

Differences on Psychological Contract on Employees Generation X and Generation Y on PT. M

Icchami Tasya Wardhana, Herison Pandapotan Purba

Departement of Industrial and Organizational Psychology,
Airlangga University, Surabaya, Indonesia.



Abstract - This study aims to determine differences of the psychological contract employees generation X and generation Y in PT M branch Surabaya. Rousseau (1989) described the psychological contract as an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between that focal person and their organization, such beliefs are perceptual so that each individual has a different psychological contract. Data collection techniques in this research using questionnaires. The instrument used in this study is the scale of the Psychological Contract by Wicaksono (2013). This scale consists of 18 items and was tested to 40 subjects who worked in PT M Branch Surabaya unit E. Sampling technique that we used is purposive sampling. The results of data analysis showed that the mean value of a group of generation X and generation Y is not significantly different. By using independent sample t-test, result showed that the significance is 0.729 (sig > 0,05). This shows that there are no differences in the psychological contract (relational and transactional) between employees of generation X and generation Y. Although there are differences, but only slightly (as seen from the difference in means of -1.6000).

Keywords - Psychological contract, generation X, Generation Y.

I. INTRODUCTION

Generation X and Generation Y. Lambert (2015) announced a generation before the Baby Boom had begun to leave work. Generation X is the generation that is among Generation Y and Generation of Boomers, currently in accordance with the period of development of leadership skills. Na'Desh (2008) quotes that Gen Y is the last generation to divert the world of work.

More distinctively different between Generation X and Generation Y. Employees of Generation X, are often regarded as cynical, pessimistic, and individualistic individuals (Kupperschmidt, 2000; Smola and Sutton, 2002 in Lub, et al, 2012). While generation Y employees choose to be optimistic, motivated, and more goal oriented and focus on the work environment (Boschma and Groen, 2007; Smola and Sutton, 2002; Twenge and Campbell, 2008, in Lub, et al, 2012). Differences in characteristics that cause differences in the company. This also happened at PT M.

PT. M is one of the state-owned companies engaged in financial services in Indonesia. As an organization that has a vision to become Indonesia's most admired and progressive financial institution, PT. Receive by finding and recruiting the best and quality human resources. One way that is done by PT. M is by recruiting young cadres as reliable staff

At first PT. Retired by employees with an average participation of more than 30 years, but in recent years PT. Starting with the emergence of employees with a younger generation and able to produce a team that generates a new generation in organizations that produce a younger generation.

The increase in generation Y from year to year is increasing, and the number of people from the baby boomer generation is decreasing. Based on data collected from PT. M, from 2013 to June 2014 displaying Generation X and Generation Y has a balanced number of compositions. However, the balanced amount is the difference and

distance between generations of groups. In particular the generation phenomenon occurs in PT M in Surabaya Regional Office in unit E. Unit E is one of the PT M work units in the Surabaya Regional Office. One of the functions of this unit is monitoring the performance of ATM machines and EDCs in all areas of East Java, both machines that are in PT M branches also in public areas. When viewed from the demographics of its employees, unit E has more employees than generation X. It is possible that more employees with 6 managerial levels (team leaders) have a younger age or are from Generation Y. have been given by the central leadership.

From the interview it can be seen that there are several differences related to the view in working on generation X and generation Y. These different views and desires raise a gap between Generation X and Generation Y. This desire is related to the perceptions of each individual. Lub (2012) explains that different generations will perceive their psychological contracts differently. Generations are formed from events around the environment and phases of life that will affect the values they are involved in (Gursoy, et al., 2008; Ng, et al., 2010; Smola and Sutton, 2002 in Lub., 2012). For this reason, it is very important for companies to be able to accommodate the desires of Generation X and Generation Y, which can be seen from the types of psychological contracts that are appropriate for each of them.

Rousseau (1989) defines psychological contracts as individual beliefs formed by organizations, regarding exchange agreements between individuals and their organizations, those beliefs are perceptual so that each individual has different psychological contracts. Furthermore, Rousseau and Benzoni (1994, in Rousseau 2000) conceptualize psychological contracts as a continuous contractual relationship between transactional and relational contracts. Transactional psychological contracts are explained as a psychological contract in the short term duration, focusing on economic exchange, and not psychological contracts originating from oneself, but rather a reflection of the state of cognition as a consequence of organizational change and transition. Whereas relational psychological contracts are long-term psychological contracts and as an open-closed arrangement based on a relationship of trust and loyalty, rewards are based on performance, encouragement of membership, and participation in the organization.

In some previous studies related to differences in psychological contracts between generations X and

generation Y. The research conducted by Lub, et al (2012) was titled "Different or alike? Exploring the psychological contract and commitment of different generations of hospitality workers found a difference in the generation of psychological contracts held by employees in the organization. Specifically in his research explaining that for generation X, work-life balance is more important than the other two generations. In addition to generation X, autonomy and job security are more important than for generation Y.

Another study from Hess & Jepsen (2009) regarding "Career stages and general in psychological contracts", explained that psychological contracts associated with contract obligations, showed no significant differences between generation X and generation Y. Whereas psychological contracts related to cognitive responses to the exchange relationship, showing inconsistent results. The results of these studies indicate a strong negative relationship between transactional fulfillment and intention to leave in generation X rather than generation Y.

The results of the study by Lub, et al. (2015), were titled "Contract Psychological and Organizational Citizenship Behavior: A New Deal for New Generations?" found that there was no significant difference between generations for the overall psychological contract. However, when specifying to relational and transactional contracts, it was found that relational contracts were significantly higher in generation Y than Generation X. There were no significant differences in transactional contracts. Only in generation X, is the rating of relational contracts higher than transactional contracts.

The results of the study from Djamhari (2015) with the title "Differences in Psychological Contracts in Generation X and Generation Y" found that there were significant differences in psychological contracts between generation X and generation Y.

Several studies on generation and psychological contracts have been carried out in various countries. But the results explain different results. Lub's research, et al. (2012, 2015), the research of Hess & Jepsen (2009), and the research of Djamhari (2015) show different results related to generation and psychological contracts, especially when associated with transactional and relational psychological contracts. From the description above, the researcher wants to conduct a study on the differences in psychological (transactional and relational) contracts in Generation X and Generation Y in Company M.

Psychological Contract

Levinson (1962) is the one who introduced the concept of psychological contracts for the first time, according to Levinson psychological contracts are unwritten contracts that contain a set of reciprocal expectations between employees and the company. Then according to Rousseau, psychological contracts are individual beliefs about the reciprocal relationship between themselves and the organization, related to what is expected to be obtained with what the individual will give to his organization. Individual beliefs here are meant that psychological contracts are very typical between one person and another, especially related to what is expected and what will be given by the individual. Hope here also includes the form of the contract, the duration and flexibility of the work relationship, while what the individual will give to the organization here includes the expertise, ability or competence of the individual.

Rousseau and Benzoni (1994, in Rousseau 2000) conceptualize psychological contracts as a continuous contractual relationship between transactional and relational contracts. Transactional psychological contracts are explained as a psychological contract in the short term duration, focusing on economic exchange, and not psychological contracts originating from oneself, but rather a reflection of the state of cognition as a consequence of organizational change and transition. Whereas relational psychological contracts are long-term psychological contracts and as an open-closed arrangement based on a relationship of trust and loyalty, rewards are based on performance, encouragement of membership, and participation in the organization.

Generation X

Employees from Generation X, are often described as cynical, pessimistic, and individualistic individuals (Kupperschmidt, 2000; Smola and Sutton, 2002 in Lub, et al, 2012). They are also often described as entrepreneurial individuals, independent, comfortable with change, and less loyal to employees (Yu and Miller, 2005 in Lub, et al, 2012). As a consequence, X generations often leave work and seek new jobs that are more challenging in new environments or to seek higher salaries (Dealet al. 2010, in Lub et al. 2012). Moreover, they lack respect for authority, and are often reported to have difficulty balancing work and private life that causes them to find better jobs (Howe and Strauss, 2007; Eisner, 2005; Gursoyet al., 2008, in Lub, et al. , 2012).

Generation Y

Solined and Hood (2008) say that generation Y in the work world has the character capable of expressing opinions easily, prioritizing other interests outside of work interests such as the family. Therefore, they will sacrifice their work more than their family or social environment (Shaw & Faihurst, 2008 in Ozcelik 2015). In addition, they have a low fighting capacity so that in the world of work they will have high expectations, need recognition and direction and clear instructions, and the need for full support from their superiors (Martin, 2005 in Ozcelik, 2015).

Generation Y is also described as a generation that is very comfortable with change (Rijnders and Lub, 2011; Eisner, 2005; Tulgan, 2003, in Lub, et al., 2012). Generation Y also appears to develop personal values that enjoy work change (Eisner, 2005, in Lub, et al, 2012). This generation tends to be optimistic, motivated, and more goal oriented and asks for a work environment (Boschma and Groen, 2007; Smola and Sutton, 2002; Twenge and Campbell, 2008, in Lub, et al, 2012). Generation Y also lacks commitment to the organization, and prefers to leave if not satisfied (Twengeet al., 2010, in Lub, et al, 2012).

II. MATERIALS AND METHODS

This research is quantitative research with explanatory type. The purpose of this study is to look at the different forms of psychological contracts for employees of generation X and generation Y at PT. M branch of Surabaya unit E. The population of the subject of this research are employees who work at PT. M branch Surabaya unit E. The number of samples in this study were 40 employees from unit E. In this study the sampling technique used was purposive sampling. This method is used in studies that prioritize research objectives rather than the nature of the population (Bungin, 2011). Data collection techniques in this study were using questionnaires. The instrument used in this study is the scale of Psychological Contracts from Wicaksono (2013). This scale consists of 18 items derived from transactional form indicators 9 items and 9 relational form indicators. The reliability of this scale is 0.675. Regarding item validity, Aiken and Groth-Marnat (2006) state that an item can be maintained if it has at least 0.2 corrected items. Thus all items from the Psychological Contract scale have a value of 0.675 and have a correlation between items of 0.2. Then the measurement tool for Psychological Contracts is good enough to be used as a measurement tool for research.

III. FINDING AND ANALYSIS

The results of normal data are a reference for researchers to determine data analysis techniques using t-Test analysis techniques. This data analysis technique is to

compare two groups of means from two different samples (with a small number of samples and the distribution of normal data), in this case the generation X and generation Y. The results of data analysis using t-Test are described in the following table:

Group Statistics

	Generation	N	Mean	Std. Deviation	Std. Error Mean
Psychological contract	Gen X	20	64.1000	5.43769	1.21590
	Gen Y	20	65.7000	6.66570	1.49050

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower Upper
Kontrak Psiklogis	Equal variances assumed	.122	.729	-.832	38	.411	-1.60000	1.92354	-5.49400 2.29400
	Equal variances not assumed			-.832	36.526	.411	-1.60000	1.92354	-5.49917 2.29917

Based on the results of the table, it was found that the mean values of generation X and generation Y groups were not significantly different. The mean difference between generation X and generation Y is -1.6000. In generation X, the mean value is 64.1000 while that of generation Y has a mean value of 65.7000.

The results of the calculation using an independent technique sample t-test showed that the significance was 0.729. This shows that there is no difference in psychological contracts (relational or transactional) between generation X and generation Y employees. Although there are differences, there are only a few (seen from the mean difference of -1, 6000).

Parry and Urwin (2011) state that there are variations in the generation cohort based on differences such as gender and education that can influence a person's attitude and behavior at work. In generation X and generation Y there are similarities in characteristics that can explain results that are not different from this study.

Generation groups are based on individuals born in the same period, which are influenced by a set of specific

historical and cultural conditions, this is what makes individuals in a particular generation group unique in their behavior patterns based on shared experiences (Hess & Jepsen, 2009). One of the things that causes generation X and generation Y groups does not differ significantly in the form of psychological contracts is the similarity of experiences they feel. Generation X and generation Y are influenced by the existence of downsizing by companies which causes their parents to experience period redundancy (Kupperschmidt, 2000; Smola & Sutton, 2002, in Hess & Jepsen 2009).

Rousseau (1995 in Hess & Jepsen, 2009) also explains that perceptions of psychological contracts differ from one individual to another based on the motivation and attitudes of each individual. Apart from this, other things that influence individual perceptions in one generation are related to how the social environment and how they pass through the phases of their lives. One phase experienced by a generation is work and the environment that affects them is the work environment, in this case the company where they work.

Specifically, at PT. X Unit E, cultural implementation is carried out by restructuring performance-based organizations, restructuring performance-based assessment systems, developing leadership and talent and adjusting human resources to strategic needs. This is what makes cultural values in organizations held by generation X and generation Y tend to be the same, which causes no significant psychological contract differences between generation X and generation Y.

The results in this study that produce a significant difference in the mean, this is in line with the results of previous studies conducted by Hess and Jepsen (2009) and Lub's research, et al. (2015) who did not find any significant differences in the overall psychological contract. In both studies there were no differences in psychological contracts (relational or transactional) in generation X and generation Y.

IV. CONCLUSION

In the research "Differences in Psychological Contracts on Generation X and Generation Y employees at PT. Surabaya branch X unit E" can be concluded that there is no difference in psychological contracts between generation X and generation Y. In this study there are several suggestions that further research is expected to take samples in a larger population in order to be representative. In addition, further research is expected by respondents of generation X and generation Y who are in transition age. In addition it can be suggested regarding further studies regarding the differences in psychological contracts in terms of fulfillment or violation of psychological contracts in both generations.

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