An Examination of the Generational Shift in Psychological Contract regarding Work-Life Balance Issues in UK's Young Adults

1. Preliminary Literature Review

1.1. Theoretical Review of Literature

The theoretical review of literature examines the conceptual aspect of the subject matter. As such, the definition and background of the concepts within the study; Psychological contracts and work-life balance, are examined within this section.

1.1.1. Psychological Contract

The concept of psychological contract has been utilised as far back as the 1960s with Argyris's study into the working relationship between the foremen and the employees under them. The study noted a 'psychological work contract' prevalent within these factory work environments. This work contract entails the commonly understood expectations from the exchanges that occur within the labour market (Argyris, 1960). Simply put, it is the unwritten expectations from foremen; that the employees will perform their job for the compensation they will receive, and from the workers; that they will be paid for the work they have undertaken. This idea, however, grew to prominence with the restructuration of the theory as a centralised assessment measure for inter-workplace relationships by Rousseau (1989; Guest, 1998). Rousseau characterised the psychological contract by basing it on reciprocal obligations, with one party having completed their end; as per their subjective viewpoints, and with good faith afforded due to the wider relationship between the individuals interacting. Rousseau's (1989) watershed paper on psychological contract elevated the theory through subjective lenses; through psychological perception, making it a more accessible subject matter for researchers. Psychological contract breaches are concerned with subjective inferences from an individual perception of adequate fulfilment of a promise or entitlement (Rousseau, 1989). As such, breach of such reasonable expectations can significantly erode trust and engagement amongst the employees. Robinson (1996) states that such breach in the psychological contract has a strong multifaceted correlation with trust and inter office

relationships. The assessment posits that maintaining a positive psychological contract can effectively build employee relationships through trust and mitigate negative impacts on employee motivation (Kaya and Karatepe, 2020).

1.1.2. Work-Life balance

Felstead, Gallie and Green (2002) define work-life balance as the space for work and non-work activities within the societal setting established through the relationship between cultural norms and institutional environments. This history of work-life balance as an organisational concept has heavy ties to societal expectations and overarching gendered roles within patriarchal societal influences. The historical use of work-life balance as a workplace concept, as noted by Prasad (2012), emerged in the U.K. from the changes in social roles of different individuals, including women, within the 1970's business landscape. Due to changing needs brought forth by external conflicts, the need for women to be active in the workplace increased. Their inclusion within the organisations led to issues of having enough time to take care of both home and office obligations women have been expected to undertake for generations. As societal shifts are culturally formed by the collective perceptions within an evolving society, such influences along with market and other extrinsic conditions, organisations need to be able to manage the core expectations of employees (Prasad, 2012; Gragnano, Simbula and Miglioretti, 2020).

1.2. Empirical Review of Literature

The empirical review of literature establishes the market-based evidence that the theoretical models imply. This area of research focuses on establishing the current academic understanding of the subject matter through practical data. As such this section assesses journals presenting evidence for and against a generational shift in work-life balance needs amongst employees.

1.2.1. Evidence of a Generational Shift in Work-Life Balance Needs amongst Employees

Change is ever-present within the market environment, but some are more persistent than others. Demographic changes in terms of working age advancement and occupation of organisational position by younger employees, is one such immutable changes organisations have to face. Wiedmer's (2015) study represents the distinction in the choice that generational psychological contracts represent in the modern business environment. Their study found that younger

generations respond more positively when intangible positive reinforcement measures are extended. The study also illustrates the discrepancies between generational inclinations with respect to work-life balance factors. Younger generations, those belonging to late gen Y and gen Z are shown to have a higher expectation of freedom within job roles, the flexibility of hours and a positive work environment. Such aspects are more important to younger gen Y and most gen Z when compared to the gen X participants. These implications are still being demonstrated to be true. Mahmoud et al. (2020, p.193), state that, "Intrinsic Motivation contributes more to Generation Z employees' overall work motivation than it does for Generation X and Generation Y." the study illustrates that generation X and Y are far less likely to be demotivated from the limitation of such extrinsic factors. Gen Y's familiarity with gig economy work and contracted labour make their expectations more individualised.

As the composition of the labour market changes, employees need to address the changes in their basic dispositions regarding their work environments. Most of the Gen Z employees have lived in times of economic ruin and recovery with an unfair market. Studies have suggested that the market conditions have driven more individuals to seek out work opportunities will less commitment and more flexibility (Rodríguez-Sánchez et al., 2020; Hinduan, Anggraeni and Agia, 2020). Tutgun-Üna and Deniz (2020) associate such shifts with changing values amongst the newer generation of workers filling the organisational ranks. Such a generational shift in the base expectations within work environments depicts the necessity for flexible leadership and accommodating work structures to maintain employee engagement. Hisel (2020) illustrates the rigidity that intergenerational co-workers in the nursing industry face; due to the managerial control being transferred to individuals representing less of the actual composition of the industry. The study depicts the lack of more extrinsic rewards and life balance measures, which are more important to younger nurses than the older ones in charge. Sruk (2020) also iterates that as more management roles are being assumed by younger Gen Y employees, changes in culture, leadership and values within organisations are also starting to shift to reflect such needs. As such, there is vast empirical evidence to suggest that work-life balance issues have become more pertinent as generational shifts occur within organisational environments.

2. References

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