



Original Article

A Study on Psychological Contract and Organizational Commitment of Gen Z.

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Introduction:

Psychological contract and organizational commitment have always been the invisible pillars driving the foundation of a committed, dedicated and motivated task force in any organization. A psychological contract is an unwritten, unspoken set of expectations and mutual obligations between an employee and their employer. Research has indicated a tenacious link between an individual's psychological contract and his affective commitment to the organization. And therefore, it is imperative to understand the employees' unsaid expectations from the organization.

A similar line of expectations exists from the organizations side towards its appointed personnel making the psychological contract a two – way bridge. However generational value system and ethical mindset has seen to evolve over a period of time. This paper aims to analyze the value of organizational commitment for Gen Z by an analytical study of the factors making their psychological contract.

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Review of Related Literature:

This chapter has attempted to understand and analyze the expectations that Gen Z have when it comes to their workplace. This study has highlighted the importance of workplace flexibility, talent development, career planning and progression, access to latest technologies, consistent and constructive feedback, work-life balance, and a healthy and conducive atmosphere.

This study has analyzed the effect of job security, training and development opportunities, compensation practices, and employee mental well-being on organizational commitment among Generation Z professionals in the Delhi NCR region. The study has used a combination of qualitative and quantitative along with structural equation modelling to examine relationships among constructs. The conclusions drawn have indicated that job security and training have a significant positive effect on employee mental well-being and the resultant organizational commitment.

This study has attempted to analyze the effect psychological contract breach on employee outcomes, and has underlined its correlation with employee turnover and overall motivational levels of employees. These results have underlined the nuances of organizational transparency, fair HR practices, and effective communication so as to avoid a psychological contract breach.

Objectives of Research:

1. To understand theoretical concepts of psychological contract, and organizational commitment.
2. To understand the various factors constituting the psychological contract of Gen Z employees.

3. To study the effect of these factors on organizational commitment.
4. To give suggestions to both the stake holders with regards to improvement of organizational work -life.

Research Methodology:

For the purpose of this research the researcher has utilized both primary and secondary data. The data instrument has been a questionnaire designed with Renesis Likert Scale for measurement of parameters mentioned in the objectives. The researcher has opted for cluster sampling. Since the population of interest is Gen Z the researcher has targeted the students who double up as working professionals in various colleges. Since the sample could be identified in pre- present clusters with different higher education institutes the researcher has opted for this non - probability sampling method. The sample size taken for the above research is 35.

Hypotheses for the Research:

H0: There is no correlation between individual factors of psychological contract and organizational commitment.

H1: There is a correlation between individual factors of psychological contract and organizational commitment.

H0: There is no correlation between organizational factors of psychological contract and organizational commitment.

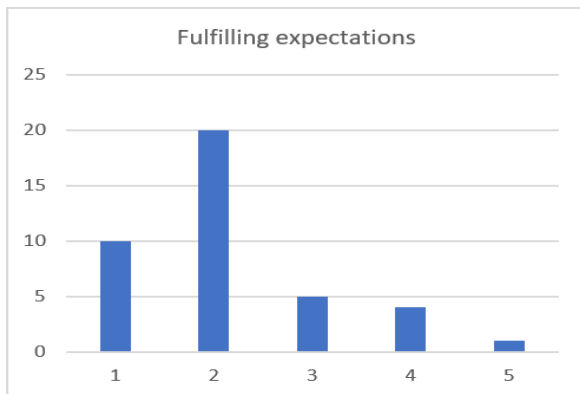
H1: There is a correlation between organizational factors of psychological contract and organizational commitment.



Data Analysis:

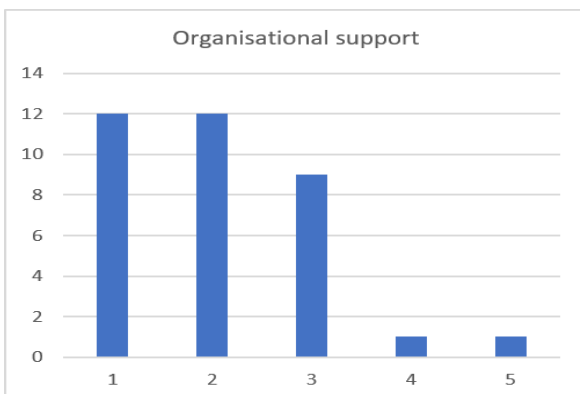
1. To what extent do you feel your organization fulfils the expectations it created when you joined?

Option	Response Count	Percentage
1	10	28.6
2	20	57.1
3	5	14.3
4	4	11.4
5	2	5.7



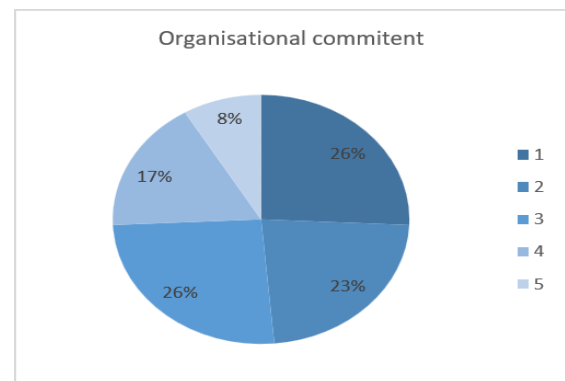
2. To what extent does your organization provide the support you expected from it?

Option	Response Count	Percentage
1	12	34.3
2	12	34.3
3	9	25.7
4	1	2.9
5	1	2.9



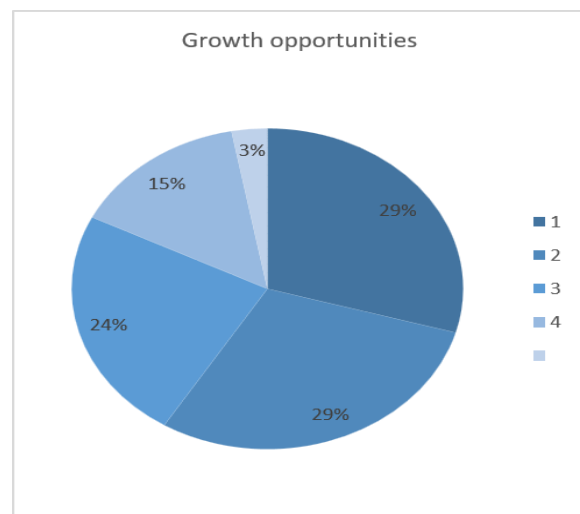
3. How fairly do you think your organization fulfils its commitments towards employees?

Option	Response Count	Percentage
1	9	25.7
2	8	22.9
3	9	25.7
4	6	17.1
5	3	8.6



4. To what extent do you receive the opportunities for growth that you expected?

Option	Response Count	Percentage
1	10	28.6
2	10	28.6
3	8	22.9
4	5	14.3
5	2	5.7





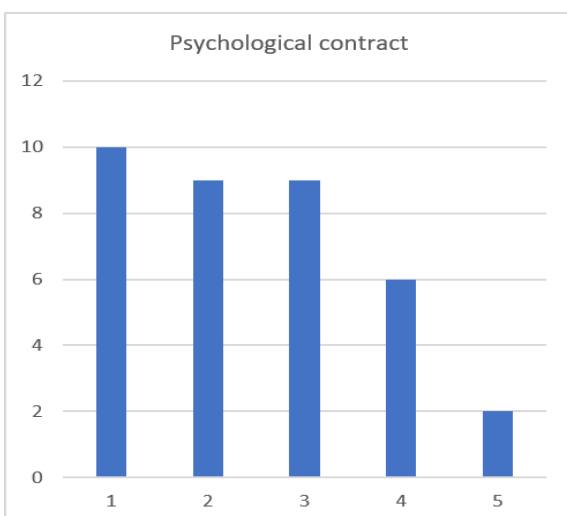
5. To what extent does your organization meet your expectations regarding work-life balance?

Option	Response Count	Percentage
1	9	25.7
2	9	25.7
3	6	17.1
4	8	22.9
5	3	8.6



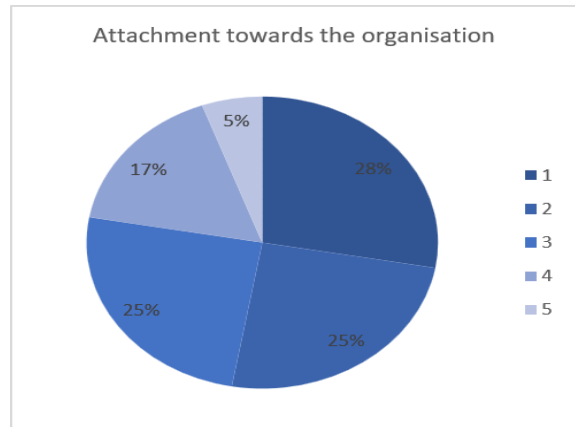
6. Overall, how strong is your psychological contract with your organization?

Option	Response Count	Percentage
1	10	28.6
2	9	25.7
3	9	25.7
4	6	17.1
5	2	5.7



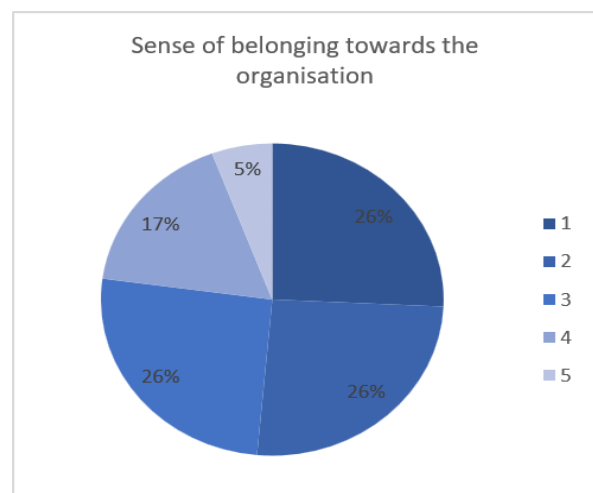
7. How emotionally attached do you feel to your organization?

Option	Response Count	Percentage
1	9	25.7
2	10	28.6
3	10	28.6
4	0	0.0
5	6	17.1



8. To what extent do you feel a sense of belonging to your organization?

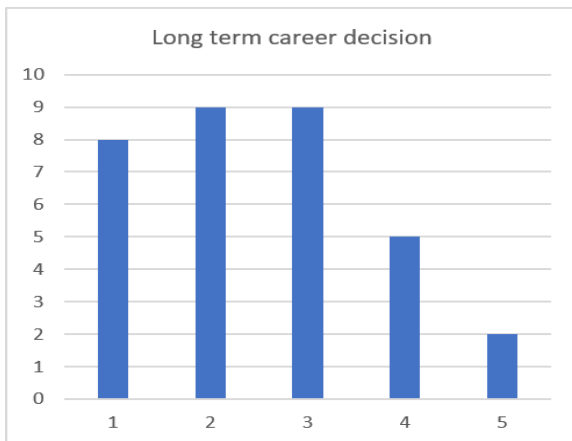
Option	Response Count	Percentage
1	9	25.7
2	9	25.7
3	9	25.7
4	6	17.1
5	2	5.7





9. How strongly do you feel that staying with your organization is a good career decision?

Option	Response Count	Percentage
1	8	22.9
2	9	25.7
3	8	22.9
4	5	14.3
5	5	14.3



10. How much responsibility do you feel towards your organization?

Option	Response Count	Percentage
1	10	28.6
2	9	25.7
3	10	28.6
4	3	8.6
5	3	8.6



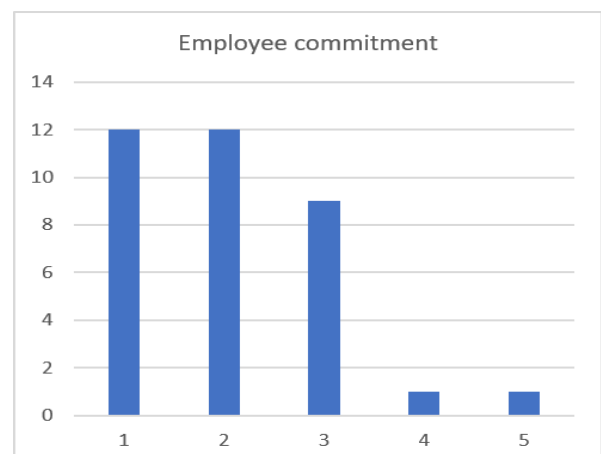
11. How willing are you to make extra effort for the success of your organization?

Option	Response Count	Percentage
1	10	28.6
2	5	14.3
3	10	28.6
4	6	17.1
5	4	11.4



12. Overall, how committed are you to your present organization?

Option	Response Count	Percentage
1	12	34.3
2	12	34.3
3	9	25.7
4	1	2.9
5	1	2.9





Testing of Hypotheses:

For testing of both hypotheses one-way ANOVA has been used. For hypothesis 1 there are four independent variables viz; organization fulfils the expectations, organizational support, organizational commitments towards employees, opportunities for growth and the dependent variables are expectations regarding work-life balance, employees' emotional attachment, sense of belonging to the organization, employee commitment towards organization. For hypothesis 2 strength of psychological contract, long career, employee

responsibility towards organization, and employee willingness towards extra effort are the independent variables followed by the same set of dependent variables as hypothesis 1

The researcher has taken the average of the values for all independent variables followed by dependent variables. The averages of the independent variables have then been categorized as high, medium and low. The one-way ANOVA test has been applied across the averages of dependent variables classified in these three categories for both hypotheses.

Hypothesis 1:

ANOVA: Single Factor

SUMMARY

Groups	Count	Sum	Average	Variance
HIGH	10	34.25	3.425	0.153472
MEDIUM	17	38.25	2.25	0.078125
LOW	8	12.75	1.59375	0.070313

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	16.04442	2	8.02221	82.18852	2.47E-13	3.294537
Within Groups	3.123438	32	0.097607			
Total	19.16786	34				

Hypothesis 2:

ANOVA: Single Factor

SUMMARY

Groups	Count	Sum	Average	Variance
HIGH	10	34.33333	3.433333	0.174074
MEDIUM	16	35	2.1875	0.043981
LOW	9	13.66667	1.518519	0.08642

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	18.36479	2	9.182396	100.7067	1.56E-14	3.294537
Within Groups	2.917747	32	0.09118			
Total	21.28254	34				



For both the hypotheses the F calculated value is greater than the F critical value and therefore both the null hypotheses have been rejected and alternate hypotheses have been accepted. Thus, both individual and organizational factors of psychological contract have an effect on the organizational commitment of the individual.

Major Conclusions and Suggestions:

There are two sets of variables affecting the psychological contract between the employee and the organization. At the individuals end efforts by the organization shall as organisational commitment, quality of work life and work life balance, organisational support etc. are the determining perspectives. Whereas from the organisational angle it is the willingness of the employee to stay long – term go the extra mile when required, adhere to the feeling of belongingness and team work. These set of factors are found to be having an impact on the overall level of organisational commitment experienced by the individual. Thus, it is safe to conclude that both the

stakeholders have mutual expectations and desire a mutually symbiotic relationship in order to build and foster a harmonious long – term contract.

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