extend the emergent theory “ (pg. 537). As was discussed previously, the sample made available to us did not conform to these criteria as it was limited to one group of interest to the organisation (high potential employees) and the researchers were not able to modify the participant list.

Second, the organisation requested the opportunity to review the interview script prior to data collection and we were asked to not make substantial changes to

the question script. As a result, we were prevented from probing responses to identify and develop emergent themes which may have resulted in us not being able to detect other potential emergent findings.

Third, likely as a result of the two constraints discussed above (the sample and the interview script), we were unable to probe potential emergent themes and observe the full range of possible groupings in our data.

As a consequence of the above outlined issues, our methodology was not true grounded theory but rather a modified approach to analysing qualitative data that was based on grounded theory. While the analysis of the data followed the premises of grounded theory (i.e. we used constant comparison), the data collection process could not follow grounded theory (i.e. a predetermined sample which comprised individuals who fit our target audience, but we were unable to make modifications to the respondent list; preapproved interview script that we could not alter or adjust.). These constraints resulted in a limited range of responses within our sample (i.e. not all possible formative influence groups were identified in the study sample). This would suggest that the findings from this study may not generalise to organisations that do not share the types of best practices the organisation under study exhibits, to other worker populations who are not in middle level management positions or are high potential leadership candidates, or individuals with advanced educational characteristics.

5. RESULTS

In this chapter, we present the results for all of the survey and interview items. The results are presented and grouped by theoretical model components. In Section 5.1, the results pertaining to demographics and formative work experiences are presented. Section 5.2 contains the results linked with Box 1 of the theoretical model – psychological contract expectations. In Section 5.3, items related to Box 2 – evaluation of the psychological contract – can be found. Results concerning Box 3 – psychological contract outcomes of engagement and trust – can be found in Section 5.4. An appendix item containing the data arrays associated with each question and section is available from the author upon request. A copy of these arrays was provided to the committee for their review.

5.1 Demographics and formative work experiences

In this section of the chapter, we present the results for the survey and interview items associated with the demographic profile and formative work experiences (both labour market effects and employer effects) of our sample. We begin with a demographic description of the sample in Section 5.1.1. In Section 5.1.2, we describe the sample's formative work experiences that occurred prior to their joining the present employer (i.e. what we refer to in this thesis as labour market effects). We next look at results concerning the respondent group's formative

work experiences since joining the firm (i.e. what we refer to in this thesis as employer effects) in Section 5.1.3 and Section 5.1.4.

5.1.1 Description of the sample

Our sample included 66 usable interviews from the case study organisation's Calgary and Ottawa locations. Table 5-1 presents demographic data characterising the sample.

This research adopted the Smola and Sutton (2002) typology in defining the boundaries of the Generation X cohort which included individuals born between the years of 1965 and 1982. Based on this typology, the anticipated median age for the sample would be approximately 32.5 years. The average age of our sample was 36.8 years and included individuals ranging in age from 29 to 41 years. The higher average age may be the result of our sample being drawn from high-potential individuals within the middle management ranks of the firm. We expect an individual holding a position of this level to have more education and work experience and, as a result, perhaps be a little older.

As seen in Table 5-1, the number of respondents was relatively evenly split between the organisation's two locations, Calgary and Ottawa. The vast majority of respondents were married (88%) males (73%) working in technical jobs (73%) who were born in Canada (88%) and whose parents were born in Canada (73%).

Table 5-1. Demographic characteristics of sample

		n	Percentage
Location	Calgary	27	41%
	Ottawa	39	59%
Gender	Male	48	73%
	Female	18	27%
Born in Canada	Yes	58	88%
	No	8	12%
Parents Born in Canada	Yes	48	73%
	No	18	27%
Married	Yes	58	88%
	No	8	12%
Children	Yes	38	58%
	No	28	42%
Type of Position	Technical	48	73%
	Business/Management	18	27%
Level of Education (n = 65. One respondent provided no response)	Less than high school	0	n/a
	High school	3	5%
	College Degree	9	14%
	University Degree	37	57%
	Graduate Degree	18	25%
		Mean	Standard Deviation
Age		36.8	3.7
Average Number of Children (total sample: n = 66)		1.1	1.2
Average Number of Children (parents only: n = 38)		2.0	0.9
Average Age of Children		7.9	4.8

More than half (58%) of our sample were parents with an average of 2 preteen children (averaged 8 years old). Eight respondents were not born in Canada and eighteen had parents not born in Canada. Although being born in another country and/or having parents born in another country are potentially interesting characteristics to consider in the context of this dissertation discussion, the

limited cell sizes in these categories mean that the sample is insufficient to further analyse.

The gender and job type breakdown are reflective of the company as a whole and consistent with the fact that the company in this study employs a large number of engineers. On average, our respondents work 45 hours per week including work completed at home as part of their job. All but three of the respondents pursued education beyond high school with a majority of respondents (82%) having a university or graduate degree.

5.1.2 Formative work experiences of the sample (market effects)

We looked at several characteristics of respondents' work history to investigate the sample's formative work experiences prior to their taking the job at the current company (i.e. labour market effects). More specifically, we asked the following: number of previous employers; reasons for leaving each previous employer; and length of tenure with each previous employer. Responses to these questions are presented in Table 5-2.

As can be seen in this table, the typical Generation X employee in this sample had worked on average for 2.7 previous employers over the course of their career and had spent 4 years on average (a minimum of 3 months and a maximum of 22 years) with each employer. Eight respondents had no employer

other than their current organisation.

Also included in this table are results concerning how many respondents had worked for no previous employers (12%), one to three previous employers (53%), and four or more employers (35%). Respondents were grouped in this manner because we would expect that employees who have never worked for another organisation would have different perceptions of their present employer and employment situation than would employees who had worked for other employers. We would also anticipate that the higher the number of previous employers a respondent had worked for, the more we would expect labour market experiences to have impacted their attitudes towards their employer and their psychological contract expectations.

Table 5-2. Formative work experience of the sample (market effects)

		n	Percentage
Number of Previous Employers	0	8	12%
	1-3	35	53%
	4 or more	23	35%
Reasons for Leaving Prior Employers (n = 58. 8 respondents had no previous employers) Multiple responses allowed.	Better offer	36	62%
	Company downsized / restructured	24	41%
	No advancement opportunity	14	24%
	Did not like job	10	17%
	I had different values from company	9	16%
	Moved / relocated	9	16%
		Mean	Standard Deviation
Mean Number of Previous Employers (respondents with 1 or more previous employers: n = 58)		2.7	1.9
Average Tenure with Previous Employers (years)		4.0	4.0

In this study, we explore whether or not the reason for leaving a job affects employees' perceptions of their relationship with their current employer. Our survey asked the respondents to indicate whether or not eight categories of reasons described why they had left their previous employers. The categories included leaving because they did not like the job, had a better offer, did not like the boss, had different values from the company, had no advancement opportunity, their effort was not recognised, the company downsized or restructured, or because they moved. A summary of the reasons at least 10% of respondents gave for having left previous employers can be seen in the table. Since less than 10% of our respondent group reported leaving a previous job because they did not like their boss or because their efforts were not being recognised, those categories were collapsed into the "All Other" category and not reported in this table.

Of the 66 respondents in our group, 58 provided responses to this question (8 respondents had no previous employers). Of the 58 people providing responses, 44 of them (76%) provided multiple responses as they had left more than one previous employer. Reviewing these data, we see that nearly two out of three had left a previous employer for a better offer. We also see that just under half of respondents had been downsized, a quarter left because they had no opportunity for advancement, roughly one in five left because they did not like their job, and 9 respondents had left either because their values differed from the company's or they had moved.

5.1.2.1 View of relationship with present employer affected

To further determine the potential effect respondents' labour market experiences have on the employees' view of their current psychological contract, we asked respondents if their formative work experiences prior to joining their current company had affected how they feel about their relationship with their present employer. Approximately half (48%) of respondents reported that their formative work experiences had affected their view of the relationship with their current employer with the other half (52%) reporting no effect.

5.1.3 Formative work experiences of the sample (employer effects)

As we previously mentioned, the employees' formative work experiences include those experiences prior to joining the present employer as well as their experiences since joining the present employer. To begin to understand the formative work experiences of our sample since entering their present employment situation, we looked at the length of their tenure with their present employer. The respondents have been with their present employer for an average of 6.1 (S.D. = 4.4) years. This company is a best practice employer. We would expect that the longer an employee works for this company, the less negative labour market effects will affect their perceptions of the psychological contract.

5.1.4 Respondents feel more positive, the same, or less positive

We also wanted to consider the potential effects of the respondents' formative work experiences since joining their present employer on their views of this organisation. To determine these employer effects, we asked respondents the following question: "Do you feel more positive, the same, or less positive about ABC today than you did when you first joined them?". The results of this question are presented in Table 5-3.

Table 5-3: Feel now compared to when first joined firm

Employee now feels:	n	Percentage
More positive	38	59%
The same	9	14%
Less positive	18	28%

n = 65

As the table shows, the majority of the 65 respondents (59%) report feeling more positive about their organisation now than when they started with the firm, with 1 in 4 (28%) indicating less positive feelings now, and 14% reporting that their feelings had not changed over time.

5.1.4.1 Respondents feel more positive

Over half (n = 38) of respondents feel more positive about their organisation now than when they first joined the firm (positive employer effect). Several respondents who reported feeling more positive now made notable comments during the discussion. Some people discussed the benefits of working for a best practices company. One person commented, "I came in thinking this was a pretty good place to work . . . I did some research. . . . Over the course of the year, getting a recognition award and all, now I can totally understand why they are ranked as a best employer – they are doing things proactively to make that happen". Another said feelings were more positive "because of everything they provide me with as opposed to other companies. I am pretty happy now with the facility - where it is located, the cafeteria service, the gym facility. . . .Those are all things that should be accounted for. I could be paid \$15 to \$20K more downtown, but we wouldn't have the gym or the cafeteria service".

Others talked about the cultural environment of the company. For example, "Much more positive . . .the cultural environment in this organisation has changed a lot over the past two years" and "The evil big company thing. Having come from a small company and a big company before that, I had kind of preferred the smaller company - and there were a lot of people at the small company who came from the big company and were saying negative things about it, so I was kind of prepared for negatives . . . but it turned out to be fine". In all, the general feeling of those who responded in this category can be summed up in the words

of one respondent – “I would have to say that I feel more positive....I’m in a better job and its better...”.

5.1.4.2 Respondents feel less positive

One-in-four respondents (n = 18) feel less positive about their employer now than they did when joining the firm. Many of the individuals who reported feeling less positive now commented about things like the structure of the firm and the transient nature of the workforce working in their location. For example, one individual, talking about job security as related to the structure of the firm, commented “...I’m gonna say I am leaning towards less positive. Before, we were a bunch of small projects. Nowadays, with the company growing and the big system integration programs, it’s a little more worrisome because there are a lot of things that need to come together to continue our level of employment”. Another individual commented,

When I joined, I was in a big program and I was young . . . it was the most technically challenging and interesting program. Over the years, I am very saddened to see that we are having difficulties organising ourselves to execute the bigger programs. I think it has very little to do with technical expertise – it has more to do with the logistics and how you put things into place with structure and organising.

One individual talked about the transient nature of the workforce in the Calgary location and said, “I feel a little less positive – but that has to do with the work environment between Ottawa and Calgary. . . . Having worked in Ottawa before here in Calgary, Ottawa is more stoic and Calgary is more transient. . . . This may only be a blip, but my only exposure has been the blip. . . . People seem to come and go here in Calgary and it’s tolerated”. Yet another person who entered the firm with high expectations said,

It was kind of my first professional work experience . . . so I was excited about the opportunity for growth. . . . I think they were a little bit different company back then. . . . I have seen some things kind of fall apart or fall through the cracks. . . and maybe a part of my higher expectations was a little bit of naivety about it – it was like having not really worked in a professional environment before.

The experience of feeling less positive now than when they joined the firm was personal with each respondent offering somewhat unique reasons for the decline.

5.2 Psychological contract expectations

In this section, we present results for those interview items associated with psychological contract equation (Box 1, Figure 6) as outlined in Appendix C. We

will present these results in the following order: the left side or employer's perspective of the equation which is comprised of the employee's perceptions of what the company expected of them (Section 5.2.1) and the respondents' perceptions with respect to how they had delivered on those expectations (Section 5.2.2); the right side or employee's perspective of the equation which is comprised of the respondent's expectations of the company (Section 5.2.3) and the respondents' perceptions with respect to the extent to which the company delivered on those expectations (Section 5.2.4).

5.2.1 What the company expects of the respondents

We asked respondents "What do you feel ABC expects of you? In other words, what do you feel they expect you to deliver for them?". The 171 responses to this question by 66 people are grouped in eight content categories presented in Table 5-4. Also included in this table are the main themes within each category as well as representative comments. The percent of respondents mentioning each of the content categories as well as its themes is also included in this table in brackets.

The organisation is in a highly competitive and demanding industry where image and delivery on promises made to clients is critical. Thus, it is not surprising that approximately half of the respondents mentioned that the company expected

Table 5-4. What the company expects of respondents

Content Category	Main Themes	Respondent Comments
Dependability (62%)	Timely work (54%) Strong work ethic (46%)	"Deliver, and deliver on time Get your work done " "I think that for me, it's getting my work completed on time With my job, by the time it gets to me, it's usually already late so it's a really important thing for my job " "Putting in my hours and do what needs to get done "
Professionalism (52%)	Professional behaviour (66%) Ethical behaviour (22%) Be an ambassador (12%)	"A very professional kind of approach to the job " " conduct yourself in an ethical manner " "To work in a morally, ethically, professional and honest manner " "To be an ambassador " " to always project a positive image for the company "
Quality work (47%)	Do a good job (65%) Give your best effort (35%)	"Half-assed isn't good enough not in this environment. not in this sector " "For me, it's getting the bid out on time with the proper thought put into it On time, good quality, thorough work " "They expect me to do my best " "100% effort to the project to get it rolled out the door "
Constructive input (29%)	Provide feedback	"They expect feedback rather than criticism " "I am asked to identify any areas of walls or barriers or obstacles that would prevent me from doing my job " " to identify areas of improvement I can see '
Nothing extra (24%)	Low expectations (63%) Work only regular hours (37%)	"I don't think (they) expect a lot " "I think the bar is set too low " "You're expected to do your job, but you're not expected to do anything extra " "Not a lot I honestly believe that they only expect the 40 hours per week and I would say I am exceeding expectations and I have been told that and that I put more pressure on myself than the company puts on me "
Manage team effectively (18%)	Provide guidance and leadership to team (67%) Take care of direct reports (33%)	"I think I am expected, especially now, to be somewhat of an example for others sort of lead by example " "Mentor other employees " "They expect me to manage my team effectively – to flow down the correct information and get the team to get together and that everyone continues to be happy and not be overloaded or underloaded " " take care of the staff that's reporting to me " " making sure they re taken care of ahead of myself " " to look after the staff "
Customer service (17%)	Sales (55%) Responsiveness to customers (45%)	"They expect me to contribute to the growth of the company as a whole " "Winning new business by spending a certain amount of time being engaged with customers - not just making sure they're happy, but trying to get more business out of them " "Responsive to customer needs without detriment to our company "
Loyalty (11%)	Loyalty (71%) Commitment (29%)	"A certain amount of loyalty " "There are always other companies looking and they would like that side of your commitment " "Commitment Short term commitment in that you give your word and you live up to it like you make a commitment and you live up to it But I do see long-term commitment also "

n = 66

them to be dependable (62%), professional (52%), and to provide high quality work (47%). In terms of dependability, respondents talked about expectations in terms of timely work and a strong work ethic. In terms of professionalism, respondents mentioned that their company expected them to behave professionally and ethically and to act as ambassadors for the company. Quality work had two facets: doing a good job and putting in their best effort.

Nearly one third (29%) of people felt that the organisation expected they would provide constructive input to the company through feedback. The above responses were in contrast to the answers given by one in four of our respondents who felt that the company expected nothing extra of them. These respondents spoke specifically about the company setting the bar too low with respect to what was expected from their workforce. This group noted that the company expected no more than that they come to work and deliver during their regular hours. The following comments illustrate one employee's response concerning low expectations and their effect on results at the company:

I'll answer that in an analogy....An analogy to our company would be a pond with snapping turtles out in nature - and the way the management structure is set up around here, we don't have a lot of snapping turtles in our upper management. The profile of a snapping turtle is very different from the birds that live in the ponds with them – If the birds aren't quick or attentive

enough, they get eaten up by the snapping turtles. They create a balance... and I don't see any snapping turtles here. The result is that a lot of times, things that are requested don't get done – there are no follow-up consequences... there is no reward for doing, but also there is no consequence for not doing. We don't have enough snapping turtles in this company.

Approximately one fifth of the respondents (18%) spoke about the expectation that they would manage their team effectively, specifically taking care of their direct reports and providing guidance and leadership to their team. Another 17% discussed an expectation for them to be responsive to customers, mentioning areas such as customer service and sales. Only one in ten of our sample (11%) indicated that their organisation expected loyalty and commitment.

5.2.2 Employee obligations to the company

We asked employees what they felt their obligations were to the company to help us understand what the employee felt they owed their employer. Our 66 respondents provided a total of 91 responses that dealt with what they felt they owed the company in terms of their performance at work. These responses were grouped into four common content categories mentioned by 10% or more of the sample. The other responses were placed in one “All other” category. The

responses are presented in Table 5-5. Also included in the table are the main themes within each category and representative comments.

Nearly half (42%) of our respondents indicated that their obligations to the company were the same as or similar to the company's expectations of them (i.e. dependability, professional behaviour, high quality work). This would suggest that, for almost half of the sample, the left hand side of the psychological contract (i.e. the organisation's perspective) is being met.

Table 5-5. Respondents' perceived obligations to the company

Content Categories	Main Themes	Respondent Comments
Same as expectations (42%)	The same / similar	"I think they are very similar " "They are the same I think what they are asking is very reasonable "
Best effort (41%)	Do a good job (44%) Best effort (41%) Provide value for pay (15%)	"I am obligated to do a good job for the company 'My obligation is to do the best I can in fulfilling my objectives " "They'd be the same except I would probably add in that I feel it's my position with any organisation that I try to put more into the organisation than I take out give them their money's worth"
Loyalty (26%)	Being loyal (41%) Confidentiality (29%) Commitment (12%)	"Loyalty I have a sense of loyalty and I owe them that just because they have treated me so well " "It's a loyalty thing they're good to me in the sense of sick leave and those sorts of things so I want to be good to them ' " to keep the company's intellectual property confidential and to myself " "I definitely feel I owe them commitment long term commitment They have always treated me well " "I owe them unwavering support"
Work hours (14%)	Putting in time	' I don't think a 40 hour work week for a manager working at my level is normal I think the expectations are a little higher than that "
All others (n = 11)		n/a

n = 66

Other respondents (41%) spoke of an obligation to provide their best effort, like providing value for the pay they receive and doing a good job. Only one quarter of our respondents (26%) mentioned qualities like loyalty as an obligation they have to the company. These employees spoke specifically about being loyal to the company, maintaining confidentiality, and long-term commitment. Some other individuals (14%) felt their obligations to the company revolved around working their hours and referred specifically to putting in their time.

The “All other” category for this question includes three responses indicating “Customer relations”, two responses indicating “Communication” and “Notice if quitting”, and one response each indicating “Nothing at all”, “Accountability for staff”, “Positive outlook”, and “Fix problems”.

5.2.3 What respondents expect of the company

To begin to learn about the right hand side of the psychological contract equation (respondent’s perspective), we asked respondents: “What are your expectations of ABC? In other words, what do you expect from your employer?” The 66 respondents provided a total of 164 responses to this question. Those responses indicated by 10% or more of the sample were grouped into 8 content categories with the remaining responses placed in an “All Other” category. The results along with the themes included in each content category and

Table 5-6. What respondents expect of the company

Content Categories	Main Themes	Respondent Comments
Career development / advancement (65%)	<p>Opportunity to grow in their career (42%)</p> <p>Career advancement linked with training and development (23%)</p> <p>Development with and contributing to the company (19%)</p> <p>Advance with the organisation (16%)</p>	<p>"It's a career for me, not a job I would go to Wal-Mart and be a greeter for a job "</p> <p>"Money is great, but 10K either way doesn't affect how I perform in this company And in my mind, bonuses are the biggest waste of money because they inspire me for about 10 minutes after I get them and that's it For me it's really all about opportunity "</p> <p>"Provide me with the opportunity to better myself through training "</p> <p>"Opportunity for advancement and training to better yourself Give you the opportunity to move up "</p> <p>"For me, it's all about opportunity I'm contributing and it's getting me somewhere "</p>
Good salary package (60%)	<p>Good salary and benefits package (78%)</p> <p>Current market conditions (17%)</p> <p>Working for a "Best Human Resource Practices" employer (5%)</p>	<p>"A good salary "</p> <p>"I don't want to have to come to work and have to mess around with doing benefits "</p> <p>"A fair salary based on whatever is happening in the world "</p> <p>"If the market outside says I should be earning X, then pay me X Don't wait 6 months because it isn't time for salary review If there's a spike out there and I find out I could make 15k more next door – I'm loyal – but don't make me find out that my time will be much better valued someplace else That's the best way to piss me off "</p> <p>" I'm not talking like just an average salary we are a top 10 company, so I would expect a higher compensation "</p>
Professional environment (35%)	<p>Treated professionally (57%)</p> <p>Feeling respected (43%)</p>	<p>" Treat me with respect as a professional "</p> <p>"Give me the respect I deserve for the position I hold"</p>
Job security (23%)	<p>Job security specifically (73%)</p> <p>Conditions around which they expect job security (27%)</p>	<p>"Job security I became an employee instead of a contractor for just that reason "</p> <p>" Job security and if they can't provide job security, then some sort of benefit A compensation package for termination "</p> <p>"The CEO isn't going to be able to guarantee my job After leaving the military, I think I'm my own job security "</p> <p>"Working is sort of like dating you look each other over and see if you want to go on a date, then decide if you want to go on another date, then decide if you want to move ahead to engagement, and then on to marriage Maybe nobody decides to get married to the company anymore "</p>
Safe, healthy work environment (22%)	<p>Safety (57%)</p> <p>Healthy workplace (43%)</p>	<p>" A safe place to work "</p> <p>"I expect a safe, clean environment to work in "</p> <p>"Harassment free is what comes immediately to mind Not that everybody goes out all buddy-buddy but a safe and welcoming environment "</p> <p>"I expect a healthy work environment "</p>
Flexible hours (20%)	<p>Expecting time off to achieve balance (46%)</p> <p>Flexibility (46%)</p> <p>Working hours (8%)</p>	<p>"Time off so that I can balance my life with my work and that there is going to be a give and take in terms of the time – which they provide through the flex time program "</p> <p>"I expect appropriate vacation Vacation is more important than money Money is important, but having that time for myself I put in lots of time here, so when I want to be able to take time, I want to be able to take time and have balance in life "</p> <p>"Flexibility in the work life to be able to not necessarily work 8 to 5 to take time off and make it up as I need it "</p> <p>"Try to break the 'X' number of hours per week full-time mould "</p>

Challenging work (14%)	Challenge (78%) Interesting work (22%)	"To be told 'You're running this program better than anyone else can and we need you to run it for another 5 years' – that would be bad I get bored easy, so every 2 years or so they reward my performance with an opportunity to move on to bigger and better things" 'I expect the company to continue to challenge me with new projects " 'Interesting work – challenging work "
Rewards and recognition (11%)	Recognition for contribution (57%) Recognition when they have done more than expected of them (43%)	"Recognize my value added and for what I bring to the company " "I think they owe recognition when people go above and beyond " "To be recognised for extra efforts at least occasionally "
All others (n = 2)		n/a

n = 66

representative quotes are presented in Table 5-6.

Nearly two thirds (65%) of the respondent group expect career development and the opportunity for advancement from their employer. More specifically,*they expect the company to provide them with opportunities to grow in their career (42% of respondents talking about growth opportunities). This finding is consistent with the fact that our sample was comprised entirely of “high potential” managers.

More than half (60%) of the respondents expected a good salary package from their employer. The theme here revolved around the salary and benefit package being paid by a best practices firm being consistent with what is warranted by the current market conditions. This group appears to be aware of the value they provide to this company and want to be compensated appropriately for it.

Jennings (2000) referred to a good salary package as being something Generation X employees appreciate.

Roughly one third of respondents (35%) said that they expected to be able to work in a professional environment. Approximately half of these respondents specifically said that they wanted to be treated professionally while the other half said they wanted to feel respected. This finding is also consistent with Jennings' (2000) comments that Generation X wants to be respected for their knowledge and abilities.

An expectation of job security was articulated by roughly one quarter (23%) of our respondents. These respondents spoke about job security and the conditions that lead to job security. Approximately one fifth (22%) of respondents expected a safe and healthy work environment (safety and health concerns in the workplace were mentioned) and another one in five (20%) expect flexible work hours (i.e. this group of employees expect flexibility and want to be able to tailor their jobs through flexible working hours so they can achieve some level of work-life balance that is satisfactory to them).

Challenging work is an expectation for one in seven (14%) of our respondents who mentioned they expect their work to be interesting and to provide challenge. Approximately one in ten (11%) respondents said they expect rewards and recognition not only for when they have done more than what was expected of

them, but also for their contributions to the company. The “All other” grouping included one response of “tools” and one of “communication”.

5.2.3.1 Company obligations to employees

To further understand the perceptions of our respondents, we asked them “What, in your opinion, are ABC’s obligations to you?”. In total, 66 respondents provided 89 responses to this question. Responses made by 10% or more of the sample were grouped into five content categories. The remaining responses were grouped in one “All Other” category. It is interesting to note that this question garnered fewer responses and less agreement within the sample on the issues being discussed (the “All other” category was the second largest category in this case) than the questions that preceded it. Responses to this question are presented in Table 5-7 along with the main themes in each category and representative quotes.

Among our group, more than one-in-three respondents (36%) said they felt the company was obligated to provide them what they expected. Another quarter (26%) of our respondent group said that the company was obligated to provide their salary (pay them the market rate and a reasonable salary) while a good work environment (a respectful and healthy workplace) was mentioned by nearly one fifth (18%) of respondents as an obligation of the company.

Table 5-7. Respondents' perceptions of company's obligations to employees

Content Category	Main Themes	Respondent Comments
Same as expectations (36%)	n/a	'I think they are the same as my expectations "
Salary (26%)	Market salary / reasonable salary (74%) Pay them (26%)	"A salary – market salary " "Reasonable salary is indeed an obligation " "If I put in the work, I expect them to pay me every 2 weeks!" "They're obligated to pay me "
Good work environment (18%)	Respectful coworkers (58%) Health workplace (42%)	" A respectful workplace – I think that goes into the minimum that we can expect of each other around here " "A healthy place to work "
Fairness (14%)	Fairness (67%) Equity (33%)	'Not to give me more work than I can possibly do – a fair workload " "Treat me equitably "
Growth opportunity (11%)	Career advancement (56%) Development and training (44%)	"To help me progress – not to leave me stuck in one place – to listen to what I want to do and respond to that " "I think they have an obligation to make sure I can advance my career and can train myself and improve my skills " " obliged to encourage development It's pretty short-sited if they don't "
All others (n = 20)		

n = 66

Fairness (fairness and equity) was identified by one-in-seven (14%) of our sample and one-in-ten (11%) respondents talked about growth opportunities (career advancement, development and training) being an obligation the company had to them. The "All other" category for Table 6-4 includes five responses that dealt with "Recognition/feedback", four responses talking about "Respect", three responses each that mentioned "Training" and "Communication from company", and one response each talking about "Go above and beyond what they offer", "Interesting and challenging work", "They owe me nothing", "Stability", and "Vacation time".

5.2.4 What company delivers on respondent's expectations

Four questions were included in the interview to help us understand the employee's perceptions with respect to what the employer is delivering on what employees expect of them: what the respondent perceives as the best and most frustrating aspects of the job, what the company could do to help respondents meet its expectations of them, and what the company could do to better fulfill the employees' expectations of it. We asked these questions to give us better insights into this aspect of the psychological contract equation. Also, the organisation asked us to word these questions this way as they wanted this type of information on this group so they could design programs to increase satisfaction and retention of high potentials.

5.2.4.1 Three best things about the respondent's job

We asked respondents what they felt were the three best things about their job. In total, the 66 people in the sample gave 158 responses which, when indicated by 10% or more of the sample, were grouped into five content categories. The rest of the responses were placed in the "All Other" category. Responses to this question, the main themes, and related respondent comments are presented in Table 5-8.

Table 5-8. Three best things about respondent's job

Content Categories	Main Themes	Respondent Comments
Challenging work (77%)	<p>Technical challenge (45%)</p> <p>Interesting work (33%)</p> <p>Dynamic and constantly changing (22%)</p>	<p>"The technical challenge is interesting and the workload is high I can't stand boredom "</p> <p>"The ability to find a solution to a particular problem has always been gratifying "</p> <p>"My new job is more challenging with a lot of new challenges and more responsibility "</p> <p>"What I like best is that the work I am doing is interesting "</p> <p>"It's interesting work if I was bored, I wouldn't be here very long "</p> <p>"I spent many summers working in oil and gas Oil and gas is boring! You build 1 kilometre of pipe line, you've built them all, whereas the sort of work we are doing in our program and our domain, its changing "</p> <p>"I can't do the same things too long The reason I am still here 10 years later is that they have been really good about every 18 or 24 months giving me something new "</p> <p>"Every day is different – new challenges and variety "</p>
The people (62%)	<p>Organisational members in general (51%)</p> <p>Coworkers directly worked with (32%)</p> <p>People associated with daily (17%)</p>	<p>"The people I work with and for "</p> <p>"I can tell you it's the people that motivate me to come in on a daily basis If it were the exact same technical description of work but with people who were less interesting or less good people to work with, that would change things "</p> <p>"It's not an organisation that is very hierarchical – it sounds corny but it's kind of like a big family You still have the executive, but if you have a problem, you can phone them up and say 'Hey – I think this is going wrong' and there are no repercussions or reprisals"</p> <p>"The people my coworkers are the best people they are the best thing They are sometimes the thing that gets me up and going to the office in the morning "</p> <p>"I really do like my job here, and I think the people are good here too They are laid back – they are driven and goal oriented, but not obsessive "</p>
Flexibility (56%)	<p>Flexibility (62%)</p> <p>Control over schedule (22%)</p> <p>Achieving work-life balance (16%)</p>	<p>"There is flexibility if I do need to scoot out in the middle of the day to run a personal errand, it's not a clock-watcher kind of thing They expect you'll do the right thing to make up the hours "</p> <p>"People are pretty flexible as long as the job is getting done "</p> <p>"Flexibility – there is a lot of flexibility I find in my case, I couldn't now work if I didn't have this flexibility – not necessarily to this extent But because of the situation I am in – I have little kids and parents – the flexibility is really, really great "</p> <p>"I like the flex time – the hours and the schedule is pretty nice The way I see it is that I'm not living like my dad did – working 40, 50 and 60 hours a week The reason to live was your job I wanna live and I wanna have fun "</p>
Salary (18%)	Fair and competitive salary	<p>"The money is pretty good!"</p> <p>"The salary is very competitive in the market "</p> <p>"They pay us well!"</p>
Having influence (17%)	<p>Managing and influencing others (73%)</p> <p>Influence in prioritising their work tasks (27%)</p>	<p>" Being able to lead a team "</p> <p>" I really enjoy managing people "</p> <p>" Getting to have an impact on the design of the product we build "</p> <p>"I enjoy my level of responsibility – I set my own priorities "</p>
All others (n = 6)	n/a	

n = 66

Three quarters (77%) of the respondents reported challenging work as the best thing about their job. They liked the fact that their work is interesting and challenging and that it is dynamic and constantly changing. This is consistent with the fact that these employees were identified as high-potential managers.

Nearly two thirds (62%) of the sample said that among the best things about their job were their associates. It should be noted, however, that the company cannot claim credit for the fact that individuals like their colleagues, at least from a psychological contract perspective.

More than half (56%) of respondents reported flexibility as one best thing about their job. Many of them appreciated the fact that the company gave them options in terms of their working hours so that they could fulfill the other demands in their lives. This is consistent with Jennings' (2000) observation that Generation X workers appreciate non-monetary perks such as flexibility in their schedules.

We also see that one-in-five (18%) respondents mentioned that salary was one of the best things, and one in six (17%) identified having influence. These two responses are consistent with the fact that the sample is made up of high-potential managers working for one of Canada's top employers.

The "All other" category for Table 5-8 includes five responses related to "Opportunity for growth and development" and one referring to "Stability".

5.2.4.2 Three most frustrating things about the respondent's job

Respondents were also asked to identify the three most frustrating things about their job. A total of 122 responses to this question were provided by the 66 respondents. Only one individual was unable to identify a source of frustration. While there was a strong consensus within the sample on the best things about their jobs (more than half of respondents discussed challenging work, the people and flexibility), responses with respect to frustrations were more varied than responses to the previous "best things" question. This suggests that sources of frustration were more idiosyncratic; despite more responses, no category had a response rate greater than 25%. Sample responses of 10% or more fell into eight categories and one "All Other" category. The responses to the "frustrating things" question are presented in Table 5-9 along with the main themes and representative responses for each content category.

Bureaucracy was mentioned as a source of frustration by one fourth (26%) of our respondents. People talked about being frustrated by the formal processes of documentation and bureaucratic red tape that lead to inefficiencies, consistent with comments made by Jennings (2000). This source of frustration is likely due to the fact that the firm's main customer is the government.

One fourth (26%) of respondents were also frustrated by the perceived lack of direction of the company. Respondents here mentioned a belief that their

Table 5-9. Three most frustrating things about respondent's job

Content Categories	Main Themes	Respondent Comments
Bureaucracy (26%)	Documentation (18%) Bureaucratic red tape (18%) Formal process leading to inefficiency (64%)	"Oh the bureaucracy! Dealing with documentation people get trapped in that " "I find sometimes there is a lot of bureaucratic red tape " "The bureaucracy of the company can be frustrating We always do things effectively, but we don't always do things efficiently " "Management right now seems to have very outdated tools and they cling to them and they cling to their history like it was some kind of saviour when the fact of the matter is that it's slowly killing them "
Leadership (26%)	Managers / group lacking direction (47%) Organisation in general lacking direction (63%)	"A lack of direction from management " "Some of the leadership I don't find to be very good " "I think in some ways, it's trusting the employee to the point of 'Do whatever you want to do' people get to the point where they feel there is no frgging direction here " "I'm not sure senior management fully understands at a detail level what they've asked for"
Challenging people (23%)	Dealing with people is frustrating (60%) Incompetent / discourteous coworkers (25%) Dealing with different people (15%)	"People can be frustrating – dealing with them I mean " "Dealing with incompetent people " "A general lack of courtesy – the 'thank you' and 'would you please' are missing" "Dealing with others is frustrating I feel like with some people I can't even ask a question and they label me as incompetent!" "New people come in and can cause stress and problems " "Dealing with certain departments with different types of people "
Inequity (18%)	Lack of fairness and equity	"Sometimes I believe the non technical jobs don't get as much equity as they should" "Sometimes things aren't always done fairly for everyone "
Workload (15%)	Level of workload	"Spending too much time at work the hours required due to our workload can be frustrating "
Structural issues (14%)	Frustration with the matrix structure (67%) Lack of job continuity when a project comes to an end – project based organisation (22%) Too many levels of management (11%)	"I sometimes don't get the feeling that there is a matrix manager who is going to come to me when my project is ending and say 'Would you like to come over and work on this project next?' and it's up to me to use the grapevine to find my next position " "There sometimes seems to be too many levels of management I think there's a lot of tradition here, and sometimes as things evolve in the industry in general, that maybe this company is a little more inflexible to adjust and that is frustrating " "It's kind of broken here The ongoing challenges we have to work together at the senior management level – to get the stovepipes in Ottawa and Calgary to work together to capitalize on their synergies to take this company to the next level is a challenge"
Work-life conflict (14%)	Lack of control over work schedule (67%) Inability to take time off without pay or benefits (22%) Inability to take time off and have job waiting when return (11%)	"I love this company, but if I want to take 3 months off or 6 months off, I should have the freedom to do that and have a job waiting for me when I do – I'll come back and I'm willing to pay a prorata for my benefits while I am away " "I would like more time off or the ability to work a certain style more like a university style – work hard for a while, then get to take a break " "Simple things like planning for your vacation You do it well enough in advance to be ready for it and you notify people and it comes along and you have to (pause) I never want to feel guilty for having to take vacation because I deserve it, but I don't think there has ever been a case that I haven't felt guilty for taking it "
Politics (11%)	Politics (86%) Independent empires (14%)	"There are certainly politics involved in this organisation " "There are a lot of independent empires within the company "
All others (n = 29)	n/a	

n = 66

managers, their group, and the organisation in general all lacked direction. This finding may be related to Losyk's (1997a) observation that members of the Generation X have a negative view of the world.

Nearly one-in-four respondents (23%) indicated they were frustrated by challenging people. The types of issues expressed here included having to deal with people in general, incompetent coworkers, and a lack of courtesy. A perception of inequity frustrated nearly one-in-five (18%) respondents while workload served as a source of frustration for 15% of the respondents.

Another area of frustration identified by one-in-seven respondents (14%) included structural issues. These comments differed from those on bureaucracy because respondents in this grouping spoke specifically about their frustrations associated with the organisation's matrix structure and layers of management. The responses under the bureaucracy category, on the other hand, talked specifically about how the organization appears to be steeped in process and bureaucratic red tape.

One-in-seven (14%) respondents identified work-life conflict as a frustration. We distinguished the work-life conflict from frustrations due to workload as follows. Work-life frustrations included a desire for more control over life through freedom in the work schedule, freedom to take time off with or without pay, and freedom to take leave without losing the job. Workload issues, on the other hand, dealt

with the frustrations of spending long hours at work. Responses suggest that a group within the sample is frustrated by the inability to maintain a balance between work life and personal life in their present positions. Finally, for just over one-in-ten respondents (11%), internal politics was a source of frustration.

The 29 responses in the “All other” category included the following types of frustrations: lack of recognition, “nothing frustrates me”, isolation, lack of empowerment, a lack of management expertise, customer-related issues, physical working conditions or location, difficulty advancing, and lack of challenge.

5.2.4.3 What company could do to help respondents meet company expectations

We next asked respondents, “What, if anything, could ABC do to help you meet their expectations of you?”. The 66 respondents provided a total of 69 responses to this question which were grouped into five categories and one “All Other” category. Responses to this question are presented in Table 5-10 along with the main themes and applicable respondent comments.

Approximately one-in-four people (23%) said that the company didn’t need to do anything to help them meet expectations – things are fine the way they are. This is consistent with their employer’s rank as one of the 100 best companies to work

for in Canada. This theme was summed up simply by the comments of one employee: “In my position right now, with what I do . . . I have everything I need”. Again, this would suggest that a subsample of employees are happy with their employer; they are in balance with respect to their psychological contract.

Table 5-10. What could the company do to help respondents meet company expectations?

Content Categories	Main Themes	Respondent Comments
Nothing – fine the way it is (23%)	Change nothing (87%) Satisfied with training and resources (13%)	“Nothing ” They could not give me more training without giving me more work” “There is nothing the company could provide me in terms of more resources They’ve equipped me properly ”
More training, tools and technology (21%)	Training enabling better performance (50%) Knowledge necessary to take on more responsibility (50%)	“If I had more up to date training, I think that I could contribute to the team and maybe come in with some fresh ideas or come in with more confidence in what I know ” “I think the first thing would be training when they give me a responsibility, they need to make sure that I’ve been trained ” “I think they really need to continue on with the leadership development for the managers ”
Clearly articulate expectations (17%)	Better feedback and communication concerning expectations	“I think clearly communicating their expectations – in a lot of cases, you derive them yourself Usually they affirm what you come up with yourself, but at least some outline of what the vision is and how we fit into that ” “Better feedback and communication on vision and our expectations in fulfilling that vision ”
Set realistic expectations concerning work (17%)	Poor planning and scheduling leading to unrealistic amounts of short term work (73%) Unrealistic scheduling (27%)	“Sometimes they have really pushed the schedules I’ve usually gotten it done on time, but right now for example there’s a project where there is an awful lot to do in a short period of time and I think the schedule is a bit optimistic ” “More realistic schedules ”
More guidance in setting priorities (15%)	Need for direction (60%) Help in prioritising (20%) Knowledge of what worked in other areas of the company (20%)	“A little bit more direction would be nice ” “Help me prioritize my work I have a lot of work ” “I would like to see the company try to figure out what works in some teams and not in others and to leverage that ”
All others (n = 13)	n/a	

n = 66

Approximately one-in-five respondents (21%) spoke about needing more training, tools and technology to better meet the company's expectations. That so many high potential managers, with presumably greater access to training than others in the organisation, have such needs is a concern given their high expectations of the company concerning career development.

Clearly articulating expectations was mentioned by one-in-six (17%) respondents. They felt the company could help them to better meet its expectations by providing better feedback and communication concerning those expectations. Another one-in-six (17%) respondents mentioned that the company could set realistic expectations concerning work to help employees fulfill company expectations. These people talked specifically about poor planning and unrealistic scheduling which lead to uneven workloads.

Roughly one-in-seven respondents (15%) talked about needing more guidance in setting priorities, specifically a need for direction, help in prioritising, and knowledge of what has worked in other areas of the company.

The "All other" category for this question included responses asking for "More challenge and accountability", "Less stress", "Professional atmosphere", "More vacation time", and "More teamwork" as well as responses of "I don't know".

5.2.4.4 What the company can do to better fulfill employees' expectations

We asked respondents "What could ABC do to better fulfill each of (your) expectations of them?". In total, the 66 respondents provided 68 responses. The responses to this question were varied with only three content categories cited by more than 10% of the sample. The main themes, associated respondent comments, and responses to this question appear in Table 5-11.

Table 5-11. What could the company do to better meet employee's expectations of it?

Content Categories	Main Themes	Respondent Comments
I don't know (18%)	Respondent did not know what company could do (17%) Respondent could not identify anything specific (83%)	"I don't really know what they could do " "There isn't anything specific I can think of "
Nothing (18%)	Nothing more company can do (83%) Employees are happy with status quo (17%)	"Nope For me, the issue really is the flex time, and they are doing well on that " "There is nothing else they can do I'm really happy "
Training (17%)	Employer needs to provide more training (82%) Training providing better career opportunities (18%)	"Training leads to growth which leads to more confidence " "High-end training I would definitely consider an executive MBA for a part of my career development "
Better communication from company (11%)	Better communication concerning opportunities (71%) More insight into how employees are evaluated (29%)	"I believe that better communication is essential in terms of identifying what the opportunities are for growth and what's needed for promotion There is very little information communicated down " "I know they are trying in terms of providing more insight into how things like the annual adjustments are calculated, but we need more communication on how these types of things are calculated "
All others (n = 26)		

n = 66

The three most common responses to this question were each cited by approximately one-in-five respondents. These included that respondents did not know what the company could do to better fulfill the employee's expectations (18%); there was nothing the company could do (18%) (a finding that is again consistent with the fact that this organisation is one of the top 100 employers in Canada); and more training (17%). It is interesting to note that one-in-five respondents also reported that the company could provide more training to help employees better meet *its* expectations; the need for more training appears to be a theme in this analysis.

One-in-ten (11%) respondents mentioned better communication from the company. Responses in this category included needing more information about potential opportunities available to employees and about how they were evaluated. These responses are again consistent with earlier responses and support the idea that some respondents in this sample want to advance and receive additional compensation.

The "All other" category for this question includes responses such as "More growth opportunities", "Better salary", "Opportunity to share authority", "Recognition", "Work-life balance", "Job security", "More realistic expectations", "Better work environment", "More equity", "Make travel easier", "Better leadership", "Updated tools", and "More interesting work". The number and scattered nature of the responses to this question indicate that the company may

need to take individualized, rather than systemic, actions to better meet the expectations of the respondents.

5.3 Evaluation of the psychological contract

In this section, we present results obtained for the items associated with the psychological contract fulfillment continuum (Box 2 in Figure 6) as identified in Appendix C. Specifically, we present results associated with employee perceptions of the extent to which they felt the following:

- That they have met the organisation's expectations of them (Section 5.3.1);
- the organisation has delivered on employee expectations (Section 5.3.2);
- the organisation has recognised employees' efforts (Section 5.3.3); and
- the organisation's expectations of its employees were fair / unfair, and realistic / unrealistic (Section 5.3.4).

There were also three questions that allowed for multiple responses.

Respondents were asked to rate:

- how well they felt they had fulfilled up to three of the company's expectations of them
- how well they felt the company had delivered on up to three of the respondents' expectations of the company
- and how well they felt the company had recognised respondents' efforts in fulfilling up to three of the company's expectations of them

For these three questions, we calculated a mean score for each individual and in Section 5.3.5, we calculate the psychological contract fulfillment score for each respondent in the sample as outlined in Section 4.2.4.3. Based on the resulting psychological contract fulfillment score, we then mapped respondents to the categories of contract fulfillment as were identified in our methods chapter in Table 4-1.

5.3.1 Do respondents perceive they have fulfilled the expectations the company has of them?

Respondents were asked how well they felt they had fulfilled each of the employer expectations they had previously identified. More specifically, they were asked to rate their perceived fulfillment of each of the company's expectations they had identified "using a 5-point scale where 1 is the lowest possible extent and 5 is the highest possible extent". The frequency distribution of these data is presented in Table 5-12.

There were 174 responses to this question because each of our 66 respondents identified, and therefore rated, multiple responses. The mean of these responses was 4.3 out of a possible high score of 5. Examination of the distribution of these scores indicated that 1-in-4 respondents perceived that they had fulfilled company expectations completely (score of 4.8 or higher), another one in four felt they had fulfilled these expectations nearly completely (score of

Table 5-12. How well respondents fulfilled work expectations they felt the company had of them (1 to 5 scale)

Individual's perception: employee fulfilling company's work expectations	% of sample		
≥ 4.8	27%	n responses	174
≥ 4.3 to < 4.8	23%	Mean (total sample)	4.3
≥ 3.8 to < 4.3	44%	Standard Deviation	0.6
< 3.8	6%		

n = 66. Respondents were asked for up to three responses. We calculated the mean level of perceived fulfillment for each respondent and created the frequency distribution on the aggregate score.

4.3 to 4.8), and nearly half felt they had done reasonably well in fulfilling this expectation (score of 3.8 to 4.3). In other words, almost all of the respondents felt they were doing a good job of fulfilling the expectations they perceived their employer had of them. It is important to note that this result is based on the respondent's perception of how well he or she has fulfilled the employer's expectations. It is possible, therefore, that the responses are positively biased (i.e. employees think they are doing a better job of meeting expectations than is in fact the case). Since however, the psychological contract depends on perceptions rather than realities, this is an important finding for this thesis.

5.3.2 Do respondents perceive the company has met their expectations of it?

Respondents were also asked how well they felt the company had met their expectations of it. Responses were collected using “a 5-point scale where 1 is the lowest possible extent and 5 is the highest possible extent”. The frequency distribution of these data is presented in Table 5-13.

Table 5-13. Employees’ perception of how well the company delivered on the employees’ expectations of it (1 to 5 scale)

Individual’s perception: company fulfillment of employee’s expectations	% sample		
≥ 4.8	15%	n responses	179
≥ 4.3 to < 4.8	17%	Mean (total sample)	3.9
≥ 3.8 to < 4.3	33%	Standard Deviation	1.0
< 3.8	35%		

n = 66. Respondents were asked for up to three responses. We calculated the mean level of perceived company fulfillment for each respondent and created the frequency distribution on the aggregate score.

For this question, there were 179 responses as respondents were again asked to identify and rate multiple responses. The mean of these responses was 3.9 out of a possible high of 5. An examination of the distribution of the individual mean fulfillment scores shows that 1-in-7 respondents felt the company had fulfilled their expectations nearly completely (score of 4.8 or higher). Another one in six felt the company had fulfilled their expectations nearly completely (score of 4.3 to 4.8), while one in three felt the company had done reasonably well in fulfilling their expectations (score of 3.8 to 4.3). A similar proportion of the sample felt the

company had not done well in fulfilling their expectations of it (score of <3.8). Comparing the findings shown in Table 5-12 and 5-13 suggests that a portion of the sample may perceive an inequity between what they deliver to the organisation and what they get back.

5.3.3 Do employees perceive the company recognizes their efforts?

We asked respondents the extent to which they felt the company had recognised or acknowledged the employee's fulfillment of up to three of the company's expectations (once again using each of the expectations the employee named). Responses were again collected using a 5-point scale "where 1 is the lowest possible extent and 5 is the highest possible extent". The frequency distribution of these data appears in Table 5-14.

Table 5-14. Employee perceptions of how well company recognises employee fulfillment of expectations (1 to 5 scale)

Individual's perception: company recognition of employee's fulfillment of work expectations	% of sample		
≥ 4.8	23%	n responses	176
≥ 4.3 to < 4.8	9%	Mean (total sample)	3.9
≥ 3.8 to < 4.3	29%	Standard Deviation	1.0
< 3.8	39%		

n = 66. Respondents were asked for up to three responses. We calculated the mean level of perceived recognition for each respondent and created the frequency distribution on the aggregate score.

This table shows that there were 176 responses to this question as respondents were asked to identify and rate multiple responses. In this case, the distribution of the data shows that one-in-four respondents felt the company had recognised employees' fulfillment of the company's expectations nearly completely (score of 4.8 or higher), and one in ten felt the company had recognised employee's fulfillment of expectations nearly completely (score of 4.3 to 4.8). One in three felt the company had done reasonably well in recognised employees' fulfillment of its expectations (score of 3.8 to 4.3), while 40% felt the company had not consistently recognised employees' fulfillment of the company's expectations (score of <3.8). Based on this distribution, it appears that nearly half of respondents felt the company was not doing a good job of recognising their work performance.

5.3.4 Are the company's expectations fair and realistic?

Respondents were asked if they "perceive that (ABC's work expectations of you) are very fair, fair, somewhat fair, somewhat unfair, unfair, very unfair?". We also asked if they felt that the company's work expectations were realistic or unrealistic. The tabulated results are presented in Table 5-15.

These results illustrate that almost all the respondents (88%) felt the expectations were either "Very Fair" (30%) or "Fair" (58%). The results also show that 70% of respondents believe the company's work expectations of them

were either “Very realistic” (14%) or “Realistic” (55%). These findings are consistent with earlier presented data showing that nearly all employees (94%) perceive they are at least doing reasonably well in fulfilling their employer’s expectations.

Table 5-15. Are ABC’s work expectations fair and realistic?

Employee’s perceptions that ABC’s work expectations are:					
Category (code)	n	%	Category (code)	n	%
Very fair (5)	20	30%	Very realistic (5)	9	14%
Fair (4)	38	58%	Realistic (4)	36	55%
Somewhat fair (3)	4	6%	Somewhat realistic (3)	16	24%
Somewhat unfair (3)	2	3%	Somewhat unrealistic (3)	4	6%
Unfair (2)	2	3%	Unrealistic (2)	1	2%
Very unfair (1)	0	n/a	Very unrealistic (1)	0	n/a

n = 66

5.3.5 Psychological contract fulfillment score calculation

In an attempt to develop a measure of psychological contract fulfillment, scores from the five previously outlined questions were summed to determine a psychological contract fulfillment score. The distribution of these scores is presented in Table 5-16.

As can be seen in the table, based on our methodology a majority of our respondents were categorised as having had their promises met, with approximately one in three categorised in the promises broken group. None of our respondents were categorised as having experienced psychological contract breach or violation.

Table 5-16: Sample distribution of psychological contract fulfillment scores / state of contract fulfillment

Psychological Contract Fulfillment Score	Contract Fulfillment State	n respondents	% of sample
20 to 25	Met Promises	39	59%
15 to <20	Promises Broken	27	41%
10 to <15	Contract Breach	0	n/a
5 to <10	Contract Violation	0	n/a

n = 66

There is very little variation in our calculated psychological contract fulfillment scores. While it is reasonable to assume that we could expect few if any of our respondents would experience psychological contract breach or violation (consistent with our respondents being high potential managers working for a best practices firm), the lack of variance in these scores may indicate that there are methodological problems with the measures we used to assess psychological contract fulfillment.

In further reviewing the literature dealing with the measurement of this construct

we note that other authors have reported that they encountered problems when attempting to measure psychological contract fulfillment, or found methodological problems with how psychological contract fulfillment was operationalised in the literature (e.g. Lambert, et al, 2003; Irving and Montes, 2009). Lambert and her colleagues (2003), for example, in a review of work in this area outlined a number of methodological issues with respect to the measurement of psychological contract breach. One such issue they noted was that “with few exceptions, breach is operationalized by collapsing promised and delivered inducements into a single entity” (pg. 896) which can be accomplished through the use of direct measures. Direct measures involve asking employees about the extent to which their psychological contract had been fulfilled (as was done in the present study).

According to the Lambert et al study, in order to overcome the problems associated with such measures, researchers should adopt an expanded view of the psychological contract (as they proposed in their paper). The authors mention that the expanded view includes features such as: broadening the definition of breach; addressing issues concerning whether the breach resulted from deficiencies or excess fulfillment of expectations; and the incorporation of absolute levels of inducements into psychological contract breach. Additionally, the expanded view requires a rigorous statistical analysis methodology that will “capture the inherent three-dimensional relationship of promised and delivered inducements with outcomes, thereby avoiding problems with difference scores

and capturing important complexities regarding the effects of psychological contract breach and fulfillment” (pg. 897). None of these issues were addressed in this thesis. In fact, the qualitative data that we collected in the present study is inappropriate for statistical analysis (Johnson, 2006) and would not allow us to undertake any of the forms of analysis suggested by Lambert et al. This and the lack of variation in our data lead us to conclude that our measure of psychological contract fulfillment / breach was neither valid nor reliable. This meant, unfortunately, that we were unable to test the following parts of our model: the relationships between psychological contract expectations (Box 1, Figure 6) and psychological contract fulfillment (Box 2, Figure 6); percentages of respondents who perceive their psychological contract had been met or broken and the conditions associated with those perceptions (our third research objective); and the relationships between psychological contract fulfillment (Box 2, Figure 6) and the psychological contract outcomes of engagement and trust (Box 3, Figure 6).

5.4 Outcomes of the psychological contract

In this section, we present results to the items associated with the psychological contract outcomes of engagement and trust (Box 3, Figure 6). Engagement and trust were operationalised as was discussed in the methodology chapter (Chapter 4). The results are shown in Table 5-17.

Table 5-17. Engagement, overall trust, interpersonal trust, and trust in management levels

Engagement (mean = 4.4, std. dev. = 1.2)
Overall Trust (mean = 5.3, std. dev. = 1.2)
Interpersonal Trust (mean = 5.7, std. dev. = 1.0)
Trust in Management (mean = 5.0, std. dev. = 1.4)

***n* = 66**

As we see in the table, the mean engagement score for our respondent group was 4.4 out of a possible high score of 6. This is a moderate to high level of engagement which would be expected from middle-level, high potential knowledge workers. Additionally, the “Overall Trust” score for our group was 5.3 out of a possible high score of 7. This is a moderate to high level of trust. The “Trust in Management” score was 5.0 out of a possible high score of 7 while the “Interpersonal Trust” score for this group was 5.7. These data suggest that our respondent group has more trust in their colleagues than they do in the organisation. That being said, trust in management is still moderate to high.

6. DISCUSSION

The interview and survey results were presented in the previous chapter. In the present chapter, those results are analyzed, linked and discussed, establishing the evidence necessary to address the research objectives and research questions that drive this research. The theoretical framework presented earlier in this thesis is used to organise the discussion.

In Section 6.1, we analyse and discuss the sample's two types of formative work experiences: labour market effects (work experiences that occurred prior to joining the present employer) and employer effects (work experiences with the present employer).

In Sections 6.2 and 6.3, we discuss psychological contract expectations (Box 1, Figure 6). Specifically, we present our analysis and discussion of the left side of the psychological contract equation (i.e. what the employee thinks the organisation wants) and in section 6.3 we analyse and discuss the right side of the psychological contract equation (i.e. what the employee wants from the organisation). Section 6.4 provides a summary of our analysis of the psychological contract expectations data.

As was mentioned in Chapter 5, we were unable to measure psychological contract fulfillment (Box 2, figure 6) in this thesis and as such, there will be no further analysis of these data in the dissertation. In Section 6.5, we move on to

discuss the relationship between the formative work experience groups and the psychological contract outcomes of engagement and trust (Box 3, Figure 6).

In analysing the data, we flag and discuss between group differences in responses given of approximately 20% (see methods section). We use the 20% criteria more liberally in cases where findings are consistent with existing theory or literature, or confirm a more macro level trend in the data (i.e. may flag findings where the between group difference is only 16%).

6.1. Formative work experiences

Our first research objective was to increase our understanding of the formative work experiences that shaped the psychological contract expectations of Generation X. As was outlined in Chapter 3, this objective is accomplished by answering three research questions. These questions ask if the three potential indicators of labour market experiences identified in the literature review chapter (i.e. when the respondent entered the workforce, the type of labour market in the location they work in, and the number or previous employers and reasons for leaving them) are good indicators of formative labour market experiences of the Generation X knowledge worker.

The formative work experiences of our sample, described in Chapter 5, will be

analysed in the present chapter. In Section 6.1.1, we investigate the potential indicators of key labour market formative work experiences: the time of entering the workforce (Section 6.1.1.1) present work location (Section 6.1.1.2); number of previous employers (Section 6.1.1.3) and reasons for leaving them (Section 6.1.1.4). In Section 6.1.1.5, we also discuss the respondents' experience with their present employer by explaining the length of time with the firm.

6.1.1 Labour market effects

We use the term *labour market effects* to describe the effects of formative work experiences the respondent encountered prior to joining their present employer. Our first research objective is to increase our understanding of the formative work experiences that shaped the psychological contract expectations of Generation X. Both survey and interview data were used to test this proposition. As previously reported, approximately half of our sample reported that their labour market experiences had negatively affected their view of the relationship with the current employer while the other half reported no effect. Of note is the finding that none of the respondents stated that their labour market experiences had resulted in a more positive view of their relationship with their employer. Using the responses to this question, we created two groups: (1) "Labour market's formative influences – negative impact" group and (2) "Labour market's formative influences – no impact" group.

The next task was to see if we could identify any key differences between these two groups with respect to their experiences in the labour market prior to joining the firm. To do this, we used four survey questions as indicators of labour market effects: the years the respondent has been in the labour market; their work location (Calgary or Ottawa); number of previous employers; and the reasons they gave for leaving previous employers. Analysis and discussion of these indicators follow.

6.1.1.1 Timeframe of entering the labour market

As noted in our literature review, the number of years a respondent has been in the labour market may be relevant to the discussion of the psychological contract. When an employee entered the labour market is an important indicator of the type of economic environment the respondents would have faced when they started their career. More specifically, entering the workforce during or around the time of an economic slowdown or recession would, we speculate, present different labour market conditions to an employee than would entering during times of economic growth.

To estimate conditions at the time of a respondent's market entry, we use the person's age and education level to estimate when they would have entered the labour market. We then map entry data to events occurring in the labour market

at that time. Figure 5 (previously discussed in Chapter 2) shows the time period during which most of the Generation X cohort in our sample would be expected to have first entered the labour market (1983 to 2000). As noted previously, this time period was fraught with economic turmoil and change. Economic uncertainty, the move to downsizings and layoffs as a strategy to save money and increase ROI rather than a reaction to economic conditions, and three recessions defined the economy through the early to mid-1980s, the early 1990s, and in the early years of the new century (US Bureau of Labour Statistics; Statistics Canada; Labonte, 2002; Mirabel and DeYoung, 2005; Gandolfi, 2008). The economic issues (i.e. recessions) and organisational downsizing trends caused uncertainty in the workplace and, according to Losyk (1997a), resulted in Generation X having lower levels of loyalty and commitment to the organisation than their predecessors, the Baby Boomer generation.

All but three of the Generation X workers in our sample have college (approximately two years of schooling past high school), university (approximately four years of schooling past high school) or graduate (approximately six years of schooling past high school) education. The remaining three individuals entered the workforce immediately after finishing high school. We assume that those with a high school education would enter the workforce at age 18, those with a college education would enter the workforce at age 20, a university graduate would enter the workforce at age 22, and those with a Master's degree would enter the labour market at the age of 24. When we

apply these assumptions to our sample, the first of our respondents entered the workforce in 1983 (41-year-old respondent with a high school education) while the last entered the workforce in 2000 (30-year-old respondent with a graduate degree). The frequency distribution of when our sample entered the labour market can be seen in Table 6-1.

Table 6-1. Years of entering the labour market

Years entered labour market	% of sample
1983 – 1987	18%
1988 – 1991	39%
1992 – 1995	26%
1996 – 2000	17%

n = 66

To analyse the impact of time of workforce entry on the psychological contract, we split our sample into two groups based on when they had entered the workforce – before 1991 or after. This year (1991) was selected as according to the literature (e.g. Gandolfi, 2008; Mirabal and DeYoung, 2005) it is the approximate time of the paradigm shift with respect to the strategic philosophy behind downsizing. Prior to 1991 downsizing was done because of economic necessity. After 1991 downsizing was viewed as a way to increase ROI and was

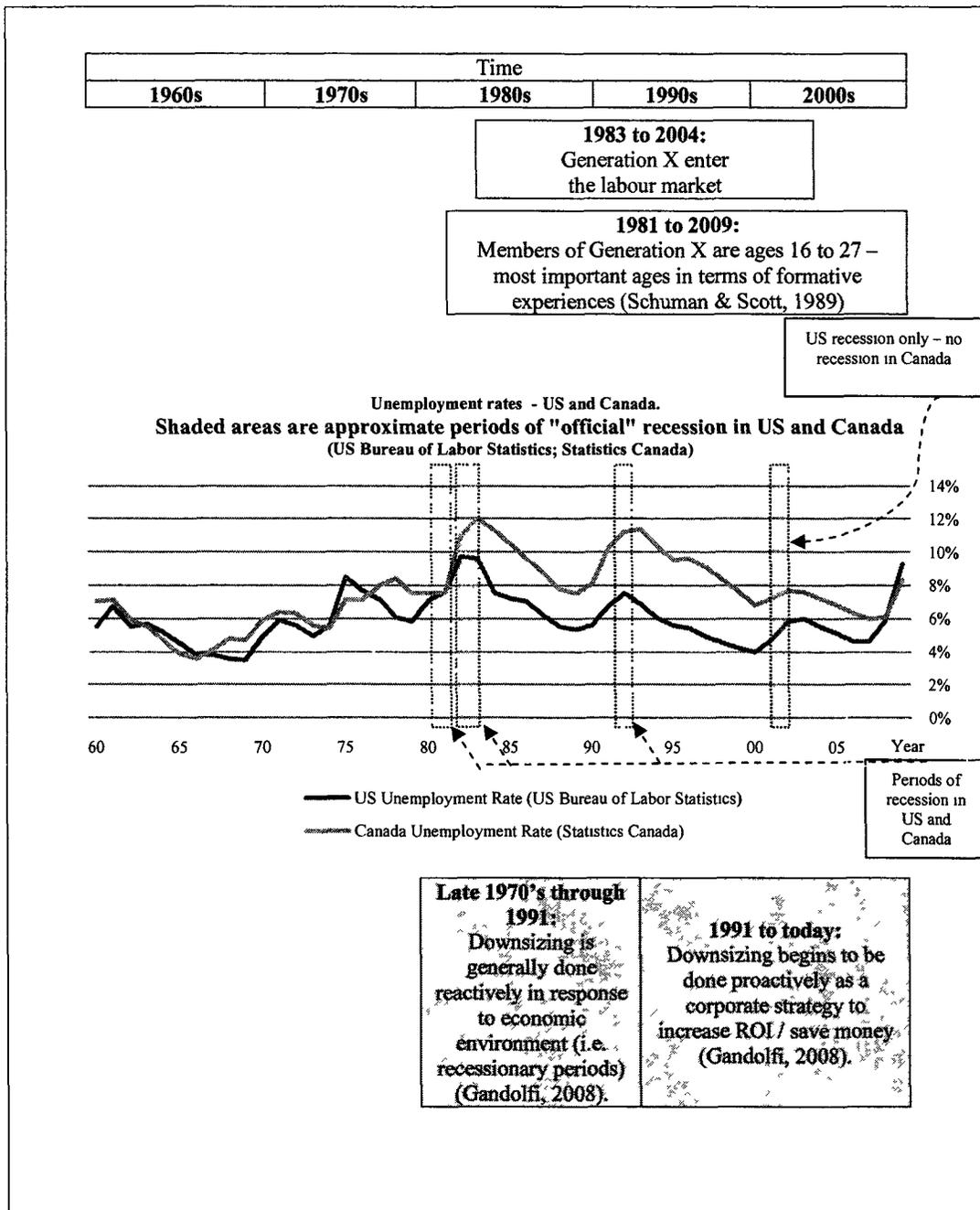


Figure 5 (reiteration): Labour market formative work experiences timeline.

done proactively to boost profitability (Mirabal and DeYoung, 2005). Half (57%) of the respondents in our sample entered the workforce prior to 1991; the other half (43%) entered post 1991. According to Morrison and Robinson (1997), an

employee's perception of the psychological contract may be affected by an employer reneging on promises made. We can speculate that if an employer downsizes to boost profitability rather than to survive, the victims of that downsizing may perceive their employer reneged on their promise of continued employment rather than being unable to fulfil the promise as would be the case in a downsizing for survival.

Those in our sample who entered the labour market prior to 1991, upon entering (or shortly after entering) the labour market beginning in 1983, would have experienced the effects of the three recessions that occurred between 1983 and 2000. A little later in their careers, they would have experienced the shift in philosophy concerning downsizing.

Those entering post 1991 appear to have encountered generally lower levels of unemployment (i.e. US average unemployment rate between 1991 and 2000 was approximately 5%, Canada was 9%) than the earlier time period (i.e. US average unemployment rate between 1983 and 1991 was approximately 7%, Canada was 10%). This would indicate that employment opportunities may have been more readily available in the later time period than in the earlier. We can speculate that when market conditions are such that unemployment is lower, employers would have a greater need to address the wants and needs of their employees in order to retain their services because employees would have more options to change employers if they were unhappy with the conditions they were facing.

6.1.1.2 Location

We also assert that an employee's work location is an important indicator of the type of labour market environment they have experienced. Specifically, we previously commented that the Calgary labour market is dynamic and unstable. For example, many respondents in the Calgary location said corporate head-hunters frequently contacted them – even at their workplace – with lucrative offers from companies in the oil and gas industry. We also discussed that the Ottawa labour market is more stable. None of the respondents in the Ottawa location talked about head-hunters contacting them or mentioned other lucrative job opportunities.

This seems to indicate that compared to workers in a stable labour market, workers in a more dynamic labour market would have job opportunities presented to them more frequently and appear to have more job opportunities readily available to them to change employers if they are unhappy with the conditions in their current employment situation. This would suggest that employers in a dynamic labour market would need to address the wants and needs of their employees if they wish to retain them more so than employers in a stable labour market.

Given the above discussion, we feel it is fair to start with the assumption that the type of labour market (dynamic verses stable) combined with when the

respondent entered the labour market would result in different labour market experiences. While the experiences employees have in each type of market may be similar, we speculate that the experiences employees have in a dynamic market would be more pronounced than the experiences employees have in a stable labour market.

It is important to note that in collecting our data, we knew the respondents' current work location and as such the type of labour market they were currently working in. However, we did not ask them where they entered the labour market at the start of their career. We did ask respondents who their previous employers were and why they left them. One of the pre-categorised reasons we gave as a potential reason for leaving a previous employer was "I moved". A total of eight respondents said they had moved. Among the respondents who indicated they had moved, only two relocated between areas that had different types of labour markets (i.e. from a stable labour market to a dynamic labour market). Both of these respondents had relocated from a stable labour market area to the dynamic labour market area. We included these two respondents in the dynamic labour market group for analysis purposes as they were early in their career when they relocated. As such, when we refer to the type of labour market a respondent "works in" throughout the remainder of this discussion, we are implying that this is the type of labour market the respondent had also entered at the beginning of their career.

6.1.1.3 Number of previous employers and reasons for leaving previous employers

In this thesis, we posit that the number of employers one has had and the reasons for leaving those employers are additional key formative labour market work experiences that affect psychological contract expectations. When interpreting these data, we begin by asking ourselves what would contribute to having a higher number of employers. We believe that having a higher number of employers could reflect any or all of the following:

1. The employees possessed skills that made them attractive to other employers and they changed jobs more often because they were enticed to leave (voluntary movement).
2. The employees were dissatisfied with their working environment and they left the job more often because their psychological contract was not met (voluntary movement).
3. The employees lost their jobs because they were more exposed to downturns in the labour market (involuntary movement due to downsizing).

We label these conditions *voluntary movement—better offer*, *voluntary movement—dissatisfied*, and *involuntary movement—downsizing*, respectively.

The main distinction between the first of these conditions (voluntary movement—better offer) and the second (voluntary movement—dissatisfied) is that in the first case, the employee was “pulled” away from their employer, in the second they were “pushed” away. We previously presented Table 5-2 illustrating the frequencies of reasons why respondents left their previous jobs. We now collapse responses to that question into the three groupings identified above for

analysis purposes as follows. Those in the voluntary movement—better offer group gave responses of “I received a better offer elsewhere”. Those in the voluntary movement—dissatisfied group responded “I did not like the job”, “I did not like my boss”, “My values were different from those of the organisation”, “My efforts were not being recognised”, or “There was no opportunity for career advancement”. Finally, those in the involuntary—downsizing group answered with “The company downsized / restructured and I lost my position”.

6.1.2 Analysis of formative labour market experience data

One of the key objectives of this thesis is to expand our understanding of the formative work experiences that potentially shaped the Generation X knowledge worker’s psychological contract. To achieve this end, we looked at results associated with two interview questions: whether or not respondents felt labour market formative work experiences had negatively affected their views of their relationship with their current employer (impact of labour market formative work experiences) and whether or not they reported feeling more or less positive towards their organisation now compared to when they first joined the firm (impact of the behaviour of the employer – employer effects). These two questions were used to create the 2x2 matrix shown in Table 6-2. The table shows the final number of respondents in each of the four formative work experience groups as well as the names we attached to the groups. We postulate that each of these groups has had different formative work

experiences. In the sections that follow, we describe the process used to evaluate this proposition.

It should be noted that since this research is aimed at discerning the potential effects of formative work experiences on the psychological contract, those individuals responding that they feel the same now compared to when they first joined the firm (15% of the sample) are excluded from the analysis from here forward. The reason for this decision is that a “no change” response would indicate that the present employer has had no impact on the respondent’s view of the psychological contract.

Table 6-2. Formative work experience groups

		Labour market's formative influences	
		Negative	None
Company's formative influence	Positive	(A) Re-engaged n = 17 (30%)	(B) Blessed n = 22 (39%)
	Negative	(C) Disillusioned n = 9 (16%)	(D) Disgruntled n = 8 (14%)

n = 56

Table 6-3 provides results for each group for the demographic characteristics and formative work experience indicators discussed previously. Inspection of this table helps us to differentiate between the groupings based on their formative work experiences. If the groups all have the same formative

experience composition, then we would have to conclude that these are not good indicators of formative experiences.

Table 6-3. Formative work experience characteristics by formative work experience group

		Re-engaged (n = 17)	Blessed (n = 22)	Disillusioned (n = 9)	Disgruntled (n = 8)	Total Sample (n = 56)
Type of labour market	Dynamic n (%)	8 (47%)	6 (27%)	8 (89%)	2 (25%)	24 (43%)
	Stable n (%)	9 (53%)	16 (73%)	1 (11%)	6 (75%)	32 (57%)
Time entered labour market	Early entrants n (%)	6 (35%)	12 (57%)*	7 (78%)	7 (88%)	32 (58%)**
	Late entrants n (%)	11 (65%)	9 (43%)*	2 (22%)	1 (12%)	23 (42%)**
Average age (years)		34.8	37.2	38.6	38.5	36.9
Average number of previous employers		2.6	2.0	3.4	4.1	2.8
Reasons left previous employers***	Voluntarily – Better offer n (%)	9 (53%)	9 (41%)	7 (78%)	7 (88%)	32 (57%)
	Voluntarily – Dissatisfied n (%)	8 (47%)	8 (36%)	3 (33%)	4 (50%)	23 (41%)
	Involuntarily – Downsizing n (%)	7 (41%)	6 (27%)	5 (56%)	3 (38%)	21 (38%)
Tenure with present employer (years)		5.0	8.0	5.7	4.5	6.2

* Percentages calculated based on group n = 21 due to 1 missing response.

** Percentages calculated based on group n = 55 due to 1 missing response.

*** Column percentages total greater than 100% as respondents provided multiple responses.

By looking at the results obtained using the total sample, we can paint a picture of the typical Generation X knowledge worker in our sample as well as the typical member of each of the formative work experience groups. Table 6-4 provides a summary of the demographic and formative work experience characteristics presented in the previous table (Table 6-3) for the total sample of respondents included in the formative work experience groups. Table 6-5 also highlights the

differences in characteristics and experiences between the typical Generation X knowledge worker in our sample and the members of each of the four formative work experience groups. In the paragraphs that follow, we will discuss these characteristics and between-group differences.

Table 6-4. Summary of the experiences of the Generation X employees

Total sample of members of formative work experience groups
<ul style="list-style-type: none"> • Majority feel more positive about employer now compared to when they joined the company • Half report their views of their current employer negatively affected by previous labour market experiences, half report their views not affected • Half work in dynamic labour market, half in stable labour market • Half were early entrants to labour market, half were late entrants • Average age is 37 years • Worked for an average of 2.8 previous employers • Worked for present employer for 6.2 years • Majority left at least one previous employer voluntarily for better offer • Less than half left a previous employer voluntarily due to dissatisfaction with their job or place of work • One third involuntarily left at least one previous employer

Our final sample is comprised of 56 respondents who were approximately equally distributed between the dynamic and stable labour market. Similarly, half were early entrants and the other half were late entrants to the labour market. As per Table 6-4, we can draw the following conclusions about the typical Generation X knowledge worker from our sample. The average respondent was approximately 37 years of age and had worked for their present employer for an average of 6.2 years after having worked for an average of 2.8 previous employers.

A majority of the sample had left a previous employer for a better offer. This is consistent with literature reports indicating that Generation X employees are more loyal to their careers than to their employers (e.g. Losyk, 1997a, Jennings, 2000; Yu & Miller, 2005). Almost half (41%) of the sample had left a previous employer because they were dissatisfied with their job or their place of work. This finding is also consistent with literature reports (i.e. Losyk, 1997a) that members of the Generation X have a negative view of the world. We can speculate that a negative view may lead to an employee being dissatisfied with various conditions at work.

Losyk also mentions that Generation X workers' views of the world were influenced by the fact that they had witnessed parents and grandparents being victims of downsizing and layoffs. More than a third of the respondents in our sample had themselves lost a job involuntarily due to a layoff or downsizing. According to Losyk, these experiences could likely add to a decreased level of commitment and loyalty to an employer.

We will now describe the formative work experiences for each of the four formative work experience groups and discuss, in turn, how the profile of each differs from the profile of the others. These results are shown in Table 6-5.

Table 6-5. Summary of the between group differences in experiences of the formative work experience groups

		Labour market effect	
		Negative	None
Employer effect	Positive	<p><u>Re-engaged</u></p> <ul style="list-style-type: none"> • More likely to be late entrants to labour market • Youngest average age 	<p><u>Blessed</u></p> <ul style="list-style-type: none"> • More likely to be working in stable labour market • Fewest average number of previous employers • Least likely to voluntarily leave previous employer for better offer • Least likely to involuntarily leave previous employer (downsized) • Worked for present employer for longest of all groups
	Negative	<p><u>Disillusioned</u></p> <ul style="list-style-type: none"> • Most likely to be working in dynamic labour market • More likely to be early entrants to labour market • Older average age • More likely to voluntarily leave previous employer for better offer • Least likely to voluntarily leave previous employer due to being dissatisfied with their job or place of work • Most likely to involuntarily leave previous employer (downsized) 	<p><u>Disgruntled</u></p> <ul style="list-style-type: none"> • Most likely to be working in stable labour market • Most likely to be early entrants to labour market • Older average age • Highest average number of previous employers • Most likely to voluntarily leave previous employer for better offer • Most likely to voluntarily leave previous employer due to being dissatisfied with their job or place of work • Worked for present employer for shortest of all groups

6.1.2.1 The Re-engaged

Seventeen individuals (30% of the sample) reported that although their formative work experiences had negatively affected their views of the relationship with their employer, they now feel more positive about their employer since joining their

current organisation. We have labelled this group the “Re-engaged” to reflect this combination of experiences.

The group is nearly evenly split between working in a dynamic labour market and a stable labour market. This group has the highest proportion of late entrants to the labour market, which is to be expected since they have the youngest average age of all groups. Based on the age and education level of the respondents, we calculate that the Re-engaged entered the job market on average around 1993. According to the timeline illustrated in Figure 5, this entry time would correspond with the beginning of a period of economic expansion, and also a time when organisations started to use downsizing as a proactive strategy to improve their bottom line rather than a reaction to economic conditions.

A majority of these respondents left a previous employer voluntarily for a better offer (53%), less than half had left voluntarily because they were dissatisfied where they were (47%) or had lost a job involuntarily due to downsizing (41%). These employees would have joined the present company on average at around 30 years of age.

Three characteristics distinguish this group from the other groups in the sample. First, the Re-engaged were the most likely to be late entrants to the labour market. This fact is likely related to the second distinguishing characteristic that they have the youngest average age of all of the groups. Additionally, nearly half

of the members of this group were downsized. It appears that labour market experiences gave them a negative view of organisations, but the treatment they have received with their current employer has improved their view.

6.1.2.2 The Blessed

Twenty-two of our respondents (39% of the sample) did not perceive that their labour market experiences prior to joining the organisation had negatively impacted their view of the relationship they have with their current organisation. They are also fortunate in that they joined an organisation whose treatment has caused them to feel even more positively about the organisation than when they joined. As such, we have labelled this group the “Blessed”.

Five characteristics distinguish this group from the others. First, members of this group were more likely to work in a stable labour market. This may be related to the other distinguishing characteristics; on average, these respondents have worked for fewer previous employers and have spent the longest amount of time with their present employer of all the groups. In terms of why they left their previous employers, members of the Blessed group were least likely to have left a job voluntarily for a better offer or to have been downsized. This would suggest that these respondents have not experienced having their psychological contract broken.

The members of this group have spent most of their career with a best practice employer (8 years) and, as such, can be considered to have been sheltered from many of the labour market experiences that writers think have scarred Generation X (e.g. Losyk, 1997a). This might explain why members of the Blessed group report that they feel no negative impact from their labour market experiences and feel more positive about their employer now than when they joined them.

6.1.2.3 The Disillusioned

The Disillusioned group comprises nine people (16% of the sample) who perceive that their labour market experiences prior to joining this organisation had negatively affected their views of the relationship they have with their present employer. These respondents also reported that they now feel less positive towards their organisations compared to when they first joined them.

Nearly all (89%) of the respondents in the Disillusioned group work in a dynamic labour market with only one in ten working in a stable labour market. We previously speculated that the differing labour market conditions in these two labour markets result in each respondent having different labour market experiences. As mentioned, dynamic labour markets are subject to rapidly changing boom or bust cycles, and due to the influence of the gas and oil

industry in these respondents' area, the labour market is subject to downsizing during periods of recession.

Three quarters of those in the Disillusioned group were early entrants to the labour market. This is consistent with the average age of the group. Based on the ages and education levels of the members of this group, they would have been entering the job market on average in 1989 – a time that included the end of an economic expansion period and the beginning of a recessionary period (Figure 5). As a result of the labour market conditions associated with a recession, many of the hopes and dreams of these respondents may have been shattered just as they entered the workforce.

These characteristics are consistent with the labour market experiences of the Disillusioned – a larger percentage of this group (more than half) than in any other group lost a job involuntarily due to layoff or downsizing. This experience may be linked to this group's reporting that their previous labour market experiences had affected their view of their present employer. This would be consistent with the literature (Losyk, 1997a) that suggests the experience of downsizing does influence the psychological contract.

The following differences between the Disillusioned group members and the other groups emerge from the data. The Disillusioned are more likely to be working in a dynamic labour market (which is characterised by boom and bust

cycles) and more likely to be early entrants to the labour market. While we are not certain that these individuals were in this same labour market ten years ago (as previously addressed), we can speculate that working in a dynamic labour market now may exacerbate the employees' sense of uncertainty and insecurity given what they have experienced in the past (dissatisfaction with their jobs or place of work, and downsizing). They are older, have had more previous employers, are more likely to have left previous employers for a better offer elsewhere (implying dissatisfaction with the rewards and recognition they received in the past) and to have been downsized (implying a breach of their psychological contract in the past). These experiences seem to have given them a negative view of employers – something the behaviour of their current employer has exacerbated rather than alleviated.

6.1.2.4 The Disgruntled

Eight individuals (14% of the sample) reported that their labour market formative work experiences had not affected their view of the relationship they have with their current employer (i.e. they came in with a blank slate) but that they feel less positive now towards their current organisations than when they first joined them. We can speculate that this group has either received or at least perceives that they have received poor treatment by their employer since joining the firm (i.e. negative employer effect). This group is labelled the "Disgruntled".

Three quarters of this group (75%) currently work in a stable labour market, and the majority (88%) were early entrants to the labour market. The time of their entrance into the labour market is consistent with this group being older. Based on the members' ages and levels of education, the average member of the Disgruntled group would have entered the job market around 1989.

As we previously mentioned in our discussion of the Disillusioned group, this time period would likely have been difficult in the labour market due to the start of an economic slowdown and recession. However, these difficult times did not seem to affect the Disgruntled group in the same manner as it did the members of the Disillusioned group. It is possible that this difference between the two groups can be explained by the fact that the members of the Disgruntled group were more likely to approach their employment situation proactively (i.e. more likely to have left voluntarily when they were unhappy or for a better offer) than the Disillusioned who were downsized and forced to react. This would be consistent with the fact that they report the labour market had no impact on their view of their present employer. It may be that the respondents in this group were more proactive when it came to managing their careers (consistent with members of the Disgruntled group being more likely to have voluntarily changed jobs because they were dissatisfied than were members of the Disillusioned group) thereby diminishing or minimizing the negative experiences of the market. It is also important to note that members of the Disgruntled group were less likely to have been downsized than were members of the Disillusioned group.

Although a majority of the members of the Disgruntled group work in a stable labour market, on average they had worked for more previous employers and more frequently left their previous employers voluntarily for a better offer than any other group. This would imply they were dissatisfied with the rewards or recognition they were receiving from their employer. This group has also spent the least amount of time with their present employer of all of the groups which may explain why their attitude towards the organisation has not improved over time. The picture emerging from the data is a group that were proactive in managing their work situation. This seems to have minimized negative labour market effects (reported that their previous labour market experiences had not affected their view of their present employer). That being said, since they have joined their present employer they have been treated such that they are now unhappy (indicated by their reporting that they feel more negative about their employer now than when they joined them).

In summary, several characteristics distinguish this group from the others. Members of the Disgruntled group were most likely to be working in a stable labour market and most likely to be early entrants to the labour market (likely related to them being older) who more frequently than others left jobs voluntarily for a better offer. Their experiences in the labour market did not negatively affect their view of this employer, but their experience since joining their current employer has made them feel less positive towards this employer over time. This suggests that the psychological contract with this employer has been broken

for members of this group.

6.1.3 Between group differences among formative work experience groups: labour market effects and employer effects

Analysis of the formative work experience data suggested we had four different groups of employees in our sample: the Re-engaged (negative labour market influences, positive employer influences), the Blessed (no labour market influences, positive employer influences), the Disillusioned (negative labour market influences, negative employer influences) and the Disgruntled (no labour market influences, negative employer influences). These four groups are used as a lens throughout the rest of the thesis and were key to our analysis of the data. Our findings will be interpreted as follows:

- If the responses provided by members of the Re-engaged group differ from those provided by members of the Blessed group, we will assume the labour market has been a formative influence (labour market effect). We base this assumption on the fact that both of these groups experienced positive employer influences, but only one (the Re-engaged) experienced negative labour market influences.
- If the responses provided by members of the Blessed group differ from those provided by members of the Disgruntled group, we will assume the present employer has been a formative influence (employer effect). This assumption is based on the fact that neither of these groups experienced negative labour market influences, but one had positive employer effects (the Blessed) and the other (the Disgruntled) negative employer effects.

- If the responses provided by members of the Disillusioned group differ from the other three groups (the Re-engaged, Blessed, and Disgruntled), we will assume that both the labour market (labour market effect) and the present employer (employer effect) have influenced the Disillusioned employees (i.e. members of the Disillusioned group have had both negative labour market and negative employer experiences).

When completing comparisons of the data presented in Table 6-3 to detect labour market effects (the Re-engaged having negative labour market effects compared with the Blessed having no labour market effects), we identified three between-group differences in characteristics. First, respondents in the Re-engaged group were more likely to be working in a dynamic labour market than their counterparts in the Blessed group. This finding is likely related to, and is consistent with, the second finding that those in the Re-engaged group were more likely to have been downsized than their colleagues in the Blessed group. Additionally, respondents in the Re-engaged group were younger on average and more likely to have been later entrants to the labour market than those in the Blessed group. These findings appear to support the assumption that employees who work in a dynamic labour market encounter the negative experience of being downsized more frequently than those who work in a stable labour market. These results also suggest that downsizing is an important formative labour market experience that may impact the psychological contract. This finding is consistent with the literature in the area (e.g. Morrison & Robinson, 1997; Losyk, 1997a).

Concerning employer effects (the Blessed having positive employer effects compared with the Disgruntled having negative employer effects), we identified four between-group differences that reinforce our assertion that how the current employer treats the employee is a key formative influence. First, respondents in the Blessed group were more likely to be late entrants to the labour market and were younger than their counterparts in the Disgruntled group. Additionally, those in the Blessed group had worked for fewer previous employers and were less likely to have voluntarily left a previous employer for a better offer than those in the Disgruntled group.

While it is impossible to determine causation, we can speculate that the difference may be attributable to the negative employer effect group (i.e. the Disgruntled) being older and having more exposure to negative employment conditions prior to joining the current firm. If this speculation is accurate, it may be that compared to their counterparts in the Blessed group, members of the Disgruntled group are more critical of their current employer and are less likely to take what their employer says with respect to the importance of its people on faith.

Alternatively, these findings may be due to personality differences between the two groups of respondents. More specifically, we can speculate that these two groups differ in terms of their propensity for positive or negative affectivity. Watson (1988) differentiates the two as follows:

“Positive Affect (PA) reflects one's level of pleasurable engagement with the environment. High PA is composed of terms reflecting enthusiasm (e.g., excited, enthusiastic), energy (e.g., active, energetic), mental alertness (e.g., alert, attentive), and determination (e.g. strong, determined). In contrast, Negative Affect (NA) is a general factor of subjective distress and subsumes a broad range of aversive mood states, including distressed, nervous, afraid, angry, guilty, and scornful.” (p. 1020).

Watson, Clark and Tellegan (1998) cited several studies indicating that while positive affectivity is related to the frequency one experiences pleasant events, negative affectivity is related to the frequency one experiences unpleasant events. The Disgruntled may be glass half-empty people (i.e. negative affectivity) who focus on what is wrong and as a result be more likely to switch jobs in search of something better. On the other hand, the Blessed may be glass half-full people (i.e. positive affectivity) focusing on what is good and as a result may be less likely to move. A third alternative explanation is that the company is in fact treating these two groups of employees differently for some reason.

Concerning a combined labour market and employer effect (i.e. the Disillusioned compared to the Re-engaged, the Blessed, and the Disgruntled), two characteristics were noteworthy. First, members of the Disillusioned group were the most likely of all the groups to be working in a dynamic labour market and the

most likely to have experienced downsizing. These findings appear to provide further support for the assumption that a dynamic labour market creates conditions such that employees more frequently encounter negative experiences like being downsized compared to those working in a stable labour market. Additionally consistent with the literature (e.g. Morrison & Robinson, 1997; Losyk, 1997a), these results also provide further support for the suggestion that having been downsized is an important formative labour market experience impacting the psychological contract.

6.2 The psychological contract: the organisation's perspective

As we have previously discussed, the psychological contract "equation" (Box 1 of the theoretical model) is comprised of two sides:

- the left side of the equation which comprises the "organisation perspective" (i.e. the respondent's perceptions of the work expectations their employer has of them and the respondent's perception of the extent to which they delivered on those expectations)
- the right side of the equation which comprises the "employee perspective" (i.e. the respondent's work expectations of their employer, and the respondent's perception of the extent to which their employer delivered on those expectations).

This section of the thesis discusses the data associated with what Generation X

knowledge workers perceive their employer expects of them (discussed in Section 6.2.1) and perceives they deliver to their employer (discussed in Section 6.2.2). In Section 6.3, we discuss data associated with the second side of the psychological contract equation: what the Generation X knowledge worker expects from their employer (presented in Section 6.3.1), and what they perceive their employer delivers to them (addressed in Section 6.3.2).

To investigate our assertion that an employee's psychological contract may differ according to his or her formative work experiences, the analysis and discussion presented in these sections (Section 6.2 and 6.3) uses the four formative work experience groups that were previously identified as a lens through which we examine the results. In our analysis, we will again use differences in the groups to identify labour market effects and employer effects. As was noted previously: a labour market effect will be interpreted as differences between the Re-engaged and the Blessed groups; an employer effect will be interpreted as differences between the Blessed and the Disgruntled groups; both a labour market and employer effect will be interpreted when the results for those in the Disillusioned group are different from those observed for the other three groups (i.e. the Re-engaged, Blessed, and Disgruntled).

6.2.1 What company expects of respondents

We begin our analysis of psychological contract expectations on the left side of the psychological contract equation by looking at the expectations the respondents perceive the company has of them. During the interview, respondents were asked what they perceive their employer expects of them. Responses to this question (previously reported in Section 5.2.1) are shown grouped by the four formative work experience groups in Table 6-6.

Table 6-6. What the company expects of respondents by formative work experience group

	Re-engaged n = 17		Blessed n = 22		Disillusioned n = 9		Disgruntled n = 8		Total Sample n = 56	
Labour Market Effect	Negative		None		Negative		None			
Employer Effect	Positive		Positive		Negative		Negative			
Company's expectations (major themes included)	n	%	n	%	n	%	n	%	n	%
Dependability (timely work, work your hours)	11	65%	15	68%	4	55%	5	63%	35	63%
Professionalism (professional and ethical behaviour, be an ambassador)	9	53%	12	55%	4	44%	3	38%	28	50%
Quality work (do a good job, give your best effort)	8	47%	8	36%	6	67%	4	50%	26	46%
Constructive input (provide feedback)	6	35%	8	36%	1	11%	2	25%	17	30%
Nothing extra (low expectations, work only regular hours)	5	29%	5	23%	2	22%	2	25%	14	25%
Customer service (sales, responsiveness to customers)	1	6%	6	27%	1	11%	2	25%	10	18%
Manage team effectively (provide guidance and leadership to team, take care of direct reports)	4	24%	3	14%	0	0%	1	13%	8	14%
Loyalty (loyalty, commitment)	1	6%	1	5%	4	44%	0	0%	6	11%

n = 56. Respondents reported up to three expectations, therefore the total number of responses is greater than the total n for each subgroup.

As can be seen from the data in this table, a plurality of Generation X employees, regardless of their formative influences, perceive that their employer expects them to be dependable (the most frequently named expectation) and to exhibit professionalism. Two other responses (i.e. nothing extra and customer service) were given by a minority of respondents in all four groups suggesting that either these perceived expectations are not linked to formative experiences, or they are common within Generation X knowledge workers.

Our argument that an employee's formative influences are related to psychological contract expectations is supported by the fact that there were discernable between-group differences (i.e. 20% or greater) in the frequency which respondents gave the other four responses: quality work, constructive input, manage team effectively, and loyalty. These differences are summarised in Table 6-7 and discussed below to illustrate the association between formative work experiences and perceived employer psychological contract expectations.

There appears to be no evidence in these data that formative labour market experiences, on their own (i.e. labour market effects), are related to what Generation X employees perceive their employer expects of them (i.e. no pattern of differences between responses given by members of the Re-engaged and Blessed groups). When comparing the responses given by the Blessed and Disgruntled groups, the data do suggest however, a positive experience with one's current employer (i.e. employer effects) is associated with increases in

probability of an employee perceiving that their employer expects them to provide constructive input and to effectively manage their team (i.e. to take on more involved roles in their jobs). For example, one employee in the Blessed group mentioned that “They expect feedback rather than criticism...” and a member of the Re-engaged group commented “They expect me to manage my team effectively – to flow down the correct information and get the team to gel together”. While determining causality is impossible, it seems plausible that employees may see their influential roles within the company as a form of public recognition and as signifying a more professional type of relationship with their employer. This finding would be consistent with literature claims that members of the Generation X want a say in decisions affecting them and to be recognized and rewarded for their input (Losyk, 1997b; Jennings, 2000).

Table 6-7. Impact of formative work experiences on employee’s perception of employer’s psychological contract work expectations

		Labour market effect	
		Negative	None
Employer effect	Positive	<u>Re-engaged</u> More likely to perceive expectation of: <ul style="list-style-type: none"> • Constructive input • Manage team effectively Less likely to perceive expectation of: <ul style="list-style-type: none"> • Loyalty 	<u>Blessed</u> More likely to perceive expectation of: <ul style="list-style-type: none"> • Constructive input Less likely to perceive expectation of: <ul style="list-style-type: none"> • Loyalty
	Negative	<u>Disillusioned</u> More likely to perceive expectation of: <ul style="list-style-type: none"> • Quality work • Loyalty Less likely to perceive expectation of: <ul style="list-style-type: none"> • Constructive input • Manage team effectively 	<u>Disgruntled</u> Less likely to perceive expectation of: <ul style="list-style-type: none"> • Loyalty

The data further suggests that a combination of negative labour market effects and negative employer effects are related to perceptions of Generation X employees concerning what their employer expects of them. It is interesting to note that the Disillusioned group, the only group to have experienced a combination of negative labour market and negative employer effects, was also the only group out of the four that perceives their company expects them to be loyal. Members of the Disillusioned group commented that they felt the company expected "A certain amount of loyalty. There are always other companies looking and they would like that side of your commitment" and "Short term commitment that you give your word and you live up to it... like you make a commitment and you live up to it".

It will be recalled that the Disillusioned group experienced downsizing more than any other group. According to the literature (e.g. Burke and Nelson, 1997), such experiences are likely to negatively impact loyalty. If members of the Disillusioned group perceive that their employer expects such loyalty, this may negatively impact their view of the company.

Compared to their counterparts in the other three formative work experience groups, the members of the Disillusioned group were also more likely to perceive their employer expected quality work from them and were less likely to perceive their employer expected them to provide constructive input. Strikingly, no one in the Disillusioned group reported a perception that their employer expected them

to effectively manage their team. It appears that members of this group perceive they are expected to provide quality work, but not expected to take on a more involved role. We can think of three potential explanations for these findings. First, perhaps the negative work experiences of this group were of such a nature that a self-fulfilling prophecy is occurring (i.e. enter the new job thinking this employer will be like the others and therefore focus on the negative). Second, these findings may be a function of the personalities of the individuals in this group versus the other groups (i.e. negative affectivity). Lastly, it may be that this group really has been subjected to different treatment than the others (e.g. a difficult manager or working on a different project) and as such have actually had a more negative work experience.

Summarizing the findings presented in Table 6-7 and discussed in the previous paragraphs, we see that there were no between group differences in relation to labour market effects alone and only two between group differences associated with employer effects alone whereas there were four between-group differences linked to a combined negative labour market and employer effect. Based on these findings, we can infer that a combined negative labour market and employer effect (i.e. as experienced by the Disillusioned) has a stronger association with an employee's perception of their employer's expectations than do labour market effects or employer effects on their own.

6.2.2 Extent to which employees deliver on the company's expectations of them

During the interview, respondents were asked what they perceived as their obligations to their employer. Responses to this question were previously reported in Section 5.2.1.1. The responses, grouped by the four formative work experience groups are presented in Table 6-8.

It is interesting to note that approximately 40% of all four formative work experience groups reported they perceive that they owe the company what it expects of them. This finding may potentially have several meanings. First, this could mean that Generation X workers perceive that the company's expectations and employee obligations to the company are simply the same thing. In other words, many Generation X employees may perceive that as long as they are employed by and paid by a company that they owe that company what it expects of them. Respondents mentioned things like "My obligations are the same as what the company expects of me" and "I think they are very similar". Respondents in our sample were high-potential middle-level managers working for a best practices firm. We could reasonably assume that many employees in this situation would want to provide their employer what they expect not only because they are working for a top Canadian employer, but because these are highly driven individuals who would not have been able to reach this level of achievement in their career if they had behaved otherwise.

Table 6-8. Respondent obligations to the company by formative work experience group

	Re-engaged n = 17		Blessed n = 22		Disillusioned n = 9		Disgruntled n = 8		Total Sample n = 56	
Labour Market Effect	Negative		None		Negative		None			
Employer Effect	Positive		Positive		Negative		Negative			
Respondent's Obligations (major themes included)	n	%	n	%	n	%	n	%	n	%
Same as expectations (expectations same/similar)	8	47%	8	36%	4	44%	3	38%	23	41%
Best effort (do good job, best effort, provide value for pay)	6	35%	8	36%	4	44%	5	63%	23	41%
Loyalty (be loyal, confidential, commitment)	5	29%	4	18%	0	0%	2	25%	11	20%
Work hours (putting in time)	2	12%	1	6%	3	33%	2	25%	8	14%

n = 56. Respondents reported up to three obligations; therefore the total number of responses is greater than the total n for each subgroup. The "All Other" category was omitted.

Second, this finding could mean that respondents feel the company's expectations of them are reasonable and they should make every attempt to meet these expectations. As one respondents noted, "I don't think they expect anything that I don't feel is owed to them. I think what they are asking is very reasonable". This meaning is feasible given the company's reputation as a best human resource practices firm.

A third potential meaning could be that these respondents are concerned that if they do not deliver what the company expects of them, they may lose their job. This meaning is supported by reports in the literature (e.g. Losyk, 1997a) that Generation X is a cynical group with a negative view of the world who witnessed their parents and grandparents being laid off and downsized. These views and

experiences would result in these people being fearful of losing their jobs rather than feeling secure.

The data suggests that the most feasible explanation for this finding is the second meaning: respondents feel the company's expectations of them are reasonable and every attempt should be made to meet these expectations. The other expectations mentioned by respondents (best effort, loyalty, and work hours) do not seem to be unreasonable expectations for middle level managers in a high tech firm. This explanation is also consistent with our respondent group being comprised of highly driven individuals who would not have been able to reach their current career status without fulfilling their employers' expectations.

Analysis of the findings revealed three substantive between group differences in the data. These differences are summarised in Table 6-9 and then discussed below.

To see if the labour market had a formative impact on respondent's perceptions of their obligations to the company, we compared responses provided by members of the Re-engaged group with those provided by members of the Blessed group. Examination of the data in the table reveals that there were no substantive between-group differences in responses between these two groups. This appears to indicate that experiences in the labour market alone are not associated with an employee's perceptions of their obligations to their employer.

Table 6-9: Impact of formative work experiences on employee’s perceptions of their obligations to the company

		Labour market effect	
		Negative	None
Employer effect	Positive	<p><u>Re-engaged</u></p> <p>Less likely to perceive an obligation of:</p> <ul style="list-style-type: none"> • Work hours 	<p><u>Blessed</u></p> <p>Less likely to perceive an obligation of:</p> <ul style="list-style-type: none"> • Work hours
	Negative	<p><u>Disillusioned</u></p> <p>More likely to perceive an obligation of:</p> <ul style="list-style-type: none"> • Work hours <p>Least likely to perceive an obligation of:</p> <ul style="list-style-type: none"> • Loyalty 	<p><u>Disgruntled</u></p> <p>More likely to perceive an obligation of:</p> <ul style="list-style-type: none"> • Best effort • Work hours

To see if the behaviours of the current employer had a formative impact on respondents’ perceptions of their obligations to their employer, we compared responses provided by members of the Blessed group with those provided by members of the Disgruntled group. Examination of the data in the table reveals that more members of the Disgruntled group felt obligated to provide their best effort (doing a good job, giving best effort, and providing value for pay) and to work their hours (put in their time) than did members of the Blessed group.

These findings could be interpreted as indicating that people who have negative feelings towards their employer and perceive that their employer has not treated them appropriately (i.e. the Disgruntled group) feel they have more of a transactional relationship with their employer than people who have positive feelings towards their employer and have been treated well (i.e. the Blessed group). As one member of the Disgruntled group noted, “I owe them to deliver...

to do my job the way I am supposed to do it. I am supposed to owe them my time – 37.5 hours each week – it's about giving a bang for their buck...". These people may see work as a simple communal exchange – “you pay” and “I work the hours and deliver”.

Alternatively, the case may be that these findings are again the function of personality differences between members of the two groups with those in the Disgruntled group being more likely to focus on the simple performance aspect of the relationship perhaps because they are higher on negative affectivity. A last alternative explanation may be that these people (members of the Disgruntled group) work in an area of the company or on a project that has experienced more pressures to produce, resulting in employees feeling that they are obligated to put in their time.

The most likely explanation is that employees who have negative feelings about their employer (i.e. members of the Disgruntled group) feel they have more of a transactional relationship with their employer than those who have positive feelings. This is illustrated by the comment made by one employee who has positive feelings for their employer (i.e. the Blessed group) that mentioned “I don't think a 40 hour work week for a manager working at my level is normal. I think the expectations are a little higher than that”.

As noted earlier, those in the Disillusioned group experienced both types of

formative influences examined in this analysis (i.e. labour market and negative employer experiences). To see if a combination of negative labour market effects and negative behaviours of the current employer had a different formative impact on respondents' perceptions of their obligations to their employer than each alone, we compared responses provided by members of the Disillusioned group with those provided by members of the other three groups (i.e. the Re-engaged, the Blessed and the Disgruntled groups).

As can be seen in the table, roughly one in five of the respondents in each of the Re-engaged, the Blessed and the Disgruntled groups reported they were obligated to be loyal to their employer whereas none of the members of the Disillusioned group gave the same response. Members of the Re-engaged, Blessed and Disgruntled groups made reference to their loyalty to the company in their remarks. For example, one member of the Re-engaged group noted that "It's a loyalty thing... they're good to me in the sense of sick leave and those sorts of things, so I want to be good to them". A member of the Blessed group stated "I have a sense of loyalty and I owe them that just because they have treated me so well" and one of the Disgruntled group mentioned "I owe them unwavering support". This suggests that employees whose view of their present employer has not been negatively affected by labour market experiences and/or employees who feel positively about their employer are more likely to feel an obligation of loyalty to their employer.

It is interesting to note that in the previous section, we found that members of the Disillusioned group were substantively more likely than members of any of the other groups in our sample to perceive that their employer expected loyalty. This finding combined with the current finding that members of the Disillusioned group were least likely to feel an obligation of loyalty to their employer appears to indicate, similar to what Burke and Nelson (1997) reported, that negative formative influences are associated with a negative impact on loyalty. Although they perceive the company expects loyalty of them, members of the Disillusioned group do not feel they owe loyalty to the company. These findings are also consistent with claims in the literature that Generation X employees are not loyal to their employers (e.g. Losyk, 1997a; Jennings, 2000). As such, we can speculate that, similar to the members of the Disillusioned group, the typical Generation X employee that is referred to in the literature as disloyal may have had negative labour market experiences and a negative experience with their current employer.

In this case, it appears that although labour market effects alone were not associated with respondent's perceptions of their obligations to the company, the behaviour of the employer, either alone or in combination with labour market effects is related to the respondents' perceptions of their obligations to the company.

6.2.3 Summary of findings concerning the left side of the psychological contract

We speculated that labour market effects and employer effects, on their own and in combination would be related to how Generation X employees view what their employer expected of them and their obligations to deliver on these expectations. Table 6-10 summarizes what we have discerned about the left side of the psychological contract equation. The differences pointed out here were previously discussed and are provided now as a summary of the formative influences of the labour market, the employer, and a combination of the two on the left side of the psychological contract equation.

Table 6-10. The left side of the psychological contract equation: employee perceptions of company's expectations of them and employee's obligations to the company

		Labour market effect	
		Negative	None
Employer effect	Positive	<p><u>Re-engaged</u></p> <p>Perceive company expects:</p> <ul style="list-style-type: none"> • Constructive input • Manage team effectively • Less likely to say loyalty <p>Employee obligated to provide:</p> <ul style="list-style-type: none"> • Less likely to say work hours 	<p><u>Blessed</u></p> <p>Perceive company expects:</p> <ul style="list-style-type: none"> • Constructive input • Less likely to say loyalty <p>Employee obligated to provide:</p> <ul style="list-style-type: none"> • Less likely to say work hours
	Negative	<p><u>Disillusioned</u></p> <p>Perceive company expects:</p> <ul style="list-style-type: none"> • Quality work • Loyalty • Less likely to say constructive input • Less likely to say manage team effectively <p>Employee obligated to provide:</p> <ul style="list-style-type: none"> • Work hours • Less likely to say loyalty 	<p><u>Disgruntled</u></p> <p>Perceive company expects:</p> <ul style="list-style-type: none"> • Less likely to say loyalty <p>Employee obligated to provide:</p> <ul style="list-style-type: none"> • Best effort • Work hours

It is important to reiterate that roughly 40% of respondents in each of the formative work experience groups indicated they felt they owed the company what the company expected of them. This appears to indicate that regardless of formative work experiences, many of the people in our sample perceived either that the left side of the psychological contract equation was in balance (“I don’t think they expect anything unfair or out of the ordinary”), or that employment is a financial exchange whereby one has to deliver if one accepts payment (“Since they are paying me, I at least owe them to perform my job and deliver results...”).

As can be seen in the table, there appears to be no evidence that labour market experience on its own is related to the left side of the psychological contract equation (i.e. no differences between the Re-engaged and Blessed groups).

We do see evidence in Table 6-10 that the behaviours of a current employer are related to an employee’s perceptions of the left side of the psychological contract equation (i.e. differences observed when comparing responses provided by members of the Blessed and Disillusioned groups). Those who report positive feelings towards their employer are more likely than their counterparts who report negative feelings towards their employer to perceive their employer expects them to provide constructive input and effectively manage their team. This appears to indicate these employees (i.e. members of the Blessed group) feel they are expected to take on a more involved role in their job and/or are given these opportunities. Those with negative feelings towards their employer (i.e. members

of the Disgruntled group) on the other hand are more likely to perceive they are obligated to work their hours. This may mean that these people (i.e. those who report negative feelings towards their employer) perceive their employer does not expect them to be as involved in their job or are not given the same kinds of opportunities as those who report positive feelings towards their employer.

The findings from this thesis, consistent with other studies (i.e. Irving and Meyer, 1994; Irving and Meyer, 1995), suggest that positive treatment by a current employer, regardless of the employee's previous labour market experiences, is related to employees assuming a more involved role and perhaps perceiving a more professional relationship with their employer. These data are consistent with the idea that the employment relationship is truly a reciprocal relationship – “Treat me like a professional and I will behave like one”. The findings also suggest that negative treatment by a current employer is related to employees assuming a more transactional relationship with their employer. This is also consistent with the idea that the employment relationship is reciprocal – “Treat me like you only expect me to work my hours and I will”. These findings are, in essence, consistent with the psychological contract and social exchange literature (e.g. Rousseau, 1989; Adams, 1963).

We also see in Table 6-10 that a combination of negative labour market experiences with negative treatment by a current employer (as experienced by members of the Disillusioned group) appears to be associated with employees'

perceptions of loyalty to their employer. Evidence of this is that members of the Disillusioned group were the only respondents to perceive that their employer expected loyalty of them but also the only group in which none of the respondents indicated that they felt they were obligated to provide loyalty to their employer. As was previously mentioned, this finding is consistent with literature that indicates negative formative influences may negatively impact loyalty and that Generation X employees in general are not loyal to their employers (Burke et al, 1997; Losyk, 1997a; Jennings, 2000).

6.3 The psychological contract: the employee perspective

The discussion in this section of the dissertation focuses on the right side, or employee perspective, of the psychological contract equation. By specifically discussing what Generation X knowledge workers expect from their employer (presented in Section 6.3.1), and what they perceive their employer delivers to them (addressed in Section 6.3.2), we address the second half of our second research objective: to study the Generation X knowledge workers' perception of the relationship with their employer through a psychological contract lens.

The items associated with this side of the equation are outlined in Appendix C and were presented in Section 5.2. To look at how formative experiences impact the right side of the psychological contract equation, the analysis and discussion

presented in the present section also uses the four formative work experience groups previously developed (see Section 6.1.3 for a description of the use of the groups to identify labour market and employer effects).

6.3.1 Respondents' expectations of the company

During the interview, respondents were asked what they expected of their employer. Responses to this question, as previously reported in Section 5.2.2, are grouped by the four formative work experience groups and presented in Table 6-11.

As can be seen in this table, very few of our Generation X employees stated that they expected their employer to provide benefits such as job security, flexible hours, or challenging work. Furthermore, there were no substantive between group differences with respect to this finding. These issues do not appear to be top of mind for our respondent group and seem to be unrelated to formative work experiences.

Finding that job security was not a top issue for our respondent group is consistent with descriptions of Generation X being highly self-reliant found in the literature (i.e. Losyk, 1997a; Jennings, 2000; Yu & Miller, 2005). Alternatively, the fact that our respondent group comprises middle level managers working in a

project based company may have resulted in this group not expecting their employer to provide job security. Reflective of this sentiment is one respondent's comment: "Being in a project based company, I think my team is in charge of our job security. If we do a good job and deliver on time and budget, the contracts will come in".

Table 6-11: Respondent expectations of employer by formative work experience group

	Re-engaged n = 17		Blessed n = 22		Disillusioned n = 9		Disgruntled n = 8		Total Sample n = 56	
Labour Market Effect	Negative		None		Negative		None			
Employer Effect	Positive		Positive		Negative		Negative			
Respondent's expectations of the company (major themes included)	n	%	n	%	n	%	n	%	n	%
Good salary package (good salary and benefits, current market conditions, working for a "best practices" employer)	12	71%	14	64%	1	11%	6	75%	33	59%
Career development (career growth opportunity, advancement linked to training and development, development with the company, contributing to company, advance within organization)	11	65%	6	27%	8	89%	4	50%	29	52%
Professional environment (treated professionally, feeling respected)	5	29%	5	23%	7	78%	3	38%	20	36%
Safe, healthy work environment (safety, health concerns in the workplace)	4	24%	5	23%	4	44%	1	13%	14	25%
Job security (job security, conditions around expectations of job security)	3	18%	7	32%	2	22%	1	13%	13	23%
Flexible hours (expecting time off to achieve balance, flexibility, working hours)	3	18%	3	14%	2	22%	2	25%	10	18%
Challenging work (challenge, interesting work)	4	24%	3	14%	1	11%	0	0%	8	14%

Finding that our respondent group did not report flexible hours or challenging work as top expectations is contrary to Jennings' (2000) comments about what Generation X workers want from their employer (i.e. flexible work schedules and

other non-monetary perks). Concerning flexible hours, there are two competing potential explanations for this finding. The first would be that the respondents in our sample simply do not share the characteristic of wanting flexibility and work-life balance which has been cited in the literature as characteristics of Generation X workers. This explanation would be consistent with the fact that a majority of our sample are males and may not be the primary caregivers in their family. An alternative potential reason may be the fact that their employer provides flexibility benefits, so flexibility is an inferred part of their working life. This explanation is consistent with the fact that our sample's employer has a reputation as a best practices firm that provides two time flexibility benefits to their workforce. These include a "flex-time" program that allows the employees to alter their arrival and departure times, and a "Flexible Fridays" program that allows employees to work extra hours each day and then take every other Friday off.

Similarly, the fact that few mentioned challenging work as an expectation is consistent with the fact that our respondent group comprises high-potential middle level managers. We can speculate that their career tracks have included challenging work experiences which may have resulted in challenging work becoming a normal part of their working experience. Alternatively, this finding may also be attributable to the nature of the organisation. This company is a high tech company competing in a very dynamic industry, so challenge as part of their work may be inherent to our respondents.

As shown in Table 6-12, four expectation categories yielded substantive between group differences in expectations. Only those expectations with substantive differences in response frequencies are included in this table.

Three main observations can be made from Table 6-12. First, between group differences in responses suggest that neither labour market nor employer formative effects alone are related to an employee's work expectations of the employer.

Table 6-12. Impact of formative work experiences on employee expectations of employer

		Labour market effect	
		Negative	None
Employer effect	Positive	<p><u>Re-engaged</u></p> <ul style="list-style-type: none"> • No differences 	<p><u>Blessed</u></p> <p>Least likely (substantively) to expect:</p> <ul style="list-style-type: none"> • Career development
	Negative	<p><u>Disillusioned</u></p> <p>Most likely (substantively) to expect:</p> <ul style="list-style-type: none"> • Career development • Professional environment • Safe / healthy work environment <p>Least likely (substantively) to expect:</p> <ul style="list-style-type: none"> • Good salary package 	<p><u>Disgruntled</u></p> <ul style="list-style-type: none"> • No differences

Second, the Disillusioned group (respondents who experienced combined negative labour market and negative employer experiences) expressed a different set of expectations than other Generation X respondents. It appears that members of the Disillusioned group, unlike the other Generation X

respondents, do not expect a good salary package from their employer. This may be associated with their previous labour market experiences. As mentioned previously, more members of this group experienced downsizing and layoffs than did members of the other groups. This may have resulted in Disillusioned Generation X employees being more sceptical of a good salary package. Alternatively, it may also be that salary is less important to this group than other, more intrinsic rewards from their employer. This second explanation is supported by the data showing that respondents in this group are more likely to expect to be treated like professionals (including feeling respected), provided with developmental opportunities, and a safe and healthy work environment. For example, one employee commented they expected “Respect in the decisions that I make or the actions that I take... and that’s part of the role that I am in.” Another respondent mentioned they expected “Growth potential – and that doesn’t mean promotions, but growing in my career as a professional.” This finding is consistent with literature descriptions of Generation X employees having loyalty to their skills (i.e. Santos and Cox, 2000; Yu and Miller, 2005) and as desiring appreciation and respect for their skills, knowledge and abilities (Jennings, 2000).

It is not unreasonable to assume that the Disillusioned group’s desire for career development is related to their formative labour market experiences (i.e. having been downsized and laid off). One respondent mentioned they expected “The opportunity to learn more and advance – to move forward and get promoted”. As

such, development should provide them with the skills necessary to make them employable should they find it necessary to change jobs or if they experience a layoff again. This group may also want career development as it may be another sign of recognition for their contributions to the organisation and a sign of respect. As stated by one respondent, "I expect career development... I expect that they will help me find my strengths so that I can use them for the company". Additionally, their career development in the past may have been hindered by their labour market conditions and they now feel a greater pressure to "keep up".

These findings appear to indicate that the need to be treated as a professional and with respect is more important for those in the Disillusioned group than for other Generation X employees. Additionally, having had negative experiences in the labour market and then having a negative experience in a current employment situation seemed to be linked to an employee concentrating on the conditions of their current working situation (i.e. being treated as a professional and feeling respected) more so than simply the fruits of his or her labours (i.e. a good salary package). As one employee stated, they expect their employer to "recognize that I am a professional and treat me with the respect that goes along with that".

A third interesting observation is that the members of the Blessed group were substantively less likely to expect career development of their employer than other Generation X employees. This finding is contrary to descriptions of

Generation X employees found in the literature (i.e. Santos and Cox, 2000; Yu and Miller, 2005) that describe this group as being highly loyal to their skills and desiring to remain self-reliant. This finding is, however, consistent with the formative work experiences of the Blessed group. The majority of this group work in a stable labour market, they were the least likely to have experienced downsizing, they had the fewest previous employers (on average), and they have been with their present employer for the longest period of time. Additionally, the Blessed have been treated by their employer in such a way that they feel more positive about their employer now than when they first joined the company.

All of these experiences would seem to be conducive to someone not feeling a need to bolster his or her employability. For example, one member of the Blessed group made the comment “I like it here, and the company is stable – they haven’t had a lay-off in a long time...”.

Alternatively, it may be that the Blessed are simply content where they are and, as a result, are not looking to advance their careers. Another alternative explanation would be that this group of employees has lower expectations than their colleagues and, as a result, are less likely to seek better career opportunities elsewhere. These explanations would be inconsistent with the literature (e.g. Yu et al, 2005; Santos et al, 2000) that describes the Generation X as being loyal to their skills and desiring to improve their skill-set and remain self-reliant.

6.3.1.1 Respondents' perception of the company's obligations to them

Another component of employees' expectations of their employer is the employees' perception of the company's obligations to them (see Section 5.2.2.1). The data presented in Section 5.2.2.1 are shown categorised by formative influence groups in Table 6-13.

Table 6-13. Respondent's perception of employer obligations by formative work experience group

	Re-engaged n = 17		Blessed n = 22		Disillusioned n = 9		Disgruntled n = 8		Total Sample n = 56	
Labour Market Effect	Negative		None		Negative		None			
Employer Effect	Positive		Positive		Negative		Negative			
Company's obligations to employees (major themes included)	n	%	n	%	n	%	n	%	n	%
Same as employee's expectations (n/a)	7	41%	11	50%	1	11%	3	38%	22	39%
Salary (market or reasonable salary, pay employees)	4	24%	2	9%	5	56%	3	38%	14	25%
Good work environment (respectful and healthy workplace)	4	24%	3	14%	3	33%	2	25%	12	21%
Growth opportunity (career advancement, development, training)	0	0%	3	14%	1	11%	3	38%	7	13%

As can be seen in the table, substantive between-group differences exist in all but one of the categories of respondents' perceptions of the company's obligations to them. The exception was a perceived company obligation to provide a good work environment. Approximately one-in-five respondents regardless of formative work experiences felt that the company was obligated to provide a good work environment. This bucket included the themes of a

respectful and healthy workplace. As one employee put it, “This is a professional organisation – we deserve a respectful workplace to come to”. This would be consistent with reports in the press that Generation X employees want respect from their employers (i.e. Jennings, 2000).

Table 6-14 summarizes key between-group difference in what the formative influence groups reported their employer was obligated to provide to them. Several notable observations can be made from these results concerning the formative influences of labour market formative effects (comparing the Re-engaged with the Blessed group), employer effects (comparing the Blessed with the Disgruntled group), and the combination of the two (the Disillusioned group).

Table 6-14. Impact of formative work experiences on employee perceptions of employer’s obligations to them

		Labour market effect	
		Negative	None
Employer effect	Positive	<u>Re-engaged</u> Least likely to perceive company is obligated to provide: <ul style="list-style-type: none"> • Growth opportunity 	<u>Blessed</u> Most likely to perceive company is obligated to provide: <ul style="list-style-type: none"> • Same as expectations Least likely to perceive company is obligated to provide: <ul style="list-style-type: none"> • Salary
	Negative	<u>Disillusioned</u> Most likely to perceive company is obligated to provide: <ul style="list-style-type: none"> • Salary Least likely to perceive company is obligated to provide: <ul style="list-style-type: none"> • Same as expectations 	<u>Disgruntled</u> Most likely to perceive company is obligated to provide: <ul style="list-style-type: none"> • Growth opportunity

First, labour market effects appear to be linked with employees' perceptions that their employer is obligated to provide them the opportunity for growth, according to the data compiled in this summary. None of the members of the Re-engaged group said that their employer was obligated to provide them with growth opportunities. Those in the Disgruntled group were, on the other hand, the most likely to perceive this obligation. Referring back to Table 6-3, we see that three formative work experience characteristics distinguish these two groups that may be related to this finding: members of the Re-engaged were more likely to be early entrants to the labour market, they have worked for fewer previous employers, and they were less likely to have left previous employers for a better offer than were members of the Disgruntled group. These experiences may be associated with the Re-engaged not feeling their employer is obligated to provide career growth (i.e. that growing their career is their responsibility, not their employer's). This finding corroborates the description of Generation X as being highly self-reliant and independent that has been reported in the press (Losyk, 1997a; Jennings, 2000; Yu et al, 2005).

The data also supports the idea that the perception that the employer is obligated to give the employee a salary appears to be related to employer effects. As seen in the table, the Re-engaged and the Blessed (groups who viewed their employer positively) were less likely to perceive salary as an obligation of their employer. This is in direct contrast to those in the Disillusioned and Disgruntled groups (those who view their employer negatively). A potential explanation for this

finding is that the Re-engaged and Blessed have had a positive experience with their employer and the notion of the company providing them with their salary is implicit to their daily experiences. In contrast, the Disillusioned and Disgruntled have had a negative experience with this employer and may feel that, at the very least, they are deserving of their salary. Alternatively, the case may be that the Re-engaged and Blessed, having had a positive experience with this employer, are more intrinsically satisfied with their work situation, making the extrinsic motivator of salary less important to them. This is consistent with Jennings' (2000) comments that non-monetary perks of the job are also important to Generation X employees. Conversely, the Disillusioned and Disgruntled having had negative experiences with this employer may be less intrinsically satisfied, making the extrinsic motivator of salary more important to them.

The Disillusioned group has had two sets of negative formative work experiences: labour market experiences that negatively affected their view of their current employer; and treatment by their current employer that is related to them feeling more negative about their current employer than when they joined them. Members of the Disillusioned group were least likely of all groups to say that they perceive their employer owes them what they expect. This finding may be linked with members of this group being less likely to perceive that their employer feels they have to meet employee's expectations. One of the members of the Disillusioned group commented the company's obligations were "A healthy work environment, a salary, and I think those are really the only things they

owe... The rest are great – they are expectations, but what they actually owe are those two things”. This group has had negative formative influences in the labour market (i.e. being downsized) and now perceive that their current employer (reputedly a best practices firm) has treated them poorly. The case may be that members of the Disillusioned group, as a result of the broken promises they experienced in the past, do not necessarily feel that their employer recognises an obligation to them as others in the past have let them down. These findings are consistent with Rousseau’s (1990) comments that the foundation of expectations may be based on inference and past experience.

In contrast, the Blessed group, who had the highest incidence of saying that the company was obligated to provide what was expected of them, had very different formative experiences than the Disillusioned group. One member of the Blessed group stated that concerning their employer’s obligations to them, “I think they are the same as my expectations.” Members of the Blessed group reported that their previous labour market experiences had not affected their view of their current employer (the Blessed worked for fewer previous employers). Also, members of the Blessed group said that they felt more positively now about their current employer than when they first joined the firm (the Blessed has been with their current employer for the longest time of any of the formative experience groups). Not having worked for many previous employers and spending a relatively long period of time working for an employer that has treated them well may be related to this group perceiving that what their employer owes them and

what they expect of their employer are one in the same. Alternatively, the case may be that what the employer owes them and what they expect of the employer are in fact the same. This lack of disagreement would then in part account for the fact that the Blessed are more likely to remain with the firm (no reason to leave). These findings, as were the findings concerning the Disillusioned group, are consistent with Rousseau's (1990) comments concerning the foundation of expectations potentially being based on past experiences and inference. If Rousseau's observations are accurate, the combination of negative experiences the Disillusioned encountered may have contributed to them not perceiving the company owes its employees what the employee expects of them, while the reverse is true in the case of the Blessed (i.e. positive experiences cause them to expect the best). Experiences causing expectations would be consistent with the premises of cognitive priming as described in the perception literature. According to Mussweiler and Damisch (2008), when a concept is made front of mind by priming, the person's social judgement, behaviour, emotion, and motivation can all be affected in ways that are consistent with the information that brought the concept to light.

6.3.2 Respondents' perception of what the company delivered on expectations

Respondents were asked four questions relating to their perceptions of the extent their employer had delivered on employee's expectations: What are the three

best things about the respondent's job?; What are the three most frustrating things about the respondent's job?; What can the company do to help respondents better meet the company's expectations?; and What can the company do to better meet the employee's expectations?. We grouped the responses to these four questions by the four formative work experience groups with the results presented in Table 6-15. For each question, we first identify and discuss responses for which there were no between group differences. We then present a summary of the between group differences in Table 6-16 followed by discussion of the relationship between labour market effects and employer effects with the respondents' perceptions of what the company delivered on the employees' expectations.

The first question associated with the respondents' perceptions of what the company delivered on their expectations asked respondents to identify the three best things about their jobs. Responses to this question were originally reported in Table 5-10. As can be seen in the data presented in Table 6-15, regardless of formative work experience grouping, less than one-in-five respondents said that salary was among the best things about their job. However, one employee mentioned that they felt "I do believe that the salary is very competitive. Given my current workload, it may even be too much – the salary is more than fair." There are two feasible explanations for these findings. First, the fact that the respondents' employer is a best human resource practices firm would indicate

Table 6-15. What the company delivered on expectations by formative work experience group

	Re-engaged n = 17		Blessed n = 22		Disillusioned n = 9		Disgruntled n = 8		Total Sample n = 56	
	Negative		None		Negative		None			
Employer Effect	Positive		Positive		Negative		Negative			
	n	%	n	%	n	%	n	%	n	%
Three best things about respondents' job (major themes)										
Challenging work (technical challenge, interesting work that is dynamic and changing)	15	88%	16	73%	5	56%	7	88%	43	77%
The people (organisational members in general, coworkers in direct daily contact)	7	41%	18	82%	5	56%	6	75%	36	64%
Flexibility (flexibility, control over scheduling, achieving work-life balance)	8	47%	15	68%	7	78%	2	25%	32	57%
Salary (fair and competitive salary)	4	24%	3	14%	3	33%	2	25%	12	21%
Having influence (managing and influencing others, having influence in prioritisation of work tasks)	5	29%	3	14%	1	11%	0	0%	9	16%
Three frustrating things about respondents' job (major themes)										
Bureaucracy (documentation, bureaucratic red tape, formal process leading to inefficiency)	6	35%	6	27%	1	11%	2	25%	15	27%
Leadership (managers, the group, and the organisation in general lacking direction)	4	24%	4	18%	3	33%	4	50%	15	27%
Challenging people (dealing with people in general and different people, incompetent coworkers, and a lack of common courtesy)	7	41%	4	18%	1	11%	1	13%	13	23%
Inequity (lack of fairness and equity)	1	6%	9	41%	1	11%	0	0%	11	20%
Work-life conflict (lack of control over schedule, inability to take time off and have job waiting upon return, inability to take time off without pay or benefits)	4	24%	4	18%	1	11%	0	0%	9	16%
Workload (level of workload)	3	18%	3	14%	1	11%	1	13%	8	14%
Politics (politics and independent empires)	0	0%	4	18%	1	11%	2	25%	7	13%
What company could do to help respondents meet company expectations (major themes)										
Nothing – fine the way it is (change nothing, satisfied with training & resources)	3	18%	9	41%	1	11%	0	0%	13	23%
Clearly articulate expectations (Better feedback and communication about what is expected)	3	18%	3	14%	1	11%	4	50%	11	20%
More training, tools and technology (Training to enable better performance, knowledge needed to take on more responsibility)	3	18%	6	27%	0	0%	2	25%	11	20%
Set realistic expectations concerning work (Poor planning and unrealistic scheduling leading to unrealistic amounts of short term work)	4	24%	2	9%	2	22%	2	25%	10	18%
More guidance in setting priorities (Need for direction and help in prioritising, knowledge of what worked in other areas of the company)	5	29%	1	5%	3	33%	0	0%	9	16%
What company could do to better fulfill respondent's expectations of them (major themes)										
Nothing (nothing more company can do, employees satisfied with status quo)	4	24%	4	18%	2	22%	1	13%	11	20%
More training (Employer needs to provide better training that leads to career growth)	3	18%	5	23%	0	0%	1	13%	9	16%
Growth opportunities (More opportunities to grow in career)	0	0%	3	14%	3	33%	0	0%	6	11%

that, in general, this organisation provides different types of benefits and working conditions for its employees other than simply a good paycheque. This would potentially explain why so few respondents saw salary as one of the best things about their job. Second, these findings are consistent with literature reports that Generation X employees do enjoy good salary, but are more appreciative of non-monetary perks (Jennings, 2000; Yu & Miller, 2005).

We also asked respondents to identify the three most frustrating things about their jobs. The results were presented in Table 5-11. As seen in Table 6-15, regardless of formative work experiences, less than one-in-five respondents said that they found work-life conflict, workload or politics as something that was frustrating about their job. This means that these issues are not a source of frustration for this group of Generation X employees regardless of labour market or employer formative effects. That only a small minority of our sample finds work-life conflict a frustrating aspect of their job is consistent with two previous findings: a majority of the group said that flexibility is one of the best things about their job, and very few expected their employer to provide them with flexible hours. Apparently, respondents in this sample feel the flexibility their job offers them provides them enough control over their schedule that they are not finding work-life conflict a problematic issue.

While too much work may be frustrating for any employee (as illustrated by one employee who commented "The workload can be frustrating"), finding that

workload was a frustration for only a minority of our sample may also mean that these employees don't find the workload associated with their job as onerous perhaps because as managers, they expect such a workload. This finding is consistent with the fact that some of our sample didn't think the company expected enough of them. It is also consistent with the general nature of our sample (high-potential mid-level managers) who may perceive that their position and status means that they will have to work hard and assume a heavier workload. Both of these explanations would be consistent with the premises of Equity Theory (Adams, 1964). Assuming these employees perceive they are receiving adequate compensation, which would be consistent with this employer being a top employer, Equity Theory would say that they would anticipate having to provide adequate levels of input into their jobs.

Politics was another frustrating issue that was specified by only a small minority of our respondents. A comment by one employee was that "Politics are a part of life in this organisation". There could be three potential explanations for this finding. First, there is little political activity within this organisation to serve as a source of frustration for these employees. Second, as a group these employees simply are not exposed to or bothered by whatever political activity there may be. Given the remark made by our respondent, these two explanations do not seem feasible. A third alternative is that this group is at a high enough level within the organisation that they may be part of the political activity and, as such, are not frustrated by it. This explanation would be consistent with our sample being

drawn from middle level high-potential managers.

The respondents were asked what the company could do to help them better meet the work expectations they perceive their employer has of them. We reported the responses to this question in Section 5.2.3.3. As seen in Table 6-15, no between group differences were found in respondents' perceptions that having realistic expectations set for them would help them better meet the company's expectations of them. This seems to indicate that employees' perceptions surrounding having realistic expectations set for them as being helpful in meeting company expectations is not related to either labour market effects or employer formative effects.

Respondents were asked what the company could do to better fulfill what the employee expected of it. Responses were previously reported in Section 5.2.3.4. Regardless of formative work experience grouping in Table 6-15, only one in five say they are satisfied with the status quo. One employee stated "I like things the way they are - I'm really happy with my job". Yet even fewer can identify how they think the company can do a better job and improve the situation. This is consistent with the press's descriptions of Generation X that suggest people in this cohort are generally dissatisfied and frustrated (Losyk, 1997a), but they have little idea of how things could be fixed.

Table 6-16 summarizes the responses for each of the formative work experience

groups for the four questions used to assess the company's delivery on the expectations respondents had of the company. We will first provide a brief synopsis of the responses provided by each formative work experience group followed by a discussion of the evidence of labour market and employer effects.

The Re-engaged group came to their current employer having had their views negatively affected by their previous labour market experiences, but have been treated well since they joined the company. The data shows that those in the Re-engaged group appreciate challenging work and having the opportunity to have the influence their current position offers. As one of the members of the Re-engaged group commented: "What I like best about my job is that I am continuously challenged. I've been in this job for 4 years and there hasn't been a day I have come to work and been bored." They do not appreciate the hindrances of bureaucratic red tape and seem to be frustrated with the formal processes necessary to perform their job. For example, one member of the Re-engaged group stated a source of frustration for them was "The organizational stuff to get things done – if you want to get this done, you have to jump through these hoops to get that done. Sometimes it seems things seem inefficient and that can be somewhat annoying." However, they are not as likely to be bothered by politics or the structure of the organisation itself. Members of this group were more likely to feel that having more guidance in setting priorities would help them to better meet company expectations (e.g. one respondent said "I think the leadership has to pick their direction and provide us with guidance in achieving

Table 6-16. Summary of responses to questions related to company fulfillment of employee's expectations – what makes each group unique

		Labour market effect	
		Negative	None
Employer effect	Positive	<p><u>Re-engaged</u></p> <p>Best things about job:</p> <ul style="list-style-type: none"> • Challenging work <p>Most frustrating things about job:</p> <ul style="list-style-type: none"> • Challenging people <p>What company can do to help respondents meet company expectations</p> <ul style="list-style-type: none"> • Less likely to say "nothing – fine the way it is" • More likely to say more guidance in setting priorities <p>What company can do to better meet respondent's expectations of them</p> <ul style="list-style-type: none"> • Less likely to say growth opportunities 	<p><u>Blessed</u></p> <p>Best things about job:</p> <ul style="list-style-type: none"> • Challenging work • The people • Flexibility <p>Most frustrating things about job:</p> <ul style="list-style-type: none"> • Inequity <p>What company can do to help respondents meet company expectations</p> <ul style="list-style-type: none"> • Most likely to say "nothing – fine the way it is" <p>What company can do to better meet respondent's expectations of them</p> <ul style="list-style-type: none"> • Less likely to say growth opportunities
	Negative	<p><u>Disillusioned</u></p> <p>Best things about job:</p> <ul style="list-style-type: none"> • Least likely to say challenging work • Most likely to say flexibility <p>Most frustrating things about job:</p> <ul style="list-style-type: none"> • No differences <p>What company can do to help respondents meet company expectations</p> <ul style="list-style-type: none"> • Least likely to say more training, tools and technology • Most likely to say guidance in setting priorities <p>What company can do to better meet respondent's expectations of them</p> <ul style="list-style-type: none"> • Least likely to say more training • Most likely to say growth opportunities 	<p><u>Disgruntled</u></p> <p>Best things about job:</p> <ul style="list-style-type: none"> • Challenging work • The people • Least likely to say flexibility <p>Most frustrating things about job:</p> <ul style="list-style-type: none"> • Most likely to say leadership • Most likely to say structural issues • Less likely to say inequity <p>What company can do to help respondents meet company expectations</p> <ul style="list-style-type: none"> • Least likely to say "nothing – fine the way it is" • Most likely to say clearly articulated expectations <p>What company can do to better meet respondent's expectations of them</p> <ul style="list-style-type: none"> • Less likely to say growth opportunities

that – we spend too much time worrying about what everyone thinks”) and none said the company needed to provide more growth opportunities.

This combination of responses suggests that members of the Re-engaged group are performance driven and satisfied with the opportunities for growth presented by this organization. The data suggests they feel more positive now than when they joined the firm because the company has provided them with the type of challenge and influence they desire.

The Blessed group came into their present employment situation unaffected by their labour market experiences, and feel they have been treated well since joining the company, a finding that is consistent with their long tenure with the company. It appears that this group enjoys the challenging nature of the work they do, the people they work with, and the flexibility offered by their employer. When talking about the challenge of their job, one member of the Blessed group mentioned that “I don’t feel like I am just coming here and punching a clock”. To quote one member of the Blessed on how they feel about their coworkers, “I think the people here are great.”, and concerning flexibility: “Flexibility – if I say I’m taking tomorrow off, nobody says anything”. Members of this group appear to be happy with most of the facets of their job which is evidenced by this group being most likely to say that there is nothing more the company can do to help them meet its expectations. Their primary area of frustration is with what they perceive as inequities. One employee commented that “This company treats managers

the same way they do individual contributors. I believe the value of a manager is higher than an individual contributor. Not everyone can manage, not everyone wants to manage. In the pecking order, it doesn't seem just".

The Disillusioned group is the only group to have come to their current employer having had their views of that employer negatively affected by their previous labour market experiences and since joining the company, they also feel they have been treated poorly there as well. The members of this group liked different types of things and were frustrated by different types of things than the members of the other three groups. The members of the Disillusioned were the least likely to say they enjoy the challenge of their job, but appear to enjoy the flexibility they have (e.g. "I love the flexibility they give us... I can leave in the middle of my workday if I have to as long as I keep up with my work"). Members of the Disillusioned group were less likely to express frustration with factors like bureaucracy or challenging people. Members of this group were more likely to say that they feel more guidance in setting their priorities would help them to better meet the expectations of the company ("It would help if they gave a little more guidance in prioritisation"), yet were the least likely to indicate that more training would help. The Disillusioned group were also more likely to say that the company could provide more growth opportunities ("Growth opportunities is definitely one big one... more experience in areas I want to get to") to better meet employee's expectations, but again were less likely to say training would help. This suggests that this group feels they have received adequate training.

Overall, these findings appear to indicate that the members of the Disillusioned group are seasoned professionals (consistent with the fact that this group has the highest average age of all groups) who have, over the span of their careers, figured out how to navigate through bureaucratic red tape and to deal with challenging people. These people encountered challenging labour market experiences (i.e. downsizings) that they feel affected their view of their current work situation. They have also had a negative experience since joining this firm and want guidance in how to prioritise their efforts in order to be effective and would like to have the chance to advance. A comment by one member of the Disillusioned group illustrates this desire concerning what the company could do to help employees meet expectations: “A little bit more direction... help me prioritize my work”.

The Disgruntled group appears to be generally frustrated with the company and how it operates, but enjoys the challenge of their jobs. Perhaps related to their view of the way the company is led, members of the Disgruntled were most likely to say that clearly articulated expectations would be helpful to them in meeting the expectations the company has. One of the members of the Disgruntled sums up this group’s general frustration with how things are done in the company:

“My source of frustration comes from the company itself. There are ways to run a company, and in my opinion we don’t do some things as efficiently or as productively as other companies do.... One thing we do very well is reinvent the wheel over and over again and that

is not the best way to do things.”

Another member of the group simply stated: “In our group, I think we lack some leadership...things are a bit chaotic”. These feelings of frustration are consistent with this group’s formative experiences. They joined their present employer feeling unaffected by their previous labour market experiences (i.e. coming in with a “clean slate”), but have had experiences since they joined this company that have caused them to feel more negative over time.

6.3.2.1 Labour market effects: employees’ perceptions of what the company delivered on employee expectations

To determine if labour market effects are related to employees’ perceptions of what the company delivered on employee expectations, we compared the results for respondents whose views of their current employer were negatively affected by their labour market experiences (i.e. the Re-engaged) with those whose views were not affected (i.e. the Blessed). The comparison resulted in six between group differences providing evidence of a relationship between labour market effects and on respondent’s perceptions of what the company delivered on their expectations.

The first two of these differences were in responses to the question asking respondents what the three best things about their job were. In this case, respondents who had negative labour market effects (i.e. the members of the Re-

engaged) were less likely to say that their coworkers were among the best things about their jobs than were their colleagues who had not experienced formative impacts from the labour market (i.e. the Blessed). This finding is consistent with claims in the literature that Generation X employees are highly independent and prefer to work alone (Losyk, 1997a and Yu & Miller, 2005). A potential explanation for this finding could be that a history of job movement and downsizing mean that this group of Generation X employees are less likely to become personally involved with the coworkers in their present workplace due to negative experiences in the past (i.e. coworkers were competitors for jobs and attachments in the workplace were transitory). This reasoning is consistent with that used by Losyk.

Respondents who experienced negative labour market influences (i.e. members of the Re-engaged) were also less likely to say that flexibility was among the best things about their job than were their colleagues who did not have labour market effects (i.e. members of the Blessed). There are two potential explanations for this finding. First, the case may be that having previously had challenging experiences in the labour market, benefits such as flexibility available to them in their job may not be as front of mind for members of the Re-engaged as much as having a job. In contrast, members of the Blessed group were unaffected by their previous labour market experiences and may concentrate more on the conditions and benefits available to them as a result. As one member of the Blessed comments, “The flexibility... my husband travels a lot for his job, so if I

need to come in a little bit late because I have to get kids to daycare, the flexibility is a real help.” Alternatively, members of the Re-engaged, having had their views negatively affected by their previous labour market experiences, may not feel they have as much flexibility in their current position as they have had in past positions and as a result, are less likely to say it is among the best things about their job than are members of the Blessed.

There were two between group differences concerning responses to the question of what frustrated respondents about their job that serve as evidence of a labour market effect. First, respondents who experienced negative labour market influences (i.e. members of the Re-engaged) were more likely to express frustration with challenging people than were their counterparts who were unaffected by their labour market experiences (i.e. members of the Blessed). This finding is consistent with members of the Re-engaged being the least likely of all of the formative work experience groups to say that the people they work with were among the best thing about their job. This finding is also consistent with descriptions of Generation X employees found in the literature that say these workers prefer to work alone (Losyk, 1997a and Yu & Miller, 2005).

Additionally, respondents who experienced negative labour market influences (i.e. members of the Re-engaged) were less likely to indicate frustration with inequity than were their counterparts who were unaffected by their labour market experiences (i.e. members of the Blessed). The case here may be that having

labour market experiences such that they negatively affected their views of their current employer resulted in the members of the Re-engaged group to be desensitized and to not be as likely to perceive inequities as are members of the Blessed group. An alternative explanation is that members of the Re-engaged group are younger and more likely to have been a late entrant to the labour market than their colleagues in the Blessed group. It may be that members of the Re-engaged have simply not had enough work experience to be able to perceive inequities at work. A third alternative explanation may be related to the fact that members of the Re-engaged group are more likely to be working in a dynamic labour market than members of the Blessed group. We have previously speculated that employers in a dynamic labour market were more apt to take care of their employees than employers in a stable labour market. The case here may be that the members of the Re-engaged are being treated in such a way that they do not feel they are being treated inequitably while the Blessed are in a more equitable environment.

We also found two between group differences in the responses given concerning what the company can do to help respondents better meet the company's expectations. First, those respondents whose views of their current employer were affected by their labour market experiences (i.e. members of the Re-engaged) were less likely to say there was nothing more the company could do (i.e. things are fine the way they are) than were respondents whose views were unaffected by labour market influences (i.e. members of the Blessed). In this

case, it appears that having had prior experiences in the labour market that affected their views is associated with members of the Re-engaged group feeling their company is not doing all they can to support their efforts to be successful. Members of the Blessed have been with the company for the longest of all groups. It is impossible to determine causation, but it may be that this group is in fact being provided with everything they need to be successful, an interpretation that is consistent with data showing that this group has had the longest tenure with the company. Alternatively, it may be that having been with the company for the longest period of time and not having had prior exposure to experiences that negatively affected their view is related to members of the group not realizing there are things the company could do to help them.

Second, employees in the Re-engaged group were more likely to indicate that more guidance in setting priorities would help them fulfill their employer's expectations than were those employees in the Blessed group. The reason for this may be that those respondents who experienced negative labour market effects may believe that if they received more guidance from their current employer, they could avoid negative work experiences like those they had encountered in the past (i.e. downsizing). This would be consistent with Losyk's (1997b) comments that Generation X employees want a voice in matters that affect them. The Blessed, who were unaffected by their labour market experiences, were less likely to feel more guidance would help them fulfill their employer's expectations. The case may be that this group feels that since they

were unaffected by previous labour market experiences that they had effectively set their own priorities and can continue to do so.

There were no between group differences in the responses provided by members of the Re-engaged with those in the Blessed when asked what the company can do to better meet employee's expectations of it. This may indicate that labour market experiences alone are not influential in respondent's perceptions of what their company can do to better fulfill their expectations.

6.3.2.2 Employer effects: employees' perceptions of what the company delivered on employee expectations

To determine if the behaviours of the current employer (employer affects) are associated with employees' perceptions of what the company delivered on employee expectations, we compared the results for respondents who reported feeling more positive now than when they first joined to the firm (the Blessed) with those whose views have become more negative over time (i.e. the Disgruntled). The comparison resulted in six between group differences providing evidence of an employer effect.

The first of these differences was found in the responses to the question asking what the three best things about the respondent's job were. Respondents who reported feeling more positive about their employer now compared to when they

joined them (i.e. the Blessed) were more likely to say that the flexibility offered them in their job was one of the best things about their job than were their counterparts who feel more negatively now (i.e. the Disgruntled). It appears that this characteristic of the Blessed group is consistent with Jennings' (2000) reports that members of the Generation X cohort, while appreciating the monetary perks of their jobs also enjoy things like a flexible work schedule. This also suggests one way for employers to increase the job satisfaction of their Generation X workers.

There were three between group differences in responses to what frustrated respondents about their job. First, members of the Blessed group were less likely to express frustration with issues related to the company's leadership (managers, departments and the organisation in general lacking direction) than were members of the Disgruntled group ("It seems sometimes that we just don't have any true leadership here"). Second, members of the Blessed group were also less likely to express frustration with structural issues (frustration with the matrix structure, the lack of job continuity, and the number of levels of management) than were members of the Disgruntled group. One member of the Disgruntled group mentioned "They don't hire people because they want to run lean, then they expect people to be able to do all of this 'stuff' and you have people spinning in circles not knowing where to go next. I guess nobody's efficient – how can they be? You are tasked in 8 different directions by 4 different bosses". Both of these issues are related to frustration with the

organisation itself and how it is run.

Finding a relationship between negative behaviours of an employer and what frustrates an employee may be linked to members of the Disgruntled not spending as much time with the company as members of the Blessed. It is also consistent with Losyk's (1997a) description of Generation X workers having generally negative views. The additional time the members of the Blessed spent with the company may have enabled them to learn how to effectively navigate the project based matrix structure of the organisation whereas members of the Disgruntled are still figuring things out and feeling frustrated. It is impossible to assess causation, but it appears that either the members of the Disgruntled group feel more negatively about the company due to their frustration with how it is being run, or they are more aware of their frustrations with how things are run because they feel more negatively about the company. Being more aware of their frustrations because they feel more negatively about the company would be consistent with what Thorndike (1920) referred to as "halo" effects. Halo was defined by Thorndike as when a person's assessments are generally "rather good or rather inferior and to color the judgments of the qualities by this general feeling" (p 25).

It is interesting that the members of the Blessed were more likely to express frustration with inequity than were members of the Disgruntled group. It may be that members of the Blessed happen to work on projects or in departments that

are treated inequitably whereas members of the Disgruntled do not. Alternatively, since the members of the Blessed have been with the company for a longer period of time, they may feel they are being taken for granted and not given the same opportunities as newcomers to the company. One member of the Blessed group noted they were frustrated because “The input we provide on the projects is dismissed like it’s not important – and it’s being dismissed because we aren’t as black and white as some of the engineering disciplines”. A third alternative is that members of the Blessed group are not as willing to voluntarily change their employment situation as are members of the Disgruntled group and are either more likely to be taken advantage of by the company or have more “bottled up” frustrations with the company. This explanation is consistent with the data that show that members of the Disgruntled group were more likely to voluntarily change jobs (they were twice as likely to have left a previous employer for a better offer) than were members of the Blessed group. It would appear that these people (members of the Disgruntled group) are more willing to change jobs and adjust their situation when something they perceive as a better offer avails itself or they are more unhappy with their employment situation than are members of the Blessed. As such, members of the Disgruntled may be more focused on their overall frustration with the entirety of their work situation and do not recognize inequity as a specific source of frustration as do the members of the Blessed group. Perhaps the Blessed are frustrated by inequities, but they are not willing to leave their employer to better their situation. As one member of the Blessed group put it: “I feel like I am an ‘a-typical’ GenXer

in that I still have a bit of a 'lifer' mentality... I plan to be here for a long time to come”.

Analysis of the responses to what respondents perceive the company can do to help them better meet company expectations revealed two between group differences that were associated with formative employer effects. First, members of the Blessed group were more likely to say there was nothing more the company could do to help its employees meet company expectations than were members of the Disgruntled group. This finding would be consistent with members of the Blessed group feeling more positive about their employer now than when they first joined them whereas members of the Disgruntled group feel more negatively now. One member of the Blessed group responded that “Corporately... no. Managerially, I have some issues I have talked with my manager about, but that is more individually based so corporately, no”. It appears that the members of the Blessed group feel their organisation is supporting their efforts in doing a good job which would be an indicator that their psychological contract is being fulfilled.

We also found that members of the Blessed group were less likely to say that having clearly articulated expectations would help them meet their company's expectations than were members of the Disgruntled group. This finding is consistent with our previous findings concerning the Disgruntled group being frustrated with structural issues and the company's leadership. One member of

the Disgruntled expressed:

“They’re good in identifying and at least providing the process like going through objectives on a yearly basis – identifying and writing down what should be done. If there’s any area that’s lacking, it’s more that the manager doesn’t follow up on it. It’s sort of like the expectation is on the employee to manage and meet up with their expectations... and the only time really that your manager comes in is when you are either doing a horrible job or at your performance review time, then they go back and review the year and say where you might have missed some stuff...”

It appears that these people feel the company is not doing a good job at running the business and also do not feel they have clear direction in which to point their efforts.

It is interesting to note that there were no between group differences in the responses provided by members of the Blessed group with those in the Disgruntled group when we asked what the company can do to better meet employee’s expectations of it. This would appear to indicate that the behaviours of the employer alone (formative employer effects) are not related to respondents’ perceptions of what their company can do to better fulfill their expectations.

6.3.2.3 Combined labour market and employer effects: employees' perceptions of what the company delivered on employee expectations

To determine if a combination of labour market effects and the behaviours of the current employer (employer affects) are associated with employees' perceptions of what the company delivered on employee expectations, we compared responses given by those in the Disillusioned group with the other three formative experience groups (i.e. the Re-engaged, the Blessed, and the Disgruntled). The comparison resulted in four between group differences providing evidence of a combined labour market and employer effect.

The first difference was identified in our analysis of responses to the question asking what the three best things about the respondent's job were. The Disillusioned group had the lowest incidence of reporting challenging work as among of the best things about their job. Given the nature of this employer and the industry they compete in, we can speculate that the jobs these respondents do for their employer are challenging in nature. Respondents from the other groups talked about how technically challenging their positions were (i.e. "I really enjoy having a challenge technically in my job") and they enjoyed the dynamic nature of the work they do (i.e. "Things are never the same two days in a row here and that's what makes it fun"). The comments made by individuals in the Disillusioned group however never referred to the challenging or changing nature of the work. According to reports in the literature (i.e. Jennings, 2000), Generation X employees generally enjoy challenge in their work. The case here

may be that the members of this group have a higher need for challenge than those in the other groups. Alternatively, it may be that this group is not being given or perceives they are not being given the same level or types of challenges as the rest of the sample. The Disillusioned group were most likely to come from a dynamic labour market (i.e. the Calgary location). Having worked in a competitive labour market may have conditioned these respondents to higher levels of challenge in their work than their colleagues who did not have those experiences. Therefore it may be that this finding is due to a combination of the members of the Disillusioned group having a higher need for challenge and perceiving they are not being given enough challenge.

We found no evidence of a combined labour market and employer effect in responses concerning what respondents found most frustrating about their jobs. However, we did find an interesting pattern of responses concerning the things respondents feel the company can do to help them better meet company expectations, and responses concerning what the company can do to better meet employee's expectations of them.

First, we found that none of the members of the Disillusioned group said more training would help them meet the company's expectations of them nor did they expect the company to offer them more training. Additionally, more members of the Disillusioned group said that the company providing more growth opportunities would better meet their expectations of the company. One of the

Disgruntled mentioned “Growth opportunities is definitely one big one... more experience in areas I want to get to”. As we discussed in previous sections, nearly all of the Disillusioned group (89%) reported that they expected career development of their employer (“I expect the opportunity to learn more and advance – to move forward and get promoted”). These findings combined with the responses on training and growth may indicate that this group feels they are receiving the training they need, but are not being given the opportunities to use their training for the advancement and career growth they expect, both of which they are looking for within the company. This group has faced some of the most challenging labour market formative experiences (i.e. most likely to be working in a dynamic market, early entrants to the workforce, most likely to have been downsized) of any of the groups. Since they have joined their present employer, they perceive they have been treated poorly. It appears that this group may feel they have enough work experience and a skill set good enough that more training is not going to help them perform better; they just want the chance to use the skills and experience they have to move ahead. Coming from a dynamic labour market, the members of this group may see more of their colleagues in the marketplace experience career advancement and as a result perceive that they are not receiving the same opportunities to advance in their career at the same pace as their colleagues. Growth in their careers may symbolize respect and appreciation for their skills, which would be consistent with Jennings’ (2000) comments that Generation X employees want to be appreciated and respected for their skills and knowledge.

6.3.2.4 Summary of labour market and employer effects: employees' perceptions of what the company delivered on employee expectations

Concerning the evidence of labour market effects that were identified (i.e. comparing results for the Re-engaged and Blessed groups), it appears that there were two unique themes. First, there is a “people” theme. Employees who have experienced negative labour market effects (i.e. the Re-engaged) were less likely to identify people as one the best things about their job as well as more likely to find challenging people a source of frustration in their job. This finding is consistent with literature (i.e. Losyk, 1997a; Yu and Miller, 2005) that indicates the Generation X cohort is independent in nature and prefers to work alone.

We also found that labour market effects are associated with an employee feeling that if their company provided more guidance in setting priorities, they would be better able to meet their company's expectations. Losyk (1997a) reported that members of the Generation X cohort desire real and factual communication and Yu et al (2005) commented that members of the Generation X do not want to be leaders. It may be that after encountering their prior negative experiences, these members of the Re-engaged group do not want to take the lead in setting their own priorities and would rather receive those priorities from their supervisor, possibly preventing the types of negative labour market experiences they had encountered in the past from occurring again.

When reviewing the evidence of an employer effect (i.e. comparing results for the

Blessed and Disgruntled groups), we found one unique theme. It appears that positive employer effects are associated with an employee's decreased perceptions of frustration with company related issues. Respondents in the Blessed group were less likely to express their frustration with the leadership of the company and with structural issues. Members of the Blessed were also less likely to feel that having better articulated expectations would assist them in meeting the expectations the company has of them. Although determining causation (i.e. they feel more positive about the company now because they are not frustrated with these issues, or they are less frustrated with these issues because they feel more positively about their company now) is impossible, the fact remains that employees who have experienced positive employer behaviours (i.e. employer effects) also feel more positively about the way their company is run.

Finally, it appears that a combined negative labour market effect and negative employer effect is associated with an employee being primarily focused on moving ahead in their career. Compared to members of the other three groups, members of the Disillusioned group were less likely to mention they enjoyed the challenge of their job or that they felt more training would help them in their career. They were however more likely to say the company needed to provide them more growth opportunities. The case may be that being the most likely of all groups to be working in a dynamic labour market and most likely to have experienced being downsized, members of the Disillusioned group feel their

career growth has been hampered. In order to “catch up” with where they feel their career should be, members of the Disillusioned group are apparently focused on career advancement and are less focused on things like getting more training or enjoying the challenge their current positions offer them. This would be consistent with descriptions in the literature that say Generation X employees seek personal satisfaction, desire appreciation and respect, and want authority (Jennings, 2000; Yu et al, 2005). Advancement in their career would seem to address all of these wants.

6.4 Summary of the psychological contract equation components for each formative work experience group

To summarize the psychological contract equation, the components of both sides of the equation are compiled in the following tables. The first table (Table 6-17) provides a review of those response categories that were common across all respondents regardless of formative experiences along with an indication of whether it was a majority or minority of the total sample that gave this response. Components of both sides of the equation are then provided for each of the formative work experience groups: Table 6-18 – the Re-engaged; Table 6-19 – the Blessed; Table 6-20 – the Disgruntled; and Table 6-21 – the Disillusioned. In order to analyze the results for each group and to determine evidence of labour market, employer, and combined effects, in this case the Disgruntled group results are presented before the Disillusioned group results. The reason results

are presented in this order is that to identify the combined effects of negative labour market and negative employer effects, the results for the Disillusioned group are compared to the results for the other three groups. Details on each of these tables is discussed below.

As can be seen in Table 6-17, all except two of the common response categories (i.e. no between group differences) were named by a minority of respondents (i.e. commonalities pertained more to what people did not say than what they said). The two exceptions to this observation were both responses to the question concerning what respondents perceive the company expects of them.

Table 6-17. Psychological contract equation components common across all groups

Employer Perspective	Employee Perspective
<p>Expectations of me</p> <ul style="list-style-type: none"> • Dependability (majority of sample) • Professionalism (majority of sample) • Nothing extra (minority of sample) • Customer service (minority of sample) 	<p>My expectations of the company</p> <ul style="list-style-type: none"> • Job security (minority of sample) • Flexible hours (minority of sample) • Challenging work (minority of sample) • Company obligated to provide good work environment (minority of sample)
<p>What I deliver</p> <ul style="list-style-type: none"> • Obligated to provide what company expects of me (minority of sample) 	<p>What the company delivers</p> <p>Best things about job:</p> <ul style="list-style-type: none"> • Salary (minority of sample) <p>Most frustrating things about job:</p> <ul style="list-style-type: none"> • Work-life conflict (minority of sample) • Workload (minority of sample) • Politics (minority of sample) <p>What company can do to help respondents meet company expectations</p> <ul style="list-style-type: none"> • More realistic expectations (minority of sample) <p>What company can do to better meet respondent's expectations of them</p> <ul style="list-style-type: none"> • Nothing more they can do (minority of sample)

The majority of Generation X knowledge workers in this sample stated their employer expected them to be dependable and professional. This finding is consistent with the fact that the company these respondents work for is a high-tech firm. To be competitive in the industry, this company needs to employ individuals with a high degree of dependability and professionalism.

Many of the remaining common response categories were previously talked about in the preceding sections. There are three of these categories however that provide for interesting observations that we will expand on here. The first of these observations concerns the respondents' perceptions of the company's expectations of them. The fact that some respondents (a minority) in each formative experience group perceive that their company expects "nothing extra" (i.e. has low expectations of employees or expects employees to only work their hours) is not consistent with either the type of organisation (i.e. a best human resource practices employer) the respondents work in or the positions they hold (i.e. mid-level high-potential management positions). This finding may indicate that the company is not providing these workers with the level of challenge they expected and that they feel they are capable of more. This may be a contributing factor to why some of these respondents did not say they felt the company expected professionalism of them. Based on these findings, it may be assumed that some of these employees are not living up to their full potential in their positions.

Second, we found that a minority of the members of each formative experience group expressed an expectation of job security. This finding is consistent with literature descriptions (e.g. Losyk, 1997a) that portray Generation X employees as generally being independent minded and not expecting job security from their employers. It appears that in this respect, our sample does reflect the stereotypical archetype of Generation X workers commonly portrayed in the literature.

Third, we found that only a minority of respondents in each formative experience group said they felt obligated to provide the company what the company expected of them. It would be reasonable to assume that a best human resource practices firm's expectations of their employees would be fair and realistic, which was confirmed by a majority of our respondents. The question is then why these respondents do not perceive they owe the company what the company expects of them? It may be, consistent with the literature (i.e. Losyk, 1997a), that this group of respondents feels low levels of commitment and loyalty to their employer and as such, only a minority of the group feels they owe them what is expected. Alternatively, Generation X has been labelled in the literature as having a generally negative attitude which may account for them not feeling they owe their employer what is expected.

Table 6-18 summarizes the components of the psychological contract equation for the Re-engaged group. As will be recalled, this group reported that their

views of their present employer had been negatively affected by their previous market experiences, yet feel more positive now about their present employer than they did when they first joined the firm. This would indicate that this group has been treated in such a way since they have joined the company that they have overcome or are overcoming the negative formative effects of their previous labour market experiences.

Table 6-18. Psychological contract equation components for the Re-engaged

Employer Perspective	Employee Perspective
Expectations of me	My expectations of the company
More likely to perceive expectation of: <ul style="list-style-type: none"> • Dependability • Professionalism • Constructive input • Manage team effectively 	More likely to expect: <ul style="list-style-type: none"> • Good salary • Career development • Challenging work Most likely to perceive company is obligated to provide: <ul style="list-style-type: none"> • Same as expectations Least likely to perceive company is obligated to provide: <ul style="list-style-type: none"> • Growth opportunity
What I deliver	What the company delivers
Less likely to perceive an obligation of: <ul style="list-style-type: none"> • Best effort • Work hours 	Best things about job: <ul style="list-style-type: none"> • Challenging work Most frustrating things about job: <ul style="list-style-type: none"> • Bureaucracy • Challenging coworkers • Work-life conflict What company can do to help respondents meet company expectations <ul style="list-style-type: none"> • More guidance in setting priorities What company can do to better meet respondent's expectations of them <ul style="list-style-type: none"> • Nothing • Less likely to say growth opportunities

It appears that this group perceives their employer expects them to act like dependable professionals – to engage in constructive dialogue about work and to manage their team well. This means this group perceives their company expects more of them than just showing up to work, putting in their time and giving their best efforts at the tasks at hand (“They expect me to be professional”).

In return, this group expects extrinsic (i.e. salary) and intrinsic (i.e. career development and a challenging job) rewards for a job they feel they have done well. It appears that members of the Re-engaged feel the company is delivering on these expectations as they indicated that challenging work was one of the best things about their job (“I enjoy the challenge in my job”) and were less likely to say the company needed to provide more growth opportunities. However there were several areas mentioned where respondents felt the employer could do a better job. For example, things that were mentioned as being the most frustrating included things like bureaucracy (“The organisational things you have to do to get things done – the bureaucracy”), work-life conflict (“Not enough time off in general to do the things I need to”) and the workload (“Workload can be frustrating – sometimes we just have too much to do”). Respondents also mentioned they felt that more guidance in setting their priorities would help them to better meet the company’s expectations. From these data, we surmise that the Re-engaged want the opportunity to have what they see as roadblocks to their performance removed so that they can capitalize on the growth opportunities before them.

It is also interesting to note that all of these issues can be seen as being linked to delivering on their work while maintaining a balanced life. Members of the Re-engaged expect to be challenged and want to perform well, but they want to accomplish this end in a timeframe and schedule that allows them to maintain their work-life balance. This description would be consistent with what Jennings (2000) and Yu et al (2005) reported about what Generation X employees want from their work situation. These findings suggest that in order to re-engage the Generation X, employers should provide challenge and have high expectations, give them rewards and treat them like professionals.

Table 6-19 displays the components of the psychological contract equation as indicated by members of the Blessed group. This group reported that their views of the present employer had not been affected by previous market experiences. We would expect to see discrepancies between the psychological contract expectations of this group and the Re-engaged group if in fact the labour market has a formative influence on psychological contract expectations.

The Blessed, like the Re-engaged, perceives their employer expects them to act like dependable professionals and do more than just show up and put in their time. They believe their employer wants them involved in constructive discussion on pertinent work issues. In return for their contributions, the Blessed group (like the Re-engaged) expects extrinsic (i.e. salary) rewards, but the Blessed group

Table 6-19. Psychological contract equation components for the Blessed

<u>Employer Perspective</u>	<u>Employee Perspective</u>
<p align="center">Expectations of me</p> <p>More likely to perceive expectation of:</p> <ul style="list-style-type: none"> • Dependability • Professionalism • Constructive input <p>Less likely to perceive expectation of:</p> <ul style="list-style-type: none"> • Quality work • Loyalty 	<p align="center">My expectations of the company</p> <p>More likely to expect:</p> <ul style="list-style-type: none"> • Good salary • Job security <p>Less likely to expect:</p> <ul style="list-style-type: none"> • Career development <p>Most likely to perceive company is obligated to provide:</p> <ul style="list-style-type: none"> • Same as expectations <p>Least likely to perceive company is obligated to provide:</p> <ul style="list-style-type: none"> • Salary
<p align="center">What I deliver</p> <p>Less likely to perceive an obligation of:</p> <ul style="list-style-type: none"> • Best effort • Work hours 	<p align="center">What the company delivers</p> <p>Best things about job:</p> <ul style="list-style-type: none"> • Challenging work • The people • Flexibility <p>Most frustrating things about job:</p> <ul style="list-style-type: none"> • Inequity • Least likely to say leadership • Least likely to say structural issues <p>What company can do to help respondents meet company expectations</p> <ul style="list-style-type: none"> • Most likely to say “nothing – fine the way it is” • More training, tools and technology • Less likely to say set realistic expectations concerning work • Less likely to say more guidance in setting priorities <p>What company can do to better meet respondent’s expectations of them</p> <ul style="list-style-type: none"> • More training

expects the company to provide different types of intrinsic rewards. Although they were less likely to perceive the company expects loyalty of them, this group wants to the company to provide them with job security (“I expect them to give

me security – to know I will still have a job if there is a lag between projects”) and were less likely to expect career development. These findings are inconsistent with literature descriptions of Generation X workers as being highly independent and loyal to their skills more than to their employer (Losyk, 1997a; Jennings, 2000; Yu et al, 2005). This could be due to the fact that the Blessed group were unaffected by and avoided the negative formative work influences many Generation X workers experienced.

The right hand side of the equation (the respondent’s psychological contract expectations of the company) for the Blessed group is somewhat different from that of the Re-engaged group. While both the Re-engaged and the Blessed perceive the company is obligated to provide them with what they expect (i.e. to be treated as a professional) and say there is nothing more the company can do to help meet expectations (“fine the way it is”) – both not unexpected given a positive employer formative effect – the Blessed differ in a number of key ways from the Re-engaged. This suggests that formative labour market experiences are related to this side of the psychological contract equation (i.e. one group of employees came in with negative expectations, the other came in with no expectations).

Unlike the Re-engaged, the Blessed are not focused on career advancement and development. Rather, their focus seems to be on job security, training, and fairness. This group has been relatively sheltered from labour market turbulence

and they seem to like where they work – they enjoy the people they work with, the job they do and the flexibility their position offers them. They do not express frustration with the company’s leadership (“I think they do a really, really good job”) or matrix structure and the main issue they mentioned in terms of company improvement was training (“Training of course – there is lots of training in house, but there is some other training that could be given”). In short, it appears these people do not want to advance, only to receive the training and tools necessary to maintain their position with this company.

The psychological contract equation components for the Disgruntled group can be found in Table 6-20. To recap, this group reported that their previous labour market experiences had not affected their view of their present employer. However since joining this firm, their feelings about the company have become more negative. In this case, if the formative influences of the employer have an impact on the psychological contract, we would expect this group to differ from the Blessed group.

Members of this group, unlike the Blessed group, were more likely to perceive their employer expects them to deliver quality work and were less likely to report perceiving their employer expected things like professionalism, constructive input or effectively managing their team. The members of the Disgruntled may not perceive they are viewed as professionals by their employer. The Disgruntled also expressed that they only owe their employer their best effort (“It’s not just to

do my job, but to do it well”) and to put in their time (“Technically, I am supposed to give them 40 hours a week... that is my obligation... I think I only owe them 40, but sometimes I have to do a little more”). Based on these findings, it appears that negative employer behaviours are influential in respondents’ perceptions of what their company expects of them and what they are obligated to provide.

Table 6-20. Psychological contract equation components for the Disgruntled

<u>Employer Perspective</u>	<u>Employee Perspective</u>
Expectations of me	My expectations of the company
More likely to perceive expectation of: <ul style="list-style-type: none"> • Dependability • Quality Less likely to perceive expectation of: <ul style="list-style-type: none"> • Loyalty 	More likely to expect: <ul style="list-style-type: none"> • Good salary Less likely to expect: <ul style="list-style-type: none"> • Safe / healthy work environment • Job Security • Challenging work More likely to perceive company is obligated to provide: <ul style="list-style-type: none"> • Growth opportunity
What I deliver	What the company delivers
More likely to perceive an obligation of: <ul style="list-style-type: none"> • Best effort • Work hours 	Best things about job: <ul style="list-style-type: none"> • Challenging work • The people • Less likely to say flexibility Most frustrating things about job: <ul style="list-style-type: none"> • Leadership • Structural issues • Less likely to say inequity What company can do to help respondents meet company expectations <ul style="list-style-type: none"> • Most likely to say clearly articulated expectations • Least likely to say “nothing – fine the way it is” What company can do to better meet respondent’s expectations of them <ul style="list-style-type: none"> • Least likely to say “nothing” • Less likely to say growth opportunities

The Disgruntled appear to be primarily focused on money (“Fair pay for a fair day’s work”) and, consistent with the literature (i.e. Jennings, 2000), career growth (“Opportunities to grow – which they follow through on quite a bit”). Similar to their colleagues in the Blessed group, the members of the Disillusioned expect a good salary in return for their input into the company but are the only group to feel the company actually owes them opportunities for growth. They appear to feel the company is delivering on their desires for growth opportunities, but other than challenging work, that seems to be nearly all they feel the company is delivering on. Like the Blessed, they report that the best things about their job are the challenging nature of the work (“It’s challenging – it is a unique career”) and the people they work with (“My coworkers are the best thing... I enjoy the time I spend with them”). People who said their labour market experiences had not influenced their attitudes about their current employer (i.e. the Disgruntled and Blessed) were the only two groups to say they found their coworkers one of the best things about their job.

Respondents in the Disgruntled group seem to like what they do (challenging work) and who they do it with (the people), but possibly due to their negative experience with this employer, express frustrations with the types of things that may hinder their performance and ultimately their ability to capitalize on growth opportunities available to them such as leadership (“In our group, we lack some leadership. There doesn’t seem to be a sense of teamwork at a higher level”) and structural issues (“We’re starting this matrix organisation and that is a huge

source of frustration for me. They have clearly defined what our responsibilities are but not how we're supposed to fulfill them"). They also feel that having more clearly articulated expectations ("Clearly spelling out their expectations") would help them to better meet the company's expectations – which may lead to advancement in their career.

In all, the Disgruntled seem to like the work they do and the people they work with but are not impressed with the company they are working for (consistent with experiencing negative employer effects). They seem to feel they have a transactional type of relationship with their employer perceiving they are expected to only do the minimum required to remain employed, yet want a good salary and opportunities for growth in return.

Table 6-21 contains the psychological contract equation components as reported by the Disillusioned group. This group reported that their views of their present employer had been negatively affected by their previous market experiences. In addition, they feel less positive now about their employer than they did when they first joined the company. They are the only group to experience the dual impact of labour market and employer effects. If the combined formative influences of the labour market and the employer are related to the psychological contract, we would expect this group to differ from the other three groups (i.e. the Re-engaged, Blessed and Disgruntled).

Table 6-21. Psychological contract equation components for the Disillusioned

Employer Perspective	Employee Perspective
<p style="text-align: center;">Expectations of me</p> <p>More likely to perceive expectation of:</p> <ul style="list-style-type: none"> • Quality • Loyalty <p>Less likely to perceive expectation of:</p> <ul style="list-style-type: none"> • Constructive input • Manage team effectively 	<p style="text-align: center;">My expectations of the company</p> <p>More likely to expect:</p> <ul style="list-style-type: none"> • Career development • Professional environment • Safe / healthy work environment <p>Less likely to expect:</p> <ul style="list-style-type: none"> • Good salary <p>More likely to perceive company is obligated to provide:</p> <ul style="list-style-type: none"> • Salary <p>Less likely to perceive company is obligated to provide:</p> <ul style="list-style-type: none"> • Same as expectations • Growth opportunity
<p style="text-align: center;">What I deliver</p> <p>More likely to perceive an obligation of:</p> <ul style="list-style-type: none"> • Best effort • Work hours <p>Least likely to perceive an obligation of:</p> <ul style="list-style-type: none"> • Loyalty 	<p style="text-align: center;">What the company delivers</p> <p>Best things about job:</p> <ul style="list-style-type: none"> • Flexibility • Less likely to say challenging work • Less likely to say people <p>Most frustrating things about job:</p> <ul style="list-style-type: none"> • No differences <p>What company can do to help respondents meet company expectations</p> <ul style="list-style-type: none"> • More guidance in setting priorities • Less likely to say more training, tools and technology <p>What company can do to better meet respondent's expectations of them</p> <ul style="list-style-type: none"> • Growth opportunities • Less likely to say more training

Members of the Disillusioned group perceive their employer expects them to deliver quality work and to be loyal to the company. Unlike their colleagues in the Re-engaged and Blessed groups, members of this group were less likely to report perceiving their employer expected anything “more” of them such as professionalism, constructive input or effectively managing their team. This

suggests that respondents in this group may not perceive they are viewed as professionals by their employer. This is also reflected in what they feel they deliver to their employer: this group reported that they owe their employer their best effort (“High quality work for 42 hours a week”), yet they also reported that they owe it to their employer to put in their time (i.e. no need to deliver more than the minimum – “I am obligated to show up for work and do my hours”).

The one issue concerning what respondents perceive their employer expects of them that was unique to the Disillusioned group was loyalty. They were more likely than any other group to perceive the company expects them to be loyal, but consistent with the literature (e.g. Losyk, 1997a; Yu & Miller, 2005) they were the least likely to perceive that they are obligated to be loyal to the company. It may be the case that this finding is related to these people feeling that they did not experience loyalty from their previous employers (i.e. labour market experience of being downsized) combined with their perception of negative treatment from the present employer. Based on these findings, it appears that a combined labour market and employer effect has a formative influence on an employee’s perceptions of loyalty.

Concerning what they want in return, the members of the Disillusioned group differ from those in the other three groups in that they expect the company to provide a professional environment and a safe and healthy environment. The Re-engaged group was focused on developing their career; the Blessed group

was focused on job security; and the Disgruntled group was focused on money and career growth. The Disillusioned however appear to be focused on rewards that are related to the conditions of their work life (i.e. a professional environment and a safe place to work). Consistent with the literature (e.g. Jennings, 2000), the focus for this group is on non-monetary issues. These people want a work situation with a positive environment that will provide them an opportunity to advance. This is possibly something they feel they have never had the opportunity to experience given their negative labour market experiences combined with the negative experience they are currently having with this employer.

Concerning perceptions of what the company delivers on expectations, there are several unique differences between what the Disillusioned perceives and what the other three groups perceive. The Disillusioned group were the least likely to say they found the challenge of their job as among the best things about their job, but appear to appreciate the flexibility their job offers them – consistent with their focus on issues related to the conditions of their work life. It appears that this group desires a balance between their work and their life. They do not perceive the company needs to provide more training but do feel the company has not satisfied their expectations in terms of providing growth opportunities. Their perception of a lack of growth opportunities appears to be a disconnect in the psychological contract expectations of the Disillusioned.

This group experienced challenging conditions in the labour market which affected how they feel about their present employer. They also feel they have been treated poorly since joining this firm. This group is comprised of well trained, experienced professionals who seem to feel they are not being treated as professionals or given the opportunities to move ahead, to maintain a work-life balance, and to receive the respect that they feel they have earned. The data in the table suggests that there are disconnects in the psychological contract for this group. For example, these people do not feel the company expects them to act as professionals (i.e. not expected to provide professionalism, constructive input or effectively managing their team), yet the theme of their expectations of the company is a desire to advance their careers.

The evidence presented in this section appears to support the idea that there is a relationship between formative work experiences (both labour market effects and employer effects and a combined effect) and a worker's psychological contract expectations as was put forth in our theoretical model. In the next section we discuss the data on the outcomes (i.e. engagement and trust) of the psychological contract. Discussion of these findings will allow us to investigate the relationship between formative work experience and these outcomes as put forth in the theoretical model by making the connection between psychological contract expectations and psychological contract outcomes.

6.5 Formative work experience groups and the outcomes of engagement and trust

We were interested to investigate the potential relationship between formative work experiences (i.e. labour market and employer effects) and psychological contract outcomes. As such, this section discusses this potential linkage and evidence concerning labour market and employer effects on the psychological contract outcomes of engagement and trust.

6.5.1 Formative work experience groups and the outcome of engagement

Average levels of engagement were calculated for the sample and then categorised by the four formative work experience groups. This categorisation allows us to compare engagement levels for each of the formative work experience groups to determine if there are linkages between formative work experiences (i.e. labour market and employer effects) and the respondent's level of engagement. The results of these categorisations are presented in Table 6-23. Our analysis will involve comparing engagement levels across the rows to see the impact of labour market effects and employer effects on engagement.

To determine if there is evidence of a labour market effect being influential in a respondent's level of engagement, we compared results for respondents who experienced negative labour market effects (i.e. the Re-engaged) with results for

respondents who experienced no labour market effects (i.e. the Blessed). Respondents who experienced negative labour market effects reported lower levels of engagement than did their colleagues who did not experience negative labour market effects. This pattern suggests that employees who experience negative labour market effects are less engaged in their present job than their colleagues who did not and provides evidence that labour market effects are influential in an employee's level of engagement with their present employer.

Table 6-22: Engagement by formative work experience group

Engagement	Formative Work Experience Group			
	Re-engaged	Blessed	Disillusioned	Disgruntled
Labour Market Effect	Negative	None	Negative	None
Employer Effect	Positive	Positive	Negative	Negative
Sample mean = 4.4 (n = 56)	4.5 (n = 17)	5.0 (n = 22)	3.7 (n = 9)	3.6 (n = 8)

To determine if there is evidence of an employer effect being influential in a respondent's level of engagement, we compared results for respondents who experienced positive employer effects (i.e. the Blessed) with results for respondents who experienced negative employer effects (i.e. the Disgruntled). Engagement scores for the Blessed group (i.e. respondents who have had positive employer effects) were higher than engagement scores for the Disgruntled group (i.e. respondents who have had negative employer effects). These findings appear to support our argument that the behaviour of a current

employer is influential in an employee's level of engagement. This is consistent with Schaufeli et al's (2004) definition of engagement which was adopted for this research that describes engagement as being a positive work-related state of mind.

We compared results for those respondents who experienced a combination of negative labour market and employer effects (i.e. the Disillusioned) with results from the other three groups to see if we could find evidence of a combined labour market and employer effect in levels of engagement. We did not find any evidence that the results for the Disillusioned group differed from the other three groups.

Overall, these findings are consistent with the literature (Gakovic et al, 2003; Schaufeli et al, 2004) and appear to indicate that an individual's level of engagement at work is related to both labour market effects and employer effects.

6.5.2 Formative work experience groups and the outcome of trust

We were also interested to investigate the potential relationship between formative work experiences (i.e. labour market and employer effects) and the psychological contract outcome of trust. Modeling trust as an outcome is consistent with Mayer et al's (1998) model of trust. We can draw inferences from

this model concerning trust's relationship with labour market effects and employer effects. Concerning labour market effects (the effects an employee's negative labour market experiences have on their perceptions of their current employment relationship), the Mayer and colleagues model shows trust as an outcome serving as a "feedback" mechanism and affecting an individual's propensity to trust. That is, the outcomes experienced in previous relationships (e.g. a previous employer) potentially affect the factors of perceived trustworthiness in a current situation (e.g. the current employer). As such we would expect that respondents who experienced negative labour market effects (i.e. the Re-engaged) will have lower levels of trust than colleagues who did not experience negative labour market effects (i.e. the Blessed).

Concerning employer effects (the effects the behaviours of a current employer have on an employee's perceptions of their current employment relationship), Mayer et al claims that perceptions of a party's "integrity" (i.e. "the trustor's perception that the trustee adheres to a set of principles that the trustor finds acceptable" (p. 719)) is one of the factors of perceived trustworthiness of that party. As such, we would expect that respondents who have experienced positive employer effects (i.e. the Blessed) will have higher levels of trust than colleagues who experienced negative employer effects (i.e. the Disgruntled).

Average levels of overall trust, trust in the organisation, and interpersonal trust were calculated for the sample and for each of the four formative work

experience groups (i.e. the Re-engaged, Blessed, Disillusioned, and Disgruntled). The results of these calculations are presented in Table 6-24.

Table 6-23: Overall trust, trust in the organisation, and interpersonal trust by formative work experience group

Type of Trust	Formative Work Experience Group			
	Re-engaged	Blessed	Disillusioned	Disgruntled
Labour Market Effect	Negative	None	Negative	None
Employer Effect	Positive	Positive	Negative	Negative
Overall Trust Sample Mean = 5.3 (n = 56)	5.4 (n = 17)	5.7 (n = 22)	4.8 (n = 9)	4.9 (n = 8)
Trust in Organisation Sample Mean = 5.0	5.1	5.5	4.3	4.3
Interpersonal Trust Sample Mean = 5.6	5.6	5.8	5.3	5.6

Our analysis in this section will be presented as follows. In Section 6.5.2.1 we discuss overall trust. We will do the following comparisons:

- Compare overall trust levels between respondents who experienced negative labour market effects (i.e. the Re-engaged) with those who did not experience labour market effects (i.e. the Blessed) to see the impact of labour market effects.
- Compare overall trust levels between respondents who experienced positive employer effects (i.e. the Blessed) with those who experienced negative employer effects (i.e. the Disgruntled) to see the impact of employer effects.

- Compare overall trust levels between the Disillusioned group (the only group who experienced the dual influences of negative labour market and employer effects) with respondents in the other three groups (i.e. the Re-engaged, Blessed and Disgruntled) to see the impact of a combined labour market and employer effect.

The same procedure will be completed for levels of trust in the organisation in Section 6.5.2.2 and levels of interpersonal trust will be addressed in Section 6.5.2.3.

6.5.2.1 Overall trust

Concerning overall trust, the data in Table 6-24 provides evidence of a labour market effect in levels of overall trust. Respondents in the group that reported that their labour market experiences had negatively affected their view of their current employer (i.e. the Re-engaged) had lower levels of overall trust than their counterparts in the group whose views of their current employer were unaffected (i.e. the Blessed). According to Rousseau et al.'s (1998) definition of trust, employees will create expectations about the relationship they have with their employer from social information available. We can speculate that the information the employee uses to create those expectations would be one of the things affected by the employee's view of the organisation. This may be the result of a Halo effect as previously described (Thorndike, 1920). As such, employees whose views had been negatively affected by their labour market

experiences would perceive different information than employees whose views had not been affected.

Also notable in the data is evidence of an employer effect in levels of overall trust. Respondents in the group who reported that they felt more positive about their employer now than when they first joined the firm (i.e. the Blessed group) reported higher levels of overall trust than their colleagues in the group who reported feeling more negative about their employer now than then they first joined the firm (i.e. the Disgruntled group). These results provide evidence that overall trust is related to the behaviours of the current employer (employer effects). When an employee reports a positive experience with their present employer, their overall level of trust is higher than their colleagues who reported a negative experience with their current employer. This finding is consistent with Rousseau et al.'s (1998) definition of trust which states that an employee's relationship with their employer is based on social information derived from historical organisational behaviours. If those behaviours are perceived as being positive, it would make sense that the employee would have higher levels of trust than if the behaviours of the employer had been negative.

We also see evidence in the data of a combined labour market and employer effect in levels of overall trust. Respondents in the group who experienced the dual influence of negative labour market and employer effects (i.e. the Disillusioned group) reported lower levels of overall trust than their colleagues in

the other three groups (i.e. the Re-engaged, Blessed and Disgruntled). It appears that this finding is evidence that an employee's level of overall trust decreases when they have experienced negative labour market effects, and that decrease is compounded by negative treatment by a current employer.

6.5.2.2 Trust in the organisation

As was previously discussed, the survey items we used to measure trust can be broken into the categories of trust in the organisation and interpersonal trust. The results of calculating levels of trust in the organisation for the sample and by formative work experiences group are also presented in Table 6-24.

As can be seen in the table, we see evidence of a labour market effect in levels of trust in the organisation. Respondents in the group that reported that their labour market experiences had negatively affected their view of their current employer (i.e. the Re-engaged) had lower levels of trust in their organisation than their counterparts in the group whose views of their current employer were unaffected (i.e. the Blessed). This finding provides evidence that a person's level of trust in the organisation is related to their labour market formative work experiences (labour market effects). It is also consistent with Mayer et al's (1998) conceptualisation of trust that models trust as an outcome of a relationship (i.e. with a previous employer) that serves as a feedback mechanism

affecting a person's propensity to trust.

We also see evidence of an employer effect in levels of trust in the organisation. The group that reported feeling more positive about their employer now than when they first joined the firm (i.e. the Blessed group) reported higher levels of trust in the organisation than did their counterparts in the group that reported feeling less positive about their employer now (i.e. the Disgruntled group). This finding provides evidence that a person's level of trust in their employer is related to the behaviours of that present employer (employer effects). If an employee is being treated in such a way that they are having a positive experience with their present employer, they are more likely to have higher levels of trust in that employer than those employees who are treated such that they are having a negative experience. This finding is consistent with Rousseau et al.'s (1998) description of trust as being one's "intention to accept vulnerability based upon positive expectations of the intentions or behaviours of another" (p. 395).

6.5.2.3 Interpersonal trust

The psychological contract, while potentially involving interaction with coworkers, primarily concerns the employee's exchange with an organisation. As such, we found that trust in the organisation was related to their formative work experiences. However, we would not necessarily expect an employee's previous

labour market experiences or the behaviours of their present employer to affect that person's level of interpersonal trust (i.e. trust in others). The results of calculating the levels of interpersonal trust for the sample and by formative work experience groups are also presented in Table 6-24.

As can be seen in the table, we find evidence of a labour market effect in levels of interpersonal trust. Members of the group whose views of their current employer were negatively affected by their labour market experiences (i.e. the Re-engaged) reported lower levels of interpersonal trust than their colleagues in the group whose views of their current employer were not affected by their labour market experiences (i.e. the Blessed). This finding is consistent with our previous findings concerning respondents who experienced negative labour market effects being less likely to mention their coworkers as one of the best things about their job. It also suggests that when a person feels that their views of their present employer have been negatively affected by their previous labour market experiences, their level of interpersonal trust is also negatively affected. As we reasoned earlier, a potential explanation for this may be that due to job movement and downsizing, employees who experienced negative labour market effects may be less likely to become personally involved with coworkers. The reason for this could be due to negative experiences in the past (i.e. the perception that coworkers were competitors for jobs). This reasoning is consistent with literature claims that Generation X employees are highly independent (Losyk, 1997a).

We also find evidence of an employer effect in the levels of interpersonal trust. Members of the group who have had a positive experience with their present employer (i.e. the Blessed) reported higher levels of interpersonal trust than their colleagues in the group who have had a negative experience with their present employer (i.e. the Disgruntled). These findings provide evidence that employer effects are related to a person's level of interpersonal trust. This means that when an employee is having a positive experience with their present employer, they may also tend to trust their coworkers more than their counterparts who are having a negative experience with their present employer. This finding is also consistent with the Mayer et al (1998) discussion concerning propensity to trust. The authors make mention that developmental experiences will be influential in a person's propensity to trust. Here again, the behaviours of the employer may be developmental experiences that are influential in the respondent's propensity to trust whereas positive behaviours result in an increased propensity to trust others, and negative behaviours result in the employee not being as trusting of other people.

We also find evidence of a combined labour market and employer effect on levels of interpersonal trust. Respondents in the group who experienced the dual influence of negative labour market and employer effects (i.e. the Disillusioned group) had lower levels of interpersonal trust than their counterparts in the other three groups (i.e. the Re-engaged, Blessed and Disgruntled). This finding provides evidence that an employee who experienced negative labour market

effects may have decreased levels of interpersonal trust (possibly due to less personal involvement and viewing their coworkers as competition for their job). The finding also suggests that negative treatment by a current employer compounds that decrease (by diminishing the respondent's propensity to trust).

6.5.2.4 Summary of findings concerning trust

The results discussed here appear to support several assertions concerning the effects of labour market effects and employer effects on overall trust, trust in the organisation, and interpersonal trust. First, the results provide evidence that overall trust, trust in the organisation, and interpersonal trust are related to labour market effects. Mayer et al's (1998) model of trust shows trust as an outcome. In this study, that outcome would be the result of a relationship the respondent had with a previous employer. The outcome of a previous employment experience would serve as a feedback mechanism for the respondent in the development of their propensity to trust their current employer. In the case of our respondent group, having had negative labour market effects may have decreased our respondents' levels of trust below the levels of trust reported by their colleagues who were unaffected by labour market effects.

Second, the results also provide evidence that overall trust, trust in the organisation, and interpersonal trust are also related to employer effects. This

finding is also consistent with Mayer et al's (1995) description of trust as described above. In the case of employer effects however, trust is the outcome that results from the perceptions the respondent has about the relationship they have with their current employer (i.e. positive or negative employer effects).

Lastly, we also found evidence that a combined labour market and employer effect were influential in a respondent's levels of overall trust and interpersonal trust, but not trust in the organisation. Levels of overall trust and interpersonal trust were lower for respondents who experienced the dual influence of negative labour market and employer effects (i.e. the Disillusioned group) than for the other groups. We can assume that in this case, respondents in the Disillusioned group entered their current employment situation with a decreased propensity to trust others that resulted from their negative labour market formative experiences. The negative treatment they received since joining their current employer may have further exacerbated their decreased propensity to trust others and resulted in this group having the lowest levels of overall and interpersonal trust of all of the groups.

It would appear that in the case of trust in the organisation, the negative behaviours of the current employer do not provide further negative influence (no additive or multiplicative affect) over and above the negative influence labour market effects had. If the negative behaviours of a current employer did provide additional influence in the case of trust in the organisation, we would have

expected to see lower levels of trust among respondents in the Disillusioned group than the Disgruntled group. We did not find this.

It also appears that negative employer effects are more influential than labour market effects on a respondent's trust in their employer. If negative labour market effects were as influential in trusting a current employer as the negative behaviours of that current employer, we would have expected to find similar levels of trust between the Re-engaged and Disillusioned groups, which we did not. The reason employer effects are more influential than labour market effects may be due to the fact that the interaction the respondent has with their current employer is more recent, and as such more front of mind than their previous labour market experiences.

7. CONCLUSIONS

This chapter is divided into four main sections. Conclusions with respect to the research will be discussed first in Section 7.1. This is followed by an outline of the limitations identified (Section 7.2) and directions for future research (Section 7.3). In the final section of this thesis we outline some implications of this research for practitioners and researchers.

7.1 Conclusions with respect to the research

Prior to undertaking this research we completed an extensive search of the research literature relating to psychological contract. Our review of the literature uncovered three key pieces of research that were used to develop the theoretical framework underpinning this research: the idea of a psychological contract as specified by Rousseau (1989), the framework developed by Morrison and Robinson (1997) to model how employees evaluate their psychological contract, and research linking evaluation of the psychological contract to key outcomes such as engagement and trust (see for example Gakovic & Tetrick, 2003; Deary, Iverson & Walsh, 2006; and Robinson & Rousseau, 1994).

The psychological contract, as conceived by Rousseau (1989), is best understood to be a psychological process where employees compare both their expectations of their employer and their perception of the extent to which the

organisation delivers on these expectations, to what they perceive the organisation expects of them and what they are prepared to deliver to their employer. In other words, the psychological contract can be described by the following equation:

$\frac{\textit{Expectations Placed On Me}}{\textit{What I Deliver To The Organization}} = \frac{\textit{Expectations I Place On The Organization}}{\textit{What The Organization Delivers To Me}}$ <p style="font-size: small; margin: 0;"> <i>(What the organization expects of me)</i> </p>	$=$	$\frac{\textit{Expectations I Place On The Organization}}{\textit{What The Organization Delivers To Me}}$ <p style="font-size: small; margin: 0;"> <i>(What I expect of the organization)</i> </p>
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Figure 2 (re-iteration). Rousseau’s (1989) View of the Psychological Contract from the Employee’s Perspective

This comparison process is postulated by Morrison and Robinson (1997) to lead to an evaluation by the employees of the extent to which they perceive that the psychological contract has been fulfilled. More specifically, the employee may evaluate the psychological contract as being met, psychological contract promises being broken, or the psychological contract being breached or violated. Finally, the literature also supports the link between perceived fulfillment of the psychological contract and the key outcomes of engagement and trust. For example, Gakovic and Tetrick (2003) reviewed the literature and found negative associations between psychological contract breach and the outcomes of engagement and trust. Additionally, Robinson and Rousseau (1994) found that psychological contract violation was negatively associated with trust.

The above literature was used to develop a theoretical model of the

psychological contract process (i.e. the formation of psychological contract expectations, the evaluation of psychological contract fulfillment, and the outcomes associated with this evaluation). This framework then grounded our research on the relationship between formative work experiences and the psychological contract process for Generation X knowledge workers. In this thesis, we defined formative work experiences in accordance with Scott's (2000) conceptualisation as the subset of experiences that are influential in how a person views work and the behaviours associated with his or her organisation and the organisation's leaders. Our review of the research in this area determined that, at this point in time, neither researchers nor practitioners fully understand how formative work experiences influence this psychological contract process.

This thesis sought to fill this gap in the literature. It did this by undertaking research which was designed to increase our understanding of how the formative work experiences of one critical generational cohort, Generation X (employees born between 1965 and 1982), influence the psychological contract process. More specifically this study seeks to determine how two types of formative work experiences, those stemming from the employees' previous experiences in the labour market, and those arising from their experiences with their current employer, influence the psychological contract process. Formative labour market experiences that were identified as potentially important to the psychological contract process include the type of labour market the employee worked in (i.e.

dynamic or stable); when the Generation X employee first entered the labour market (i.e. early entrants who started work prior to 1991 or late entrants who started work post 1991); and the number of previous employers the employee had worked for and the reasons they left previous employers (i.e. left voluntarily or involuntarily through downsizing).

We theorized that formative labour market experiences could have one of three possible impacts on the psychological contract process: a positive effect, a negative influence, or no impact at all. Similarly, we also thought that the behaviours of the current employer could have a positive influence, a negative influence, or have no impact on an employee's psychological contract process.

To test the model and to determine the impact of formative work experiences (both labour market experiences and experiences with the present employer) on the psychological contract process, we conducted a case study of high-potential Generation X knowledge workers employed by one of Canada's top 100 employers. This organisation was ideally suited for a study of this type because it had two locations – one in a dynamic labour market and one in a stable labour market – and gave us access to their high potential Generation X knowledge workers. We collected data using both qualitative and quantitative methods to test our theoretical model. These data were analysed using methodology based on grounded theory (described in Chapter 4) with key findings presented and discussed in Chapters 5 and 6. Key conclusions that are supported by this

research are now presented. Conclusions concerning the formative influences, first of the labour market and then of employer formative experiences, on the psychological contract process are presented in Section 7.1.1. In Section 7.1.2 we present our conclusions concerning the combined impact the two types of formative experiences (i.e. labour market and employer experiences) have on the psychological contract process.

7.1.1 Impact of formative experiences on the psychological contract process

We began our analysis by investigating our two key suppositions: (1) that formative labour market experiences influence psychological contract expectations and (2) that formative employer experiences influence psychological contract expectations. This analysis proceeded as follows. During the interviews we asked respondents the following two questions: (1) Have your previous employment experiences affected how you feel about your current employer? and (2) Do you feel more positive, the same, or less positive about ABC today than you did when you first joined them? The first question (which was coded as *had a negative impact*, *had no impact* and *had a positive impact*) was used to give us an indication of whether or not formative work labour market experiences impacted the psychological contract process while the second question (coded as *more positive now*, *no impact*, *more negative now*) was used as an indicator of a formative impact associated with the employer.

Analysis of the responses to the first question revealed that approximately half (48%) of the Generation X knowledge workers in this sample felt that their formative experiences in the labour market had a negative impact on their psychological contract expectations. The other 52% of the sample indicated that their experiences in the labour market prior to joining ABC had not affected what they expected from ABC. Our analysis of the responses to the second question revealed that 59% of our Generation X sample said they felt more positively now about their employer than when they first joined the organisation, 28% said more negative, and 14% said there was no difference. These findings are important because they indicate that not all Generation X employees were impacted in the same ways by their formative work experiences.

Thus, our data support the following conclusions:

- 1a) Formative labour market experiences have had a negative impact on the psychological contract expectations of a substantive number of the Generation X knowledge workers in our sample.
- 1b) Formative labour market experiences have not impacted the psychological contract expectations of approximately half of the Generation X knowledge workers in our sample.
- 1c) In general, the formative labour market experiences of Generation X knowledge workers have not been positive in terms of their impact on psychological contract expectations.
- 1d) Formative experiences with one's current employer have an impact on the psychological contract expectations of a majority of Generation X knowledge workers in our sample.
- 1e) The impact of formative experiences with one's current employer on psychological contract expectations of Generation X knowledge workers can be positive (59%) or negative (28%).

The question then becomes, why were some employees negatively impacted by their formative work experiences while others were not affected. Conclusions from this phase of the analysis are presented below in sections 7.1.1.1 (formative labour market experiences) and 7.1.1.2 (formative employer experiences).

7.1.1.1 Labour market experiences

The next step in the analysis was to explore the relationship between the three formative labour market experiences examined in this study (i.e. type of labour market, time of labour market entry, and the number of previous employers along with the reasons for leaving these employers) and psychological contract expectations.

Concerning the type of labour market the respondent worked in, we found that employees in the negative labour market experiences group were more likely to have worked in a dynamic labour market (i.e. more likely to be exposed to and impacted by economic upswings and downturns). The flip side of this also seems to be true: Employees who had spent more of their careers working in a stable labour market were more likely to say that their formative experiences in the labour market had not impacted their expectations of their employer. More specifically, respondents who had spent more of their career working in a dynamic labour market were more likely than those who had worked in a stable

labour market to talk about expecting career development from their employer. The data support the following conclusions regarding the type of labour market as a formative influence on the psychological contract process:

- 2a) A dynamic labour market is more likely to negatively affect the psychological contract processes of Generation X knowledge workers than a stable labour market.
- 2b) The psychological contract processes of Generation X knowledge workers in a stable labour market are more likely to be unaffected by labour market experiences than are the processes of their counterparts in a dynamic labour market.
- 2c) Generation X knowledge workers in a dynamic labour market are more likely to have expectations of their employers that are linked to employability (i.e. career development) than are their counterparts in a stable labour market.

When the respondent entered the labour market was also found to be associated with psychological contract expectations: The Generation X knowledge workers in this sample who were late entrants to the labour market (i.e. entered 1991 or later) were more likely to fall into the negative impact group than their counterparts who had started working prior to 1991. We contend that this finding has more to do with what was happening in the labour market during one's work career than the number of years or dates of work experience. We base this conclusion on the fact that respondents who entered the labour market in the 1990s were more likely to be exposed to organisational downsizing for financial gain (i.e. to increase profitability). As noted in the literature review, such practices were less common in the 1980s when organisations more frequently downsized for economic survival (i.e. in response to a downturn in the market) than to increase profits. The data from this thesis support the idea that the

psychological contract process for Generation X employees whose work experience has only been in a labour market which was overly focused on profits is very different from that of an employee who had a variety of labour market experiences. We base this assertion on the fact that early entrants to the labour market were more likely than their counterparts who were late entrants to the labour market to have positive as well as negative labour market experiences. Later entrants, on the other hand, were more likely to have experienced only turbulence and economic uncertainty. These observations can also be tied to the fact that psychological contract expectations varied by when the respondent entered the labour market. More specifically, these respondents were more likely than early entrants to say they wanted their employer to deliver things that would increase their employability and job security (i.e. career development and guidance in setting priorities).

The above discussion supports the following conclusions with respect to the relationship between when respondents entered the labour market and the psychological contract process:

- 3a) The amount of time Generation X knowledge workers have spent in the labour market is not influential in the psychological contract process. Rather, what seems to be important is the turbulence or stability in the labour market during the course of their work history.
- 3b) Generation X employees who have experienced only uncertain working conditions and a focus on profitability are more likely to report negative labour market formative effects than are their counterparts who have experienced both positive and negative labour market conditions.
- 3c) Generation X knowledge workers whose main experiences in the labour market involved employers who were focused on profit are more likely to

expect their employer to provide them with things related to employability than their counterparts who had a variety of experiences in the labour market.

The data from this study indicate that the number of previous employers is not associated with psychological contract expectations. Our analysis did, however, determine that there was no relationship between when the respondent entered the labour market and the number of his/her employers. This is interesting given the fact that those who entered the labour market in 1991 or later have been working for substantially fewer years than early entrants. The above observations lead to the following conclusion:

- 4) The number of previous employers of a Generation X knowledge worker is not influential in the psychological contract process.

Finally, this study found evidence that the Generation X employees in our sample who had been downsized were more likely to report negative labour market effects than were their colleagues who had not been downsized. Employees who were downsized differed from the other employees in the sample in that they were more likely to *expect* career development and *want* the opportunity to grow in their careers and less likely to want their company to provide them with training. They were also more likely to say that the company *expected* quality work of them. This combination of responses was interpreted to indicate that Generation X knowledge workers who have been downsized are more likely to feel that their career has been stalled and that they are being underutilized by their employer. This group appears to want the types of things (such as

guidance in setting priorities) that will give them the opportunity to perform in a way that will highlight the skills they already have so they can move their career ahead. The above discussion leads to the following conclusions:

- 5a) Being downsized has a negative impact on the psychological contract process.
- 5b) Generation X knowledge workers who experienced downsizing are more likely to expect their employer to provide them growth opportunities and want the opportunity to use their *current* skill-set to advance their career than are their colleagues who did not experience being downsized.

7.1.1.2 Behaviours of a current employer

We now turn to the issue of whether or not the behaviours of a current employer make a difference in the psychological contract process. As noted earlier, during the interviews a majority of respondents said they felt more positive about their employer now than when they first joined the organisation. One in three, however, stated that they felt more negatively towards their employer now than when they had joined the company and the data suggests that the psychological contract process for those who feel more positively now is different than that for those who feel more negatively.

Compared to those whose opinion of their employer became more negative over time, those respondents who said they felt more positively about their employer now than when they joined the company were more likely to say they expected

their employer to provide them with challenging work and to say that challenging work was one of the best things about their job. They were also more likely to say that there was nothing more the company could do to meet their expectations. It appears that employees who have become more positive over time appreciate the type of work they do for their company and perceive that the company is fulfilling the expectations they have of it.

Several things stand out about the psychological contract process of those who feel more negatively towards their organisation now than when they joined the firm. More specifically, this group was less likely to perceive the company expected professionalism and constructive input of them, but more likely to perceive the firm expected quality work. They were also more likely to express their frustration with the leadership of the company than were colleagues in the more positive group. We interpreted this combination of responses as an indication that this group of respondents feels the company is not expecting enough of them and as a result have become disappointed or frustrated in the leadership of the firm. This finding would be consistent with their feeling more negative now about the company than when they first joined the firm.

Accordingly we conclude the following:

- 6a) Formative employer experiences have an impact (either positive or negative) on the psychological contract expectations of a majority of Generation X knowledge workers.
- 6b) Employer effects (i.e. feeling more positive or negative now than when they first joined the firm) seem to be related to being challenged at work. That is, those in the more positive group are more likely to expect their employer to provide challenging work and say challenging work is one of the best things

about their job.

7.1.2 Combined impacts of labour market and employer experiences

The data support the idea that the psychological contract expectations of Generation X knowledge workers are related to both their formative labour market experiences as well as the formative experiences with their current employer. More specifically, our data support the idea that the behaviours of one's current employer can either reinforce or mitigate the impact of formative labour market experiences on the psychological contract process.

Analysis of the responses to the two key questions reviewed earlier (i.e. whether or not labour market experiences had an impact on the respondents' psychological contract process, and if the respondents felt more or less positive or the same about their employers now compared to when they joined the organisation) allowed us to create a typology classifying Generation X employees into four groups based on their responses to those questions. This analysis also led us to conclude the following:

7a) To fully understand the impacts of formative work experiences on the psychological contract process employers need to consider both formative labour market *and* formative employer experiences.

In this analysis, four types of Generation X knowledge workers were observed:

- The Re-engaged (negative labour market impact, positive employer impact),

- The Blessed (no labour market impact, positive employer impact),
- The Disillusioned (negative labour market and employer impacts), and
- The Disgruntled (no labour market impact, negative employer impact).

The following paragraphs will provide a comprehensive description of each of these groups and additional conclusions will be drawn concerning each of these formative work experience groups.

7.1.2.1 The Re-engaged

The Re-engaged group comprised 30% of the sample. This group reports negative formative labour market experiences and a positive formative employer affect. A majority of the Re-engaged were late entrants to the labour market and approximately half of the respondents in this group had worked in a dynamic labour market and reported being downsized. What makes the psychological contract for this group unique is their focus on challenging work and doing a good job. When compared to respondents in the other three groups, the Re-engaged were more likely to say they expected the company to provide them with challenging work and that challenging work was one of the best things about their job. They were also more likely to say the company expects them to do a good job at managing their team and that having influence was one of the best things about their job. Additionally, members of this group were more likely to say they

were frustrated by the things that get in the way of doing a good job, such as bureaucracy and challenging coworkers.

The nature of the psychological contract expectations that were unique to the Re-engaged suggest that this group perceives they have a professional relationship with their employer.

Compared to those in the other three groups, those in the Re-engaged group were highly engaged. They also had a high level of trust in the organisation and an average level of trust in their colleagues. As such, the data support the following conclusion:

7b) For the Generation X knowledge workers in this sample, the effects of negative formative labour market experiences can be overcome by the positive behaviours of a present employer.

7.1.2.2 The Blessed

The Blessed group made up 39% of the sample. While those in the Blessed group did not experience any formative labour market effects they did report a positive employer formative effect. The lack of a formative labour market effect is consistent with the fact that these employees were early entrants to the labour market who had spent most of their career working in a stable labour market and had no personal experience of downsizing. Analysis of the data shows that the

psychological contract process of this group describes employees who want to be equipped to do well at their current jobs.

Consistent with the fact that they feel more positively about the company now than when they started, this group was least likely of all groups to say they were frustrated by the leadership or the structure of the company, that the company's expectations of them were unrealistic, or that more guidance in priority setting would help them to do a better job. In other words, the data support the idea that the company is doing a good job of managing the Blessed. Consistent with this group having no negative impact from their labour market experiences and feeling they have been treated well since joining this firm, the Blessed group members appear to want to be equipped to excel in their present positions (more likely to want training) and want to stay with this company (more likely to say they wanted job security). Additionally the fact that the Blessed were most likely to say the company expected professionalism and constructive input of them suggests they perceive they have a professional relationship with the company.

Of all of the groups, those in the Blessed group had the highest levels of engagement, trust in their employer, and trust in their colleagues. These findings support the following conclusions:

- 7c) The positive behaviours of an employer are associated with a positive effect on a Generation X knowledge worker's level of engagement.
- 7d) The positive behaviours of an employer are associated with a positive effect on a Generation X knowledge worker's level of trust in the organisation and interpersonal trust.

7.1.2.3 The Disillusioned

Almost one in five of the respondents (16%) fell into the Disillusioned group. This group encountered labour market experiences that negatively impacted their psychological contract process. They also were dissatisfied with how they were being treated by their current employer. The typical member of the Disillusioned group was an early entrant to a dynamic labour market and had been downsized. This group's psychological contract seems to be full of contradiction. For example, members of this group were most likely to say the company expected loyalty of them and least likely to say they felt they owed loyalty to the company; less likely to say they expected a good salary and more likely to say the company owed it to them; least likely to say the company expected them to behave like a professional (i.e. company expects them to manage their team effectively and offer constructive input) and were most likely to say they expected a professional environment; and less likely to say they needed more training, yet more likely to say they wanted the company to give them more growth opportunities. When asked about the subject of the best things about their job, members of this group were least likely to mention the challenge their jobs offered them or the people they worked with.

The data appear to suggest that this group feels they are being underutilized given their present level of training and wants the company to give them the opportunity to grow. Combined with the previously mentioned disconnects

between their expectations and what they felt the company owed them, the data suggest this group may not be happy with their employment situation.

Consistent with the combination of negative labour market and employer experiences, this group had low levels of engagement. The primary area affected by this group's experiences, however, appears to be their level of trust as the Disillusioned had the lowest levels of trust in the organisation and interpersonal trust of all of the groups. All three of these outcomes (i.e. engagement, trust in the organisation, and interpersonal trust) were impacted by the respondent's psychological contract fulfillment. It appears that many of the findings and characteristics reported in the extant literature regarding Generation X workers (e.g. disengaged, not trusting, not feeling loyal to employers) are consistent with the characteristics of the Disillusioned group in this study. These findings support the following conclusions:

- 7e) The combined impacts of negative labour market and employer experiences are related to Generation X knowledge workers having lower levels of engagement.
- 7f) The combined impacts of negative labour market and employer experiences are related to Generation X knowledge workers having lower levels of trust in the organisation and interpersonal trust.
- 7g) The combined effects of negative labour market and employer experiences have a negative impact on the psychological contract process of Generation X knowledge workers.

7.1.2.4 The Disgruntled

The Disgruntled group was made up of 14% of the sample. This group said their psychological contract process was not impacted by their labour market experiences, but reported negative employer formative experiences. This group largely comprised early entrants to a stable labour market who had not been downsized. What makes this group's psychological contract unique is that they reported being unhappy with their current employer. More specifically this group was less likely to feel that they had a professional relationship with their employer or that the company offered them the growth opportunities they felt were their due and more likely to be frustrated by the leadership and structural issues associated with the company. These findings may explain their negative perceptions of their employer.

This group had low levels of engagement and trust in the company, but had about the same levels of interpersonal trust as those in the other groups. As such, the data suggest that psychological contract fulfillment does impact these outcomes and support the following conclusions:

- 7h) The negative behaviours of an employer are related to lower levels of engagement among Generation X knowledge workers.
- 7i) The negative behaviours of an employer are related to lower levels of trust in the organisation among Generation X knowledge workers.
- 7j) Negative employer behaviours do not affect Generation X knowledge workers' levels of trust in their coworkers.

The descriptions of the four formative work experience groups we identified support the idea that Generation X is not just one group, but rather comprises multiple groups. The psychological contract process of Generation X knowledge workers appears to be based on which group they fall in.

The proposed theoretical model illustrating the psychological contract process comprised several relationships (i.e. the relationship between formative work experiences and psychological contract expectations, between psychological contract expectations and evaluation of the psychological contract, and between evaluation of the psychological contract and the outcomes of engagement and trust). Although we were unable to investigate the evaluation component of the model, the results and findings presented in this dissertation are consistent with the remaining proposed relationships illustrated in our theoretical model. As such, the results, findings and conclusions discussed in this dissertation also support the following conclusion:

- 8a) The relationships we investigated in the theoretical model proposed in this research accurately portrays the psychological contract process of the Generation X knowledge workers in our sample.

7.2 Limitations of the study

Any empirical study, regardless of how diligently designed and implemented, is subject to limitations and flaws. This section will identify the limitations of the

study.

The first potential limitation in this study involves the extent to which our findings can be generalised to other organisational settings. This problem with generalisability arises from several factors including the fact that the study was a case study, the characteristics of our sample, and the methodologies used in data collection and analysis. The second potential limitation involves data collection concerning previous work experiences, personality measures and work values, and respondents' reasons for feeling more or less positive about their employer over time. The third potential limitation involves our inability to measure the psychological contract continuum. Details on each of these factors are articulated below.

The first issue pertains to the generalisability of the findings of the study. The first factor potentially impacting generalisability is the fact that the research is a case study. As noted in section 4.2.5.5, case methodology, although a relevant and useful research tool, is often criticised for its perceived limited scope and the difficulties associated with generalising findings. However, according to Miles and Huberman (1984), although each organisational situation is unique we can still obtain good and generalisable knowledge from an in-depth investigation of the phenomenon within its context. Additionally, although the committed quantitative statistical analyst may take issue with a sample size of 56, our sample is considered large for qualitative research based on grounded theory,

which generally calls for use of a theoretical sample (Eisenhardt, 1989).

The second concern with respect to generalisability stems from our sample. In our study, all of the respondents are in the same generational cohort in similar career paths, at approximately the same level of management, working in the same best practice organisation. The question then becomes to what extent the findings from this sample can be transferred to other settings and samples. It seems reasonable to assume that the fact that the focus organisation is a best human resource practice firm was influential in the job experiences our respondents had there. Additionally, our sample comprising high potentials working for a best practice firm likely skewed the psychological contract process observed in this analysis. Since the subjects were “high potentials,” the possibility exists that these workers had different experiences with and perceptions of things like engagement and being trusted than did other employees classified in other management potential groups.

The third factor concerning generalisability of the findings involves the methodology we used in data collection and analysis. As discussed in our methods chapter, the original intent was to use grounded theory for the research. However, because of the requirements imposed by the organisation (the sample was provided by the organisation, we were unable to alter the participant list as the research progressed, and the interview script had to be vetted by the employer who requested we follow this script), we were unable to add or adjust

interview questions as the interviews were conducted, or add to our sample as needed. Additionally, the organisation had specific issues with the population of employees we were given access to. As such, we were unable to alter the list of participants we were to interview as theory developed as is prescribed by grounded theory researchers (e.g. Eisenhardt, 1989). Accordingly, we were unable to truly probe responses for emergent themes. Consequently, our method of qualitative data collection did not strictly follow grounded theory methods during the data collection phase of the study. Subsequently, our findings may not generalise to other populations or organisational settings, and we may not have uncovered emergent themes and issues that using grounded theory could have.

The second area of limitation relates to the collection of data. Specifically, we were constrained due to the limited data we collected concerning respondents' previous work experiences. More comprehensive data concerning the nature of previous jobs, specific locations, and direct collection of the timing and location of labour market entrance would allow for further and more in-depth analysis of the effects of these labour market experiences on the psychological contract. Such an analysis would help us to better understand the effects of an employee's history and perceptions of that history on the psychological contract process.

A second factor related to data collection was a lack of a measure of personality characteristics (i.e. positive or negative affectivity). Analysis of our data yielded

findings that frequently could have been explained by personality propensities such as positive or negative affectivity. Inclusion of such a personality measure in future data collection would allow for a better understanding of formative labour market experiences and experiences with a current employer.

A third factor related to data collection was that we did not collect data concerning work values. Work values are a potentially important influence in the psychological contract process as they reflect “the end states people desire and feel they ought to be able to realise through working” (Nord et al., 1988, p. 2). Work values were not included in our theoretical model for two reasons. First, due to a lack of good measures available to us within the timeframe we had to prepare for data collection (i.e. the amount of time between initial contact with the company and the start of data collection). Second, given the length of our interview instrument, the amount of time we were allotted to spend with each respondent prevented us from collecting the data necessary to investigate this potential facet of the model. Future researchers should collect data to investigate the roles work values may play in the model.

The last factor related to data collection was that we did not collect data on why respondents feel more or less positive about their employer now than when they joined the organisation. Such data were not collected because, at the time of data collection, we did not realize the integral role this information would play in our data analysis and subsequent findings. Our initial focus was on formative

labour market experiences, and it was not until formal data analysis was started that we found the behaviours of the current employer would play such an important part. This means that, while we can say the behaviour of the employer makes a difference, we cannot say specifically what actions of the employer are influential.

The third area of limitation we have identified involves our attempt to assess psychological contract fulfillment. Several factors likely contributed to this limitation including the homogenous characteristics of the sample, statistical and methodological issues with our measure of the continuum (as identified in the literature), and the need to assess emotions in order to differentiate between psychological contract breach and violation.

As has been discussed, the sample that was made available for the research shared several characteristics that may be related to the lack of variation in responses. This group of employees could be considered a privileged group in that they have been identified as having the highest potential for advancement to senior management ranks. In her discussion of psychological and implied contracts, Rousseau (1989) referring to Salancik and Pfeffer's (1978) work on social information processing theory, states that "overt and public commitments exert more influence on cognitions and behavior than subtle or private ones" (pg. 124). As such, this group may have been treated differently, been afforded different access to senior managers, provided with different information

concerning their career progression, or given preferential treatment from other employees and consequently, had their views biased by their position. To avoid this potential limitation, future researchers should use more varied samples in their data collection and ensure that respondents in the sample are not potentially exposed to common conditions that could bias their views of the subject being investigated.

The second factor concerning our attempt at assessing psychological contract fulfillment involves problems with our measures used to construct the psychological contract fulfillment continuum. As we have discussed, there are methodological problems identified in the literature (e.g. Irving and Meyer, 1994; Irving and Meyer, 1995) that are associated with using direct measures of met expectations. As Irving and Meyer point out, the use of sophisticated statistical analysis (response surface methodology) in their study revealed there are “problems inherent in the commonly used indexes of met expectations (e.g. difference scores, measures that collapse across constructs, and direct measures of met expectations)” (pg. 948). The present study used such measures and as such, we were prevented from accurately assessing psychological contract fulfillment. To address these issues, in accord with recommendations prescribed by Irving and Meyer (1994; 1995), future researchers should focus on an employee’s current work experiences when investigating expectation fulfillment.

The third pertinent issue involves the measurement of emotions. According to Morrison and Robinson (1997), violation is “the emotional and affective state” (pg. 230) that sometimes follows a perceived breach of the psychological contract. Further, the intensity of the emotional reaction to a psychological contract breach may be a function of the employee’s attributions of the cause of the perceived breach (i.e. incongruence or renegeing) (Robinson and Morrison, 2000). We did not collect any emotional assessment data or data related to beliefs in this thesis. As such we were not able to distinguish psychological contract breach and violation. Future researchers should endeavour to collect data that aim to assess emotional reactions of respondents to disconnects in their psychological contract as well as respondent beliefs concerning the causes of those disconnects. Such data should enable the researcher to differentiate between perceptions of breach and violation when respondents have experienced these states.

7.3 Directions for future research

The present research has provided evidence that formative work experiences (labour market effects, employer effects, and both combined) are influential in the psychological contract process. We have identified several potential directions for future researchers that will address the limitations of the present study and will expand on the concepts presented in it.

First, there are three ways the limitations associated with generalisability can be addressed: return to the same site of our study and expand the parameters of the sample, replicate this study in other organisations, and use true grounded theory methodology. Returning to the same organisation with an expanded sample that includes other generational cohorts would allow researchers to explore generational differences without the potential confounding effects of differing organisational cultures that may be found in other organisational settings. If the Generation X sample were expanded within the same organisation to include a full range of job types, the influence of management level or position type could be explored as well, without the potential confounding effects of differing organisational cultures that may be found in other organisational settings. Replication of the study in other organisations may remove the confounding effects the nature of the organisation may have had on the psychological contract. Taking the study in its present format to other industries and organisations would provide additional opportunities to investigate the impacts of formative work experiences, conditions surrounding contract fulfillment and the consequences of these conditions. Additionally, future studies should use true grounded theory methodology working to obtain permission to make adjustments to the interview script as data collection and emergent findings dictate, and to be able to add respondents included in the study to ensure the investigator is studying a true theoretical sample.

Our findings concerning the impact formative work experiences have on the

psychological contract process imply a need for further longitudinal research aimed at determining specifically why employees might feel more positively or negatively about an employer over time. Research along the lines of studies done in the recruitment literature (e.g. Cable & Judge, 1994; Cable & Judge, 1996) into the characteristics or culture of the employer, the nature of the job, or the compensation package mix may reveal key insights into how employers can fine-tune their interaction with employees. In accord with recommendations prescribed by Irving and Meyer (1994; 1995), future researchers should focus on an employee's current work experiences when investigating expectation fulfillment. Better interactions and positive experiences may result in enhancing both the ongoing relationship they have with their employees as well as the outcomes of the resulting psychological contract, such as engagement and trust. We also need to better understand the range of effects that previous negative work experiences may have on an employee, how the effects of those experiences interact with the behaviours of a current employer, and how best to administer that employee in the current job.

Researchers should identify formative labour market and employer effects in more depth by asking respondents directly about them as opposed to relying on the literature. Our study used previously identified formative influences from the literature and did not seek to identify other emergent influences. Using open-ended questions to identify formative work influences pertinent to the respondents would allow the data to guide researchers in possibly unidentified

directions not previously considered.

Yet another direction for future research would be to address the data collection limitations we previously described. Investigators should work to develop empirically sound measures of psychological contract fulfillment that will lead to refinement of the psychological contract fulfillment continuum and allow other researchers (and practitioners) to identify and distinguish between unmet promises, psychological contract breach, and violation.

Lastly, it would prove fruitful to investigate employees that could potentially be classified in cells missing from our typology. For example, we should look in more detail at the individuals who had no labour market effect and who had no employer effect. Additionally, we should seek to answer the question of whether or not there is such a thing as a positive labour market effect for Generation X.

7.4 Implications for practitioners and researchers

Although the theoretical model is in need of further empirical testing and refinement, several implications can be drawn from it for management practitioners and researchers.

First, our findings support the idea that how employees perceive and interpret

their formative work experiences is instrumental in their perceptions of psychological contract expectations and ultimately the type of relationship they feel they have with their employer. In short, the theoretical model offers practitioners a starting point in determining which employees, based on their experience profile, have the greatest potential for expecting the types of things the organisation can address. With this knowledge, human resources practitioners can better focus their efforts on communicating information (for example on training programs or other benefits the organisation may have available) that may help fulfill the expectations of and create a positive experience for employees in potential “problem” groups.

Second, our findings also suggest that employees’ interpretation of their work experiences ultimately relates to their levels of engagement and trust. As we have discussed and reviewed, there is much evidence (e.g. Frank et al., 2004; Seijts & Crim, 2006; Schiemann, 2006; Wagner, 2006) indicating that a positive relationship exists between higher levels of engagement and other organisational outcomes such as job satisfaction, commitment, customer satisfaction, productivity, lower cynicism, and profit margins. Evidence in the literature also indicates that organisations benefit by having employees with higher levels of trust. For example, Robinson (1996) found that the relationship between perceptions of psychological contract breach and subsequent violation was mediated by trust when employees initially trusted their employer. Also, the relationship between perceptions of psychological contract breach and

contributions to the organisation among these employees was also mediated by initial trust in the employer. Based on our findings and as mentioned above, policy makers and practitioners who want to improve the levels of engagement and trust within their organisations can use our theoretical model as a starting point to reflect on the formative work experience profiles of their employees in determining potential psychological contract problem areas.

The findings from this thesis support the need for human resource practitioners to consider decreased levels of engagement and trust as a symptom of problems with employees' psychological contracts. Using the theoretical model as a roadmap for determining the root causes (such as formative work experiences) of deficiencies in engagement and trust gives the practitioner a starting point for identifying potential shortcomings in the psychological contract exchange and a point of departure in rectifying deficiencies. Hence, rather than implementing programs and policies that aim to directly address engagement and trust issues, they can focus on identifying disconnects in psychological contract expectations that potentially drive those deficiencies. In sum, our model and subsequent findings give practitioners ways to begin working towards increase levels of engagement and trust among their employees.

Our findings concerning formative work experience groups can also be used in steering the creation and assessment of recruitment, hiring, evaluation and leadership preparation programs, policies and models. Based on our findings, it

is important to know not only the history of potential employees, but how those employees perceive their work experiences have affected them. By knowing the effects that formative work experiences can have on psychological contract expectations and ultimately psychological contract outcomes (i.e. engagement and trust), employers can develop new recruitment models and set better recruiting and hiring parameters. With these parameters, organisations may be able to choose employees that give the organisation a better chance of having a positive employment experience and meeting their psychological contract. Additionally, our theoretical model may be able to aid in decisions concerning which employees would be best suited to be groomed for leadership roles and promotion within the organisation.

In conclusion, the present research has set a firm foundation upon which there is potential for a number of practical applications to be built. Conducting interviews in a best practices firm provided tremendous opportunity to investigate several attributes of our model in an environment that can reasonably be assumed was relatively free from confounding conditions such as an inadequate benefits program, poor compensation policies, or employees that were inadequately trained for their positions. It is hoped, therefore, that this study provides a model that serves as a springboard to further research that leads to a more comprehensive understanding of the impacts formative work experiences and behaviours of organisations have on the psychological contract process. With further investigation and refinement of the theoretical model, organisations may

be able to better understand the process involved in creating a positive employment experience, fulfillment of psychological contract expectations, and ultimately improve the outcomes of the psychological contract that are relevant to both the employer and the employee.

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Appendix A

Please complete the following survey and return the completed form to Mr. Ormsbee at your interview appointment.

Historical Information – “How did you get to where you are today?”

Please think back over your work history beginning when you entered the work force until now and provide the required information in the boxes below. When completing the boxes concerning “Why I Left The Company”, please look at the list of possible responses given below and indicate which of the following reasons best describes why you left each of these companies by inserting the letter (or letters) in the appropriate box in the table. Please put as many reasons as appropriate.

- a. I did not like the job
- b. I received a better offer elsewhere (higher salary, better benefits)
- c. I did not like my boss
- d. My values were different from those of the organization
- e. My efforts were not being recognized
- f. There was no opportunity for career advancement
- g. The company downsized/restructured and I lost my position
- h. I moved
- i. Other

	Company	Job Title	Years Employed	Why Left Company
Employer One				
Employer Two				
Employer Three				
Employer Four				
Employer Five				
Employer Six				
Employer Seven				
Employer Eight				
Employer Nine				

Trust at Work

Following are statements which express opinions that people might hold about the confidence and trust that can be placed in others at work – both coworkers as well as management. Please respond to each question by checking the box that indicates whether you agree or disagree with each statement and the extent to which you agree or disagree.

	Strongly disagree	Disagree	Slightly disagree	Neither agree nor disagree	Slightly agree	Agree	Strongly agree
1. Management at my firm is sincere in its attempts to meet the workers' point of view.							
2. Our firm has a poor future unless it can attract better managers.							
3. If I had problems at work, I know my co-workers would try and help me out.							
4. Management can be trusted to make sensible decisions for the firm's future.							
5. I can trust the people I work with to lend me a hand if I needed it.							
6. Management at work seems to do an efficient job.							
7. I feel quite confident that the firm will always try to treat me fairly.							
8. Most of my co-workers can be relied upon to do as they say they will do.							
9. I have full confidence in the skills of my co-workers.							
10. Most of my fellow workers would do their work even if supervisors were not around.							
11. I can rely on other workers not to make my job more difficult by careless work.							
12. Our management would be willing to gain advantage by deceiving the workers.							

Engagement at Work

Following are statements which express opinions that people might hold about their level of engagement at work. Using the scale provided, please respond to each question by checking the box that indicates whether you agree or disagree with each statement and the extent to which you agree or disagree.

	Strongly Disagree	Disagree	Slightly Disagree	Slightly Agree	Agree	Strongly Agree
1. I would, without hesitation, highly recommend this organization to a friend seeking employment						

2. Give the opportunity I tell other people great things about working here						
3. It would take a lot to get me to leave this organization						
4. I hardly ever think about leaving this organization to work someplace else						
5. This organization inspires me to do my best work every day						
6. This organization motivates me to do more than is normally required to complete my work						

Demographic Questions

The following are some basic classification and demographic questions. Please know that these questions are for classification purposes only and are not individually reported in any analysis.

In what year were you born? _____

What is your gender? _____

Were you born in Canada? _____

Were your parents born in Canada? _____

What is your marital status? _____

Do you have any children? _____ How many? _____ How Old?

What is the highest level of education you have completed? (please circle)

Less than
High School High School College University Graduate Degree

Thank you for completing this survey!!

Appendix B

ABC ORGANIZATION EMPLOYEE INTERVIEW GUIDING QUESTIONS

As you may recall from the invitation you received to participate in this interview, my name is Floyd Ormsbee and I am a PhD student at Carleton University in Ottawa and a faculty member at Clarkson University in Potsdam, New York. For my dissertation, I am studying the employment relationship and what employees feel that organizations can do to improve it. In particular, I am looking at generational issues and the psychological contract.

I would like to ask you some questions about your feelings concerning your employment situation here at ABC as part of my research. I will ask you several questions about your past employment, your current employment, and about you personally. If you are uncomfortable answering any of these questions, please feel free to tell me that it is “none of my business”. The information you provide is strictly confidential in nature and will be reported to ABC and in published research in aggregated form only – no information will be included in our reports that would allow for identification of who you are.

I would also like to ask your permission to tape this interview in order to ensure an accurate record of your responses and to allow me to concentrate on our conversation rather than concentrating on recording your responses.

Do I have your permission to record this session?

Present Employment Situation

I would like to talk to you now about your present employment relationship with ABC as well as explore your past work history.

1. What do you do at ABC right now?
2. How long have you held this position?
3. How many hours do you spend in work activities per week – all things considered?

Check survey responses – if subject has had numerous jobs and was downsized, probe their feelings concerning downsizing with the following questions:

Concerning your previous employment situations and how you left them:

4. *Have these experiences affected how you feel about your employment relationship with ABC?*
5. *Have these experiences affected your view of work today?*

Just a couple more questions concerning your present employment at ABC...

6. What are the three best things about your job at ABC?
7. What three things do you find most frustrating about your job at ABC?

Psychological Contract at ABC

Please think about your employment relationship with ABC...

I would like to talk a little about what you feel **ABC expects** of you in terms of performance of your job. Expectations in this context are those things ABC assumes that you will deliver because you are employed by them and hold the job that you do. This might include such things as time, commitment, effort, etc. Referring to the context of your employment relationship:

8. What do you feel **ABC expects** of you? In other words, what do you feel **they expect** you to deliver for them? (**Write down what they indicate**)
9. For each of these expectations, using a 5 point scale where 1 is the lowest possible extent and 5 is the highest possible extent, to what extent do you feel that you have fulfilled these different expectations (Repeat the 3 expectations for them to respond to)
10. What, if anything, could ABC do to help you meet their work expectations?
11. Using a 5 point scale where 1 is the lowest possible extent and 5 is the highest possible extent, to what extent do you feel that ABC recognizes or acknowledges that you have fulfilled all of these expectations? (Repeat the 3 expectations for them to respond to):

The next question concerns your **obligations** to ABC. Obligations in this context are those things you feel you actually owe ABC as their employee, versus what you feel ABC expects of you.

12. What do you feel are your obligations to ABC?

So we have talked about the expectations ABC has of you at work and the obligations you feel you have to the company. I would like you to evaluate ABC's work expectations of you. using two criteria:

13. Do you perceive that they are very fair, fair, somewhat fair/somewhat unfair, unfair, or very unfair? Why do you say this?

14. Do you perceive that they are very realistic, realistic, somewhat realistic, somewhat unrealistic, unrealistic, or very unrealistic? Why do you say this?

Now we are going to change the topic of the interview from what the company expects of you to what you expect from ABC. Expectations in this context are those things you assume that ABC will deliver because you are employed by them and hold the job that you do. This might include things like salary, benefits, promotion opportunities, job security etc.

15. What are **your expectations** of ABC? In other words, what do you expect from your employer?

16. Using a 5 point scale where 1 is the lowest possible extent and 5 is the highest possible extent, to what extent do you feel that ABC has met each of these expectations? (Repeat the 3 expectations for them to respond to)

17. What could ABC do to better fulfill each of these expectations?

Now I would like to ask you about your perceptions with respect to ABC's **obligations** to you. Again, as before, obligations in this context are those things you feel ABC actually owes you as your employer, versus what you expect of ABC.

18. What, in your opinion are ABC's obligations to you?

Moving now to how you feel about your employment relationship today compared to when you first started at ABC. Please think back to how you felt when you decided to accept your first position with ABC.

19. Do you feel more positive, the same, or less positive about ABC today than you did when you first joined them?

Appendix Item C

Theoretical model components, associated literature and data items

Theoretical Model Component	Associated Literature	Interview Items	Survey Items
Generational Cohort Formative Work Experiences / Demographic Information	Generational Cohorts (Section 2.7 – 2.9)	1-5, 19	Historical Information / Demographic Items (not numbered)
Box 1 – Psychological Contract Expectations	Definition of Psychological Contract; Rousseau’s Model of Psychological Contract; Expectations (Sections 2.1 and 2.2)	6-8, 10, 12, 15, 17, 18	n/a
Box 2 – Evaluation of Psychological Contract	Unmet Promises, Psychological Contract Breach and Violation (Section 2.3)	9, 11, 13, 14, 16	n/a
Box 3 – Organisational Outcomes	Engagement and Trust (Sections 2.4 and 2.5)	n/a	Engagement Items 1-6 and Trust Items 1-12 (Trust Items 3, 5, 8, 9, 10 and 11 apply to “Interpersonal Trust”, Items 1, 2, 4, 6, 7 and 12 apply to “Trust in Management”)