THE RISE OF GLOCAL GENERATION Y: HOW ITS PERSONALITY AND PSYCHOLOGICAL CONTRACT IS AFFECTED BY GLOBAL FORCES AND LOCAL CONTEXT

by

SEYEDEH HODA VAZIRI BOZORG

Presented to the Faculty of the Graduate School of The University of Texas at Arlington in Partial Fulfillment of the Requirements for the Degree of

MASTER OF SCIENCE IN HUMAN RESOURCE MANAGEMENT

THE UNIVERSITY OF TEXAS AT ARLINGTON

December 2011
ACKNOWLEDGEMENTS

Foremost, I would like to express my sincere gratitude to my advisor Prof. George Benson for the continuous support of my master study and research, for his patience, motivation, enthusiasm, and immense knowledge. His guidance helped me immeasurably while researching and writing this thesis. I could not imagine having a better advisor and mentor. In addition to my advisor, I would like to thank the rest of the thesis committee: Prof. Jeanne Michalski, and Prof. Gary McMahan, for their encouragement, insightful comments, and hard questions.

I wish to thank my best friends, especially Ali Tayebi for helping me get through the difficult times, and for all the emotional support, entertainment, and caring they provided; without them, this thesis would have been impossible.

Lastly, and most importantly, I wish to thank my parents, Dr. Batoul Karimi, and Hossein Vaziri. They bore me, raised me, supported me, taught me, and loved me. To them I dedicate this thesis.

December 6, 2011
ABSTRACT

THE RISE OF GLOCAL GENERATION Y: HOW ITS PERSONALITY AND PSYCHOLOGICAL CONTRACT IS AFFECTED BY GLOBAL FORCES AND LOCAL CONTEXT

Seyedeh Hoda Vaziri Bozorg, M.S.

The University of Texas at Arlington, 2011

Supervising Professor: George S. Benson

When Generation Y started to enter the workforce in the early 2000s, discussions about their characteristics and their impact on organizations began among scholars around the world. A question has been raised whether the generational shift seen around the world shares common characteristics and whether globalization and technology advancement have lead to a Global Generation Y. This thesis criticizes the idea of Global Generation Y, and defines the concept of Glocal Generation Y, which is influenced by global forces but reacts differently based on its local context. However, there are still some common characteristics that can be used by human resource professionals to plan their practices in a way to attract and retain talented individuals from this generation.
# TABLE OF CONTENTS

ACKNOWLEDGEMENTS .................................................................................................................. iii

ABSTRACT ....................................................................................................................................... iv

LIST OF ILLUSTRATIONS ............................................................................................................... vii

LIST OF TABLES ............................................................................................................................. viii

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. INTRODUCTION .................................................................</td>
<td>1</td>
</tr>
<tr>
<td>2. LITERATURE REVIEW ...................................................</td>
<td>3</td>
</tr>
<tr>
<td>2.1 Literature on Generation ..........................................</td>
<td>3</td>
</tr>
<tr>
<td>2.1.1 Definition of Generation .....................................</td>
<td>3</td>
</tr>
<tr>
<td>2.1.2 Relationship between age/life stage and preferences</td>
<td>4</td>
</tr>
<tr>
<td>2.1.3 Generations in the U.S. ......................................</td>
<td>6</td>
</tr>
<tr>
<td>2.1.4 Generations around the World .........................</td>
<td>10</td>
</tr>
<tr>
<td>2.2 Characteristics of Generation Y ..........................</td>
<td>11</td>
</tr>
<tr>
<td>2.2.1 Personality Traits ...............................................</td>
<td>11</td>
</tr>
<tr>
<td>2.2.2 Psychological Contract ......................................</td>
<td>14</td>
</tr>
<tr>
<td>2.3 Glocalization ..............................................................</td>
<td>21</td>
</tr>
<tr>
<td>3. DISCUSSION ........................................................................</td>
<td>23</td>
</tr>
<tr>
<td>3.1 Glocal Generation Y ................................................</td>
<td>23</td>
</tr>
<tr>
<td>3.2 Global Effects ............................................................</td>
<td>24</td>
</tr>
<tr>
<td>3.2.1 Information Technology ......................................</td>
<td>24</td>
</tr>
<tr>
<td>3.2.2 Global Economy ..................................................</td>
<td>28</td>
</tr>
<tr>
<td>3.3 Local Context ..............................................................</td>
<td>30</td>
</tr>
<tr>
<td>3.3.1 Local Education System .....................................</td>
<td>30</td>
</tr>
</tbody>
</table>
## LIST OF ILLUSTRATIONS

<table>
<thead>
<tr>
<th>Figure</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 How Social Media is Changing Authority</td>
<td>27</td>
</tr>
</tbody>
</table>
## LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Comparison Table of Three Generations' Characteristics and View of Work</td>
<td>8</td>
</tr>
<tr>
<td>2.2 Significant Life Events of the Three Generations</td>
<td>9</td>
</tr>
</tbody>
</table>
CHAPTER 1
INTRODUCTION

When a new generation is about to enter the workforce, a lot of debate and discussion is produced among scholars and human resource professionals to understand their work habits, values, characteristics, and behaviors in the workplace. It is critical for organizations to understand the new generation in order to set their goals and practices in a way that enables the organization to reach its strategic goals. Just like Baby Boomers and Generation X, when Generation Y (defined as those born after late 1970s) started to enter the workforce in the early 2000s, the same types of discussions about their characteristics and their impact on organizations began among scholars around the world. In addition, an ongoing debate was started about whether the generational shift still being seen around the world shares common characteristics. This includes, whether we are heading towards generations that are no longer restricted to the boundaries of each country considering the fast growing changes in information technology and globalized economies, discussed in this thesis.

In this thesis I investigate whether globalization and technological advancement have created an environment in which younger generations, around the world, would have similar experiences in their life. I review the research on generational differences worldwide and assess the possibility that a global generation of educated and technologically savvy youth has emerged possessing similar characteristics, behaviors, and values. While most literature on Generation Y has only focused on defining and understanding generations within the boundaries of each country, the first goal of this thesis is to examine whether it is possible to define Generation Y globally.

The fact that Generation Y will be the most represented generation in the workforce in the next forty years and beyond put more importance on understanding their characteristics,
behaviors, values, and preferences in the workplace. In addition, since younger workers are more likely to change jobs within and across national borders, understanding their preferences globally is important for HR professionals in order to be able to attract, retain, and satisfy them. Therefore, the second goal of this thesis is to review the existing literature on Generation Y in the workplace around the world to understand how Generation Y differ from older workers and what the research literature suggests might be the best way to manage this group of employees.

Although there is some evidence to support the idea of a Global Generation Y, I conclude that significantly more research is needed. I argue that although global effects have influenced Generation Y’s characteristics, the local context is still the dominant determining factor in their behavior. Therefore, I propose the concept of “Glocal Generation Y”, which is influenced by both global and local context. In the following sections, I first review the literature on generations, Generation Y, and Generation Y’s personality and psychological contract. Second, the idea of Glocal Generation Y is explained along with the effects of global factors, including information technology and the global economy, and local contexts on Generation Y. Finally, the implication of such theory for human resource professionals is discussed.
CHAPTER 2

LITERATURE REVIEW

In this section, I review the relevant literature in three categories. First, I present literature on the concept of generation, its definition, the relation between age/life cycle and generational differences, and the definition of generations in the US and around the world. Then, existing research on Generation Y’s characteristics is categorized in two categories of personality and psychological contract. Personality and psychological contract are two of the main factors determining the employment relationship this generation has, and it is essential for organizations to understand these characteristics and preferences in order to set their practices and goals. Finally, as an alternative for the existing debate between globalization and anti-globalization trends, the concept of glocalization is explained to be used as the theoretical foundation for defining Glocal Generation Y.

2.1 Literature on Generation

2.1.1 Definition of Generation

According to Kupperschmidt, generation or cohort is defined as “an identifiable group that share birth years, age, location, and significant life event at critical developmental stages, divided by five-seven years into the first wave, core group, and last wave” (Kupperschmidt, 2000). Generations’ are defined by significant life events that capture the attention and emotions of thousands of individuals (Zemke, Raines, & Filipczak, 2000). These shared experiences have relatively stable influence over the course of individual’s life (Smola & Sutton, 2002; Lubinski, Schmidt, & Benbow, 1996; Meglino & Ravlin, 1998) and distinguish one generation from another. Similar life experiences are thought to develop a “peer personality” or common generational characteristics including values, attitudes, preferences, and behaviors (Kupperschmidt, 2000; Smola & Sutton, 2002; Zemke, Raines, & Filipczak, 2000). For example,
Gursoya, Maierb, and Chi (2008) believe that “…members of generations who come of age in lean times or war years tend to think and act differently than those born in peace and abundance.” Schuman and Scott conducted a study on a sample of adult Americans to test this assumption (Schuman & Scott, 1989). The respondents were asked to report critical historical events in the last 50 years, and the reason for their choice. They find that different generations recalled different events, especially from their adolescence or early adulthood, and claim that generational differences are the result of different life experience (Schuman & Scott, 1989). Therefore, due to these key life experiences, a cohort develops a set of unique characteristics, personalities, aspirations, and expectations that influence a person’s feelings toward authority and organizations, what they expect from work, and how they interpret subsequent life experiences (Kupperschmidt, 2000; Smola & Sutton, 2002).

2.1.2 Relationship between age and generational differences

While some authors found strong differences among generations, as noted later in the chapter, others have proposed an alternative hypothesis that perceived generational differences might be due to individual’s age and career stage rather than their generational experiences. In other words, individuals’ preferences change over time as they mature or go into different career stages. As Smola and Sutton (2002) said “One must wonder if indeed each generation is more lazy and self-centered than the last or if individuals become more conscientious and less self-centered with maturity—and then simply forget that they themselves may have been like the younger generation they now complain about.”

According to the theory of career development (Super, 1957; Super, Thompson, & Lindeman, 1988) and developmental theory of vocational behavior (Savickas, 2002), individuals go through four different stages during their career development: exploration, establishment, maintenance, and disengagement. To define an individual’s career stage, a number of factors such as age, organizational tenure, position tenure, and age as a function of organizational tenure have been used (Hess & Jepsen, 2009). These theories suggest that age-related differences can be attributed to the difference in individuals needs based on their career stage.
In addition, as individuals age, they go through different life stages that influence their preferences and employment priorities (Erikson, 1963; Veiga, 1983). Family responsibilities also affect individual’s preferences; for example, it is likely that childcare responsibilities lead to putting more value on work/life balance. This suggests that generational differences might be due to their age and life stage and therefore, people from the same generation might have similar preferences when compared in the same age, life stage, and career stage.

While substantial research has been done to test such a theory, there is no definite answer. For example, Rhodes (1983) proposed a theoretical framework to test age-related differences in work attitudes and behaviors. The framework suggests that there are four factors contributing to the age-related differences: past environment (cohort effects), present effect (period effects), chronological age (age effects), and sources of semantic error (selective sampling, selective survival, testing effect, etc.) Taking into account numerous research regarding career stage and individual preferences regarding work, Rhodes suggests that needs, preferences, work attitudes, values, and satisfaction changes as individuals pass through career stages. Smola and Sutton (2002) also found differences in generational work values based on comparing two samples in 1974 and 1999. Their results also suggest that those differences, to a lesser degree, are attributed to the participants’ age and maturity.

On the other hand, in another study, Finegold, Mohrman, and Spreitzer (2002) examine whether employment relationship elements that predict commitment differ with age. They report a strong correlation between employee commitment and satisfaction with work/life balance for those under 30, while the commitment of those over 30 is more related to their satisfaction with job security. Although they have found statistically significant results, they claim that the size effect is small and the generational effects are overemphasized in the popular literature (Finegold, Mohrman, & Spreitzer, 2002). In addition, another study by Singer and Abramson (1973) found no changes in participants’ work values over 12 years although they experienced changes in their salaries and career stage. Similarly, Deal finds in her book that generations do not have different values; they just express their values differently (Deal, 2007). She asked
1285 employees from different generations to prioritize the given 40 values, and the results show that the top 3 values are the same for every generation: Family, Integrity, and Love. She also concludes “there are at least as many similarities among the generations in their values choices as there are differences” (Deal, 2007, p. 21).

Other research, such as Real, Mitnick, and Mal’s study (2010) in U.S. building trades, Wong, Gardiner, Lang, and Coulon’s study (2008) in Australian workforce, and Dash & Panda’s study (2010) in India, discover no meaningful differences in generational preferences. They also claim that in case of observed differences, it was more due to age rather than generation. These studies suggest that while some of these generational differences are due to the generational effects, the effects of age and life cycle should be recognized in preference and characteristics of each generation.

2.1.3 Generations in the U.S.

As mentioned earlier, generational theory suggests that each generation is influenced by their experiences in childhood and early adulthood that create common personality, value, and attitude distinguishing them from other generations. Therefore, generation boundaries are defined based on significant events in the society. However, even within the US where the majority of generational research has been conducted there are some disagreements in boundary years of each generation and the label used to address them among authors. For example Strauss and Howe (1991) used rich historical data to define the generations in the US. Kowske, Rasch, and Wiley (2010) believe that this taxonomy is the most comprehensive taxonomy available about generations. However, there are other authors that used different methods to define generations.

In the US, there are four active generations in the workforce:

1. Traditional: Schaeffer (2000) has labeled American who were born between 1909 and 1933 as World War II-ers, and those who were born between 1934 and 1945 as Swingers. However, Kupperschmidt (2000) combine these two into one generation and referred to it as Traditionals (those born before 1940). Jurkiewicz and Brown (1998) also referred to
those born between 1925 and 1942 as matures. This generation was also labeled as Silent in some literature (Strauss & Howe, 1991). However, most literature use the term “Traditional” to address those born before 1940. Most of the Traditionals are now retired and few of them are still in the workforce.

2. Baby Boomer: although there is an agreement about the label of this generation, such agreement does not exist about the years encompassing this generation (Smola & Sutton, 2002). Strauss & Howe (1991) used the term “Boom” which includes those born between 1943 and 1960. However, most popular articles consider those born between 1946 and 1964, when a decline in birth rate was observed and signaled the end of this generation, to be the Baby Boomer generation. Baby Boomer is one of the most represented generation in the workforce along with the Generation X.


4. Generation Y: Generation Y is the newest generation entering the workforce. This generation is also called Millennial, Baby Boomer Eco, GenMe, or Generation Next (Zemke, Raines, & Filipczak, 2000; Loughlin & Barling, 2001). The years encompassing this generation are even more diverse, beginning in late 1970s and early 1980s, when baby boomers start to have children and the birth rate increased, and ending in 1994, 1999, 2000, or 2001 (Marston, 2007; Zemke, Raines, & Filipczak, 2000; Alsop, 2008; Smola & Sutton, 2002; Smola & Sutton, 2002; Twenge J. M., Campbell, Hoffman, & Lance, 2010). Some authors do not consider any ending and consider anyone born after early 1980s as Millennials (Strauss & Howe, 1991; Cennamo & Gardner, 2008; Chen & Choi, 2008).

Table 1 summarizes the characteristics and view of work for the three dominant generations.

Table 2.1: Comparison Table of Three Generations’ Characteristics and View of Work (Chen & Choi, 2008)

<table>
<thead>
<tr>
<th>Facet</th>
<th>Baby Boomer</th>
<th>Generation X</th>
<th>Generation Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Generational traits</strong></td>
<td><strong>Formative years</strong></td>
<td><strong>Latchkey kids</strong></td>
<td><strong>Raised by active parents</strong></td>
</tr>
<tr>
<td></td>
<td>• Raised by traditional structured family</td>
<td>• Many born into and raised in poverty</td>
<td>• “Decade of the child” – center of the family</td>
</tr>
<tr>
<td></td>
<td>• Education and economic expansion</td>
<td>• Society unfriendly to children</td>
<td>• Cultural wars and roaring 90s</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Raised during economic instability</td>
<td>• Racially diverse</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Sheltered (explosions of child safety rules and devices)</td>
</tr>
<tr>
<td><strong>Style</strong></td>
<td>• Independence stressed</td>
<td>• Independence stressed</td>
<td>• High expectations of self</td>
</tr>
<tr>
<td></td>
<td>• Psychology of entitlement</td>
<td>• Free agents</td>
<td>• Idealists</td>
</tr>
<tr>
<td></td>
<td>• Radical individualism</td>
<td>• Boomerang (leave home and return)</td>
<td>• Highly optimistic</td>
</tr>
<tr>
<td></td>
<td>• Challenged protested, and rejected social norm</td>
<td>• Extended adolescence</td>
<td>• Confident (independent thinking)</td>
</tr>
<tr>
<td></td>
<td>• Redefined-swinging singles, childlessness, dual careers, self-gratification</td>
<td>• Commitment reluctance</td>
<td>• Conventional (take pride in behavior)</td>
</tr>
<tr>
<td></td>
<td>• Idealists</td>
<td>• Realist</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Optimistic</td>
<td>• Cynical</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Self-absorbed</td>
<td>• Self-reliant</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Inner-directed</td>
<td>• Highly independent</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Entrepreneur</td>
<td></td>
</tr>
<tr>
<td><strong>View of money</strong></td>
<td>• I deserved it – I spent it</td>
<td>• I demand it – I invest it</td>
<td>• Financially smart</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Retirement benefits are important factors in job choice</td>
</tr>
<tr>
<td><strong>View of leisure</strong></td>
<td></td>
<td></td>
<td>• Work-life balance</td>
</tr>
<tr>
<td></td>
<td>• Means to self-fulfillment</td>
<td>• Work to have money for leisure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Work is shortcut to leisure</td>
<td>• Balance work and leisure</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Work-life balance</td>
</tr>
<tr>
<td><strong>View of technology</strong></td>
<td>• Expedient commodity</td>
<td>• Fact of life</td>
<td>• Intense users of high technology</td>
</tr>
</tbody>
</table>
As mentioned earlier, each generation experiences some events in its childhood and early adulthood that influences their values and behaviors either in personal context or in workplace. For example, Generation Y’s experience with Enron and other big corporate scandals resulted in their loss of trust with corporation and lowered their morale and loyalty to corporations. Table 2 summarizes such significant life events of the three dominant generations.

### Table 2.2: Significant Life Events of the Three Generations

<table>
<thead>
<tr>
<th>Significant Life Events</th>
<th>Baby Boomers</th>
<th>Generation X</th>
<th>Generation Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vietnam War</strong></td>
<td>High divorces&lt;sup&gt;a&lt;/sup&gt;</td>
<td>MTV&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Columbine High School shooting&lt;sup&gt;e&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Civil rights riots</strong></td>
<td>AIDS&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Worldwide competition&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Enron and other corporate scandal&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Class of the Kennedy’s</strong></td>
<td>Economic uncertainty&lt;sup&gt;d&lt;/sup&gt;</td>
<td>Fall of the Soviet Union&lt;sup&gt;d&lt;/sup&gt;</td>
<td>Afghanistan and Iraq wars&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>The Kennedy and King assassination</strong></td>
<td>Fall of the Berlin Wall</td>
<td>First TV</td>
<td>Hurricane Katrina&lt;sup&gt;e&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Watergate</strong></td>
<td>Oklahoma City bombing</td>
<td>Clinton-Lewinsky scandal</td>
<td>Growing up with the Internet&lt;sup&gt;d&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>The sexual revolution</strong></td>
<td>Clinton-Lewinsky scandal</td>
<td>Clinton-Lewinsky scandal</td>
<td>Growing up with the Internet&lt;sup&gt;d&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Woodstock</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Growth of television</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Suburbiá</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cold War</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cuban Missile Crisis</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: <sup>a</sup> (Smola & Sutton, 2002); <sup>b</sup> (Zemke, Raines, & Filipczak, 2000); <sup>c</sup> (Cowell & Kupritz, 2007); <sup>d</sup> (Twenge J. M., Campbell, Hoffman, & Lance, 2010); <sup>e</sup> (Alsop, 2008)
2.1.4 Generations around the World

Since each generation is defined based on its age and location, generations are usually characterized based on the boundaries of each country. To date, most generational research has been conducted in U.S., UK, and Canada (Cennamo & Gardner, 2008) and they have used the same generational classification. Therefore, generational research in other countries mostly used the same classification especially in Europe and Australia. For example, in a study of generations’ work values in New Zealand (Cennamo & Gardner, 2008), the authors believe that “New Zealand has followed similar demographic patterns to those countries, including participation in World War II and the social and economic changes of this era, and increasing levels of technological change especially the continuing rapid growth of information and communications technology”. Therefore, it is viable to assume that generational classification can be the same.

Moving away from Anglophone countries the generations become harder to define. Generational research in Asian countries is rare. The few studies in China and India suggest that such countries have used their own classifications based on their unique experiences. For example, there are two approaches to classify generations in China. The first one is proposed by Hung and Li (2007) based on the most important events in China (Cultural Revolution, Economic Reform, and Globalization of China). The three generations includes: Red Guards (1966-79), Modern Realists (1980-91), and Global Materialists (after 1992). Another approach categorizes the population into four generations: Traditionalist (1940-1950), Zhiqing Generation (1950-1960) who experience the Cultural Revolution, Open Generation (1960-1980) who experience China’s development, and Only-one Generation (1980-1990) (Liu & Zhao, 2008).

In case of India, there are four generations identified in the workforce that can be mapped with U.S.’s generational classification. The four generations are: 1) Pre-independence Generation (1940’s and 1950s) who experienced Mahatma Gandhi’s non-violent civil disobedient campaign for independence, 2) Post-independence Generation (1960s and 1970s)
who witnessed India’s shift to a socialist economic model under Indira Gandhi’s leadership, 3) Pre-Economic Reforms generation (1980s and 1990s) who experienced Gandhi’s death by her bodyguard, and finally 4) Post-Economic reform generation (1990s and 2000s) who experienced economic growth under liberalization and reform policies (Dash & Panda, 2010).

Although some of these countries have some different classification, most of them have used the U.S.’s terminology to address generational issues and characteristics. In addition, while older generations have different dates and defining events, younger generations, especially Generation Y, have more commonality around the world since they share more common defining events, such as 9/11, economic crisis, Internet, etc., with each other. Therefore, in this thesis, I am going to use the U.S.’s generational terminology to address each generation around the world.

2.2 Characteristics of Generation Y

Characteristics of Generation Y can be assessed from different standpoints. Two of the main aspects of its characteristics in popular literature are personality and psychological contract. Understanding personality is important since it has some influence on Generation Y’s performance, as noted later in this section. In addition, the psychological contract of Generation Y defines the employment relationship, satisfaction, and commitment of this generation. Therefore, in this section, I discuss the definition of personality and psychological contract and relevant literature and research about Generation Y.

2.2.1 Personality Traits

According to MacKinnon (1944), personality can be defined in two ways. First, personality refers to factors, including temperament and interpersonal strategies, that people have developed to deal with others, that explain their behavior. These factors determine their social behaviors and performance in personality questionnaires (Hogan, Hogan, & Roberts, 1996). Second, personality refers to distinctive interpersonal characteristics, which are described by those around the person, and can be interpreted as the person’s reputation. This view of personality is the basis for the big-five personality factors questionnaire. This aspect of
personality that is based on the person’s past behaviors can be regard as the most important aspect since past behaviors are the best predictor of person's future behaviors (MacKinnon, 1944).

Personality is important in this context for its relationship to job preferences and job performance. Some claim that some elements of personality can predict the person’s performance on the job, while others question the validity of personality measures. Research suggests that some elements of the five-factor model of personality, such as Conscientiousness, can be a predictor of job performance regardless of the occupation, and other element such as Extraversion, Openness, Agreeableness, can be a performance predictor in specific occupations (Barrick, Mount, & Judge, 2001).

2.2.1.1 Generation Y and Personality

Much research has been conducted to explore Generation Y's personality traits in the United States (e.g. Twenge and Campbell (2008), Twenge (2010), Twenge and Campbell (2001), Twenge, Konrath, Foster, Campbell, and Bushman (2008), etc.). This research suggests that there are perhaps real changes taking place in the average personality characteristics of workers in the U.S. In the U.S., Jean Twenge has undertaken the most of these studies using the data gathered from psychological scales over the last eight decades, primarily those using college student samples.

In one of these studies (Twenge & Campbell, 2008), the results show that narcissism and self-esteem have increased over time, and Generation Y demonstrates higher scores in these traits than older generations. The increase in narcissistic characteristic was observed in the data from 27 campuses in the U.S., except University of California campuses that can be attributed to the high percentage of Asian students (over 40%) in the sample (Twenge & Campbell, 2008). They also report increase in individualistic traits, such as self-esteem, assertiveness, and narcissism, over the generations in college student samples (Twenge & Campbell, 2001; Twenge, 2010; Twenge, Konrath, Foster, Campbell, & Bushman, 2008) and claim that Generation Y individuals are egotistical, entitled, and self-centered due to such
characteristics. For measuring self-esteem, they used Rosenberg Self-Esteem Scale (RSE) (Twenge & Campbell, 2001); and used Narcissistic Personality Inventory to measure narcissism (Twenge, Konrath, Foster, Campbell, & Bushman, 2008).

However, such findings by Twenge and her colleagues are challenged by Trzesniewski and colleagues (Trzesniewski, Donnellan, & Robins, 2008). They claim that Twenge et al.’s findings can be undermined considering limitations of convenience sampling, and Trzesniewski’s failure to replicate their findings using other nationally representative samples. In another study (Trzesniewski, Donnellan, & Robins, 2008), the authors report that they have found no evidence that college students’ NPI score increased from 1980s through 2007.

In case of locus of control, which is measure by Internal-External Locus of Control Scale, Twenge and Campbell report that Generation Y college students are becoming more external in their control beliefs and that the average Generation Y college student in 2000 have more external control beliefs than 80% of college students in 1960s (Twenge & Campbell, 2008; Twenge, Zhang, & Im, 2004). They claim, “young Americans increasingly believe their lives are controlled by outside forces rather than their own efforts” (Twenge, Zhang, & Im, 2004).

Using Social Desirability Scale, developed by Marlow and Crowne, Twenge and Campbell measured the need for social approval (Twenge & Campbell, 2008). They report that college students’ need for social approval decreased sharply during 1950s and late 1970s and was stabilized since then at this historically low level (Twenge & Campbell, 2008). Lower need for social approval can help explain younger generation’s (specially Generation Y) desire for informal dress code, dislike for conformity, and their reputation as job-hoppers (Twenge & Campbell, 2008).

However, little is known about Generation Y’s personality traits outside the United States. In a study of Chinese Generation Y, Moore, based on a new slang used by Generation Y, claims that a central feature of Generation Y’s attitudes that is different from their previous generations is a kind of individualism that stands opposed to collectivist spirit of previous generations (Moore, 2005). In a study by Wong et al. in Australian workforce using the
Occupational Personality Questionnaire, results show few meaningful differences among generations in the five factor personality elements (Wong, Gardiner, Lang, & Coulon, 2008). The authors also claim that those observed differences are more related to age rather than generation. The results show that Baby Boomers have the lower score in Achieving element, and Generation Y have the highest Affiliative element. They also report that Generation Y is more conscientious than Generation X, and Generation X is more optimistic than Baby Boomers. In another study in India (Dash & Panda, 2010), the authors claim that Generation Y has the highest score in Achieving and Affiliative elements and they are more conscientious than Generation X. They have found no significant difference in Independent Minded and Variety Seeking elements.

2.2.2 Psychological Contract

Psychological contracts are beliefs regarding reciprocal obligations between two parties that is the foundation of the employee-organization fit (Rousseau, 1990). Those beliefs create a contract in individuals mind that he or she should get certain outcomes in return for his or her contribution to the organization. Most of these expectation and obligation is unwritten and undiscussed (Rousseau, 1990). The psychological contract can become problematic when the parties are not aware of each other’s expectations and obligations. If employees perceive that the psychological contract is breached, they will respond with increased level of intention to leave or a decreased level of commitment (Coyle-Shapiro, 2002; Robinson, 1996; Robinson, Kraatz, & Rousseau, 1994). In addition, some studies find positive correlation between contract breach and actual turnover (Robinson, 1996; Guzzo, Noonan, & and Elron, 1994). Therefore, it is important for companies to have a better understanding of their employees and their mind state regarding psychological contract.

Attributes of psychological contract can be categorized into two factors: transactional, and relational (Rousseau, 1990). Transactional attributes are typically tangible such as salary, benefit, and job security. Transactional contracts usually include highly competitive salaries and no long-term commitment. On the other hand, relational contracts include more intangible
attributes such as culture, work/life balance, and challenging work. While transactional attribute have direct and clear relationship between employee’s input and what they receive in return, relational attributes do not have such a clear link.

2.2.2.1 Gen Y and Psychological Contract

In contrast to personality traits, substantial research has explored Generation Y’s psychological contract around the world. Older generations hold some common stereotypes regarding Generation Y’s expectations from work such as high expectations (regarding both transactional and relational attributes), low loyalty to organization, etc. They believe that younger generations not only do not want to work as much, but also expect to receive more rewards. It is also believed that younger generation does not have commitment to organizations and are ready to leave whenever a better opportunity appears. In his book, The Trophy Kids Grow Up: How the Millennial Generation is Shaking Up the Workplace, Alsop (2008) believes that since Generation Y has received a trophy whenever it performed a certain task, it possesses higher expectation regarding how and when the reward should be received. Some of these stereotypes are supported by research and some are not.

One of the common stereotypes about Generation Y is that they place much more importance on transactional attributes than relational attributes. However, a survey conducted on junior and senior undergraduate and recently graduated Generation Y from Colleges in Southern California shows that transactional attributes, including good health and benefit plan, job security, and good initial salary were not found to be more important, but in fact relational attributes, including good people to work with, good people to report to, work/life balance, training, and challenging work are considered more important (Bottorff, 2011). Another study by Cowell and Kupritz in the United States claims that Generation Y’s satisfiers include respect, personal touch, mentoring/coaching, technology, training, and meaningfulness, almost all of them can be categorized into relational attributes (Cowell & Kupritz, 2007). Therefore, it is important for organization to understand that, in contrast to the widely belief that Generation Y
highly values transactional attributes (money), Generation Y can be attracted and retained by
emphasizing relational attributes such as training and development.

Putting more importance on relational attributes does not mean that transactional
attributes are not important. A survey of college students in the United States shows that 73.4%,
57%, and 34% of respondents state that some basic level of salary, benefit, and retirement
plan, respectively, is non-negotiable (Rawlins, Indvik, & Johnson, 2008). Therefore, Generation
Y needs some basic level of transactional attributes along with highly emphasized relational
attributes.

Another common stereotype is that Generation Y has relatively higher expectations
regarding work/life balance, social connections at work, career advancement, training and
development, meaningful work, and financial rewards than their previous generation (Smola &
Sutton, 2002; Twenge & Campbell, 2008; Hauw & Vos, 2010). One reason for such perception
might be the fact that Generation Y is more likely to express its desires and feelings freely to
employers than previous generations. In Bottorff’s study, students rated both transactional and
relational attributes higher than previous generations. She believes that this might be due to
students’ tendency to rank high, or simply because “they want much more than they are going
to get in the real world” (Bottorff, 2011).

There is some indication that these generational differences observed in the United
States might be shared elsewhere in the world. Liu and Zhao in their commentary about
Generation Y in China claim that Generation Y expects more benefits and other perks than their
previous generations (Liu & Zhao, 2008). They also believe that Generation Y exhibits a sense
of entitlement, especially those with higher degrees, and cannot accept a less-than-ideal job.
On the other hand, in another study in Canada, 71% of respondents stated that they are willing
to start at a less-than-ideal job as a career starter, but they want rapid advancement in the
organization – with first promotion within 18 months (Ng, Schweitzer, & Lyon, 2010).

In the following sections, Generation Y’s psychological contract is discussed in more
details: the expectations and preferences regarding 1) pay and benefit, 2) work/life balance, 3)
training and development, 4) opportunities for advancement, 5) job security, and 6) social environment. These are the elements most discussed in the psychological contract literature about Generation Y.

2.2.2.2 Pay and Benefit

As noted in Corporate Leadership Council (2004), pay is found to be the single most important motivational factor for Generation Y, which is inconsistent with the research I already discussed. Ng et al. believe that this might be due to Generation Y’s need for feedback, and financial rewards can be seen as a feedback of how the individual is doing his/her job (Ng, Schweitzer, & Lyon, 2010). As mentioned earlier, 73.4%, and 57% of U.S. Generation Y respondents believe that some basic level of salary and benefit, respectively, is non-negotiable to consider a job offer, however, they are less focused on their pay and benefit and look for organizations that can provide them personal fulfillment (Rawlins, Indvik, & Johnson, 2008). In another study in Belgium, meaningful work and career satisfaction was found to be more important than financial reward among Generation Y (Hauw & Vos, 2010), however the authors discuss that based on Dries et al.’s results (Dries, Pepermans, & De Kerpel, 2008), salary is still an important factor for every generation that can determine success. In a survey of Canadian workforce, good initial salary was ranked 9th among Generation Y’s top attributes (Ng, Schweitzer, & Lyon, 2010), while in a study of UK employees, money was not found to be in the top attributes of Generation Y and “variety in daily work” was ranked 4th among them (Terjesen, Vinnicombe, & Freeman, 2007). In addition, money was not found to be a satisfier among U.S. Generation Y respondents (Cowell & Kupritz, 2007). Liu and Zhao believe that Generation Y in China put more importance on training, challenging work, and expanding their capabilities, even though income serves as an important factor in choosing the employer (Zhao & Liu, 2008). In a study of work attitudes in U.S. generations, Twenge (2010) found that Generation Y and Generation X have higher extrinsic work values (such as salary) than other generations; however, Kowske et al. (2010) claim that there is no significant difference in the level of satisfaction with pay and benefit among generations. Therefore, it seems like Generation Y
around the world have similar expectation about pay and benefits; they demand a basic level of salary and look for organizations that are able to provide them with personal fulfillment and challenging work.

2.2.2.3 Work/Life Balance

Smola and Sutton believe that Generation Y has a different psychological contract that highly emphasizes work/life balance (Smola & Sutton, 2002). Zhang, Straub, and Kusyk (2007) claim that young workers chose “making a life” over “making a living” since they have seen lots of corporate downsizing, layoffs, and their baby boomer parents long-hours working (Loughlin & Barling, 2001). Twenge (2010) also reports that Generation Y rates work as less central to their lives and values leisure more than any other generation in the U.S. In addition, status and freedom work values have been found to be more important than other values in New Zealand (Cennamo & Gardner, 2008) that supports such an argument.

In a study of 27,592 postsecondary students across Canada, Ng et al. found that work/life balance is ranked as the fifth most important factor in Generation Y’s decision making about who and where to work, followed by opportunities for advancement, good people to work with, good people to report to, and good training and development opportunity (Ng, Schweitzer, & Lyon, 2010). In another study in Australian workforce, lack of control over life was ranked 8th in the top reasons for leaving the company by Generation Y (Jorgensen, 2003). This finding is also supported by Cennamo & Gardner (2008) in New Zealand that younger individuals (Generation X and Y) consider status and freedom — such as work/life balance — to be more important than do previous generations. Liu and Zhao (2008) also claim that flexible working environment is among the top attributes of Generation Y in China. Contrary to these findings, in an attempt to discover UK Generation Y’s top preferences in workplace (Terjesen, Vinnicombe, & Freeman, 2007), the authors did not find work/life balance among Generation Y’s top attributes.

In a study of Generation Y’s psychological contract in Belgium (Hauw & Vos, 2010), Hauw and Vos observed that Generation Y’s expectation regarding work/life balance and social
atmosphere have declined after recession. They suggest that these attributes are affected by contextual influences rather than generational influences, and other attributes such as job content, career development, training, financial rewards, and job security are affected by generational influences. Such finding might suggest that work/life balance preferences are not related to generational influences and childhood experience of each generation, and they are subject to change as the situation in the society changes.

2.2.2.4 Training and Development

Generation Y highly values training and development in organizations since it allows them to continually expand its knowledge and skills and remain competitive in the market (Sturges, Guest, Conway, & Davey, 2002; Loughlin & Barling, 2001; Hauw & Vos, 2010). Training and development was ranked 4th among Canadian Generation Y (Ng, Schweitzer, & Lyon, 2010), and first among UK university student respondents (Terjesen, Vinnicombe, & Freeman, 2007). In Belgium, Generation Y’s expectation regarding training and development was found to be still high even after recession, suggesting that this attribute is influenced by generational factors (Hauw & Vos, 2010). Therefore, training and development is one of the most important factors for Generation Y that organizations should be aware of, and plan accordingly.

2.2.2.5 Opportunities for Career Advancement

Generation Y has higher expectations than other generations regarding career advancement as well (Hauw & Vos, 2010). Wong et al. (2008) claim that Generation Y is more ambitious than other generations and therefore, they actively seek opportunities for career advancement inside or outside the organization. Ng et al. (2010) found that 68.5% of Canadian respondents expect to be promoted on average of every 15.1 months and within 18 months of their first job. This attitude might be the reason for valuing training and development by Generation Y. Ng et al. (2010) also found that opportunities for advancement was rank 1st among the top expectations of Generation Y in Canada. In UK, “clear opportunities for long-term career progression” was ranked 3rd, and in Australia, “insufficient opportunities for career
development” was ranked 5th among the top reasons to leave the organization (Jorgensen, 2003). Liu and Zhao consider “making rapid progress in climbing the corporate ladder” as one of the top priorities of Chinese Generation Y (Liu & Zhao, 2008). These results suggest that Generation Y around the world has similar expectations regarding career advancement and if the members of this generation are not able to advance through their organization, they are willing to change the organization to have better career advancement opportunities.

2.2.2.6 Job Security

Although Generation Y highly values job security (Dries, Pepermans, & De Kerpel, 2008), they have low expectation about it (Hauw & Vos, 2010). They are aware of today’s workplace situation and recognize that lifelong employment is rare in the current job market (Tomlinson, 2007). Bottorff (2011) states “Not only do they not offer as much loyalty, they do not have such a high expectation to receive it back.”

Therefore, they take a more proactive role toward their job security by continually improving their knowledge and skills to stay competitive in the labor market (Hauw & Vos, 2010). Jorgensen’s results in Australia also support such a claim since the first two reasons for leaving the organization for Generation Y was to make career change while still young, and better career perspective that shows Generation Y takes a proactive approach toward their employment (Jorgensen, 2003).

In the study by Ng et al. in Canada, 50% of respondents did not know or would not want to stay with a single organization for their whole career; and job security was ranked 8th in Generation Y’s top attributes (Ng, Schweitzer, & Lyon, 2010). In Terjesen et al.’s study in UK, job security was not found to be in Generation Y’s top attributes (Terjesen, Vinnicombe, & Freeman, 2007). The same pattern can be observed in China’s Generation Y. Liu and Zhao (2008) claim that Generation Y in China change their job, on average 2.4 times in every 6 years.

2.2.2.7 Social Environment

Generation Y highly values social connection at work and prefer a workplace that emphasizes on social aspect of work such as friendly coworkers and fun environment (Hauw &
Vos, 2010; Cennamo & Gardner, 2008). Ng et al. (2010) believe that this is due to growing up in an era in which they were frequently asked to do group projects and presentations (Lowe, Levitt, & Wilson, 2008). This finding is also supported by Wong et al. (2008) that found Generation Y possesses higher affiliative traits than any other generational cohort. On the other hand Twenge (2010) claims that Generation Y are consistently higher in individualistic values based on a sample of high school students in the U.S., and they place less importance on social interactions at work (Twenge J. M., Campbell, Hoffman, & Lance, 2010).

In Corporate Leadership Council (2004), “manager quality” was rated as a top motivational factor after pay for Generation Y. In Canada, “good people to work with” and “good people to report to” were ranked 2nd and 3rd, respectively, in Generation Y’s top attributes (Ng, Schweitzer, & Lyon, 2010). In the UK, “care about their employees as individuals” and “friendly, informal culture” were ranked 2nd and 6th, respectively, in their attributes (Terjesen, Vinnicombe, & Freeman, 2007). In China, flexible working environment, including good relationship with boss and coworkers, casual dress environment, and communication place and style were found to be in Generation Y’s top priorities (Zhao & Liu, 2008).

### 2.3 Glocalization

The argument that whether we are heading to a direction with dissolving borders between counties and shrinking world has been an important issue in human, social, business, and management sciences. According to Day (2006), the “world is hurtling towards a state of uniformity, in which everybody consumes the same things, thinks the same thoughts, and is at the mercy of the powers of global corporations and big governments, societies become increasingly homogeneous” (189). Technological innovations and a global economy are introduced as two main determinants of life in the postindustrial world (Day, 2006); and communication and transportation technologies are introduces as the necessary infrastructure for the process of globalization (Castells & Cardoso, 2006, p. 16). Boyd-Barrett identifies three characteristics shaping the current global development. First, these developments are inclusive, and include almost all nations. Second, globalization is driven by Western-based Transnational
Corporations (TNCs). Third, this process is dependent to a large degree on information technology.

On the other hand, there are anti-globalization movements that emphasize the importance of social and cultural diversity, and the influence of this diversity on the way that people use technology around the world and play a role in the global economy. Local diversity and personal identity are two of their main concerns about the fast growing global developments. More specifically, they talk about “reassertion of the local, the power of place-based identities, the development of counter-narratives of the nation” (Soja, 2000), and more generally from what Smith & Guarnizo (1998) describe as “transnationalism from below.” In addition, by ignoring cultural diversity in a globalized world, “one fails to consider the reciprocal influences that cultures have on each other”. Therefore, according to this view, we need to essentialize cultural differences and strengthen the boundaries between different cultures (Kalscheuer, 2009).

As an alternative for these two extremist approaches, Robertson (1995 cited in Wellman & Hampton, 1999) for the first time used the term ‘glocalization’ to catch the extent to which global developments could go hand-in-hand with a new sensitivity to local difference. Understanding of globalization is essential to completely understand glocalization. In contrast to transnationalism in global societies, in glocalization we have cosmopolitism, which “signals a preexisting blending of global and local considerations in real life through glocalization, [and] can be defined as a moral and ethical standpoint or quality of openness manifested in people’s attitudes and orientations toward others” (Roudometof, 2005). In the business world, glocalization was first used by the Japanese in the 1980s. They called it dochakuka, which in Japanese means global localization, and referred to business practices that try to adopt farming technology to local conditions (Martin & Woodside, 2007). Later on, it was broadly used to suggest considering local conditions in the fast growing multinational businesses, and acknowledge the local individual understanding in different region to recognize local market needs and customers’ attitudes (Govindarajan & McCreary, 2010).
CHAPTER 3
DISCUSSION

3.1 Glocal Generation Y

In the last few decades, due to the fast growing development of information and communication technology and emergence of global economy and political crisis, a new approach has emerged in social science that attempts to define emerging Global Generation Y that is in contrast to traditional approach of defining generations differently in each country based on historical phenomenon they experience. For this global generation, borders of countries are becoming less and less important and their attachment to the places where they were born and raised are decreased or abolished.

However, since discussion about Global Generation Y is a part of broader discussion about globalization and its effects on different aspects of society, it faces similar supporting and criticizing arguments. This thesis criticizes such assumption about emergence of Global Generation Y because of its extremist approach in overestimating the effects of global forces by undermining the importance of local context in shaping individual and social characteristics and behaviors of Generation Y. As an inclusive alternative for this approach, this thesis introduces ‘Glocal Generation Y’ that is affected with similar global phenomenon but react differently based on the diverse cultural and societal context. In the following sections, I first argue global effects on shaping individual and social behaviors of Glocal Generation Y, and criticize the existing approaches in defining a deterministic role for it. Then, I discuss the importance of place and local context in the way that Glocal Generation Y of each country reacts to these global forces. Finally, I explain the implication of Glocal Generation Y in Human Resources Management and the importance of recognizing glocal characteristics of this generation when they enter the workforce.
3.2 Global Effects

While those belonging to Generation Y were growing up around the world, they experienced massive changes that influenced their life as children, teenagers, and adults. These changes can be classified in two main categories of information technology and crises (economic and political).

3.2.1 Information Technology

More than any other thing, human life has been affected by fast growing changes in information technology in the last three decades. This has led many scholars to announce a third historical revolution after agriculture and industrial ones. These fast growing changes in the way that people commute between places and communicate with each other makes scholars talk about the effects of these new technologies in human and social life. Diminishing attachment to places and physical boundaries is an example of how information technology can affect societies. Margaret Thatcher, former UK prime minister, in her famous remark mentions this fact by saying “there is no such a thing as society. There are individual men and women, and there are family” (quoted in Evans, 2004). In addition, Cairncross, in her book entitled *Death of Distance*, concludes “a technology that makes it easier to communicate should simultaneously reduce human contacts” (Cairncross, 2001). Therefore, people are no longer restricted to spatial boundaries, and they form their communities based on mutual interests rather than physical location. Generation Y as a part of each country’s population has grown up during these changes and has been affected the most. From this perspective, we can no longer define location and country-based characteristics for this generation and their behaviors become more and more similar around the world.

The assumption made of global generation in discussions about fundamental effects of information technology on this generation suffers from the same criticism of technological determinism. Technological determinism is part of a broader and controversial debate over the primary factors that leads to social changes, along with other types of determinism such as social determinism, environmental determinism, economic determinism, etc. Technological
determinism, by its definition, includes an underlying assumption that defines a subjective role for technology and objective role for society. In other words, technological determinism assumes a passive role for society that is extensively influenced by technological advancement. Different scholars criticize this assumption. Murphie and Potts (2003) argue that the relation between technology and society is more intervening than cause-effects. In addition, Bimber argues that technology only has facilitating role in societal changes but not a deterministic one (Bimber, 1990). Therefore, information technology has facilitated the way Generation Y individuals communicate with each other, access information, and share knowledge, but would not determine their values and behaviors.

Global Generation Y discussion is also criticized because of its assumption about decreasing the importance of geographical location in defining social and individual characteristics of this generation. Wellman (2002) argues that distinguishing between social ties in physical and virtual spaces is a ‘false dichotomy.’ The fact is there is no such a thing as virtual spaces, only actual and intervened online and physical spaces. This generation that use online tools more than any other generations for their communication, forms their community in online sphere and continues in physical spaces and vise versa. This explains why Putnam’s research (2000) on only physical communities shows a substantial decline in social capital among younger generation.

It is important to note that criticism of defining a deterministic role for information technology and emphasizing the importance of place should not be interpreted to mean that information technology has not had any effects on Generation Y. In fact, it has a substantial facilitating role on affecting different aspects of this generation but not a deterministic one. For example, people around the world can a) access similar sources of information such as news channels, b) use the same communication means such as Facebook and Twitter, and c) have similar forms of entertainment such as TV shows and theme parks. Based on the information discussed in the literature review, I explain how information technology affects Glocal Generation Y's personality and psychological contract.
Personality of Glocal Generation Y has been affected by information technology in many ways. Despite Moore’s argument (2005) about growing individualistic attitude among Generation Y in contrast to collectivist spirit of previous generations, Glocal Generation Y has found its own way of communication and socialization. Information Technology provides this opportunity for them to expand their social networks and continues their social interaction on physical spaces in online spheres. By ignoring what is happening in online spaces, we lose a substantial part of this generation's everyday life. This cultural publicity in online spaces among Glocal Generation Y also explain why this generation believes their life is being controlled by outside forces. This empowered social networks plays a supporting role that decrease the need for social approval among young generation, as Twenge and Campbell argue (2008). Therefore, Glocal Generation Y has more complex personality that needs to be recognized. Without understanding the underlying effects of information technology on personality of this generation, we would miss underlying rationale behind this generation’s behavior.

Information technology and social media have also affected psychological contract characteristics and work values of Generation Y. As discussed earlier, psychological contract is about common belief and reciprocal obligations between employee and employer that needs mutual understanding to form. This mutual understanding can be aimed by using information technology that provide more controlled and expanded social and organizational networks. Employers can use online tools to have better and more well-informed communication with their employees and employees can use information technology to gain better knowledge about their rights and responsibilities as well as existing opportunities to get maximum benefit and promotion in their position. Information technology can also help individuals look for jobs much easier, benchmark their salary to see if it is fair, talk to their friends about their experiences, trash their employer online if the contract is broken, and better monitor contract violation by seeing what other people are saying online.

Psychological contract in each organization can be seen in organizational chart. Social media fundamentally changes the structure of traditional organizations from hierarchical
structure to communities of practice, which is preferred by Generation Y (Figure 3.1). According to Cross (2006), traditional hierarchical structure is more top-down and autocratic which discourages disagreement among different sections and relies more on structural capital of the organization. On the other hand, by expansion of information technology and social media usage among Generation Y, hierarchical structure changes to communities of practices that are more bottom-up and democratic and encourage variety of arguments and thoughts that relies more on social capital. This fact explains why new pioneer organizations, such as Facebook, Google, and Apple, with most employees from Glocal Generation Y do not follow the traditional structure in their organizational chart.

![Figure 3.1: How Social Media is Changing Authority (PLearn.net, 2010)](image-url)
3.2.2 Global Economy

Although emergence of information technology and a global economy are integrated and intervened, it is important to discuss their effects on Glocal Generation Y separately. Day argues this point by introducing technological change and economical globalization as two main “determinants of life in post-industrial world” (Day, 2006, p. 357). Now, with multinational corporations, interrelated stock markets, and mega-regional governmental policies, the world economy is interconnected for countries and even more for mobile Glocal Generation Y. Discussion about global economy can be classified in two categories of a networked global economy and a knowledge-based global economy.

Global economy is an important part of discussion about network society and vice versa. Castells defines a network economy as a “new and efficient form of organization of production, distribution, and management” (Castells, 2000, p. 8). In a network economy, network is considered as a capital besides financial capital, human capital, organizational capital, and cultural capital (Wellman B., 2002). According to Wellman, network capital brings tangible and intangible resource of “information, knowledge, material aid, emotional support, and a sense of being connected” (Wellman B., 2002). Productivity is an important result of a network economy that makes different sections of the world economy productively integrated into a networked global economy (Castells & Cardoso, 2006).

A knowledge economy is another important discussion about the global economy. Although discussion about economical importance of knowledge is new, Castells (2006) argues that knowledge has always been a central part of society throughout history. However, in the new global economy, facilitated ways of producing, distributing, and accessing knowledge not only provides more skilled workers and employees around the world, but it is also considered as intellectual property and means of production for multinational employers (May, 2002). Employers, in knowledge-based economies, can have better access to knowledge and human capital; also “distribution capacity to generate knowledge and manage information” is crucial in production of human resources (Castells & Cardoso, 2006).
Both knowledge and network aspects of the global economy influence characteristics of Generation Y including its personality and psychological contract. Before entering into this discussion, it is important to note that while Glocal Generation Y is entering the workforce, the global economy is in one of the world’s worst crisis. This generation observes how economic crisis in one country, such as Greece, can pull entire European countries’ economy down; how China is gaining power in international community based on its fast growing economy; and how the current U.S. economic crisis, unlike previous ones, has had massive effect on economies around the world. In addition, multinational corporations have created the concept of virtual teams in response to these changes in the global economy that affects communication within the organization. Therefore, Glocal Generation Y is entering to a workforce that is highly influenced and integrated by global economy.

Personality of Glocal Generation Y is affected by the global economic context that they have grown up and been educated in. Mobility of this generation is the main result of these changes in globalized economies. Florida (2002) explains this characteristic of new generation and concludes that they are more mobile and they move where opportunities are. Therefore, when a person from Glocal Generation Y is about to enter the workforce, s/he is looking to much broader destinations around the world and where the best opportunities exist, not only where s/he is from. Studying location preferences of Glocal Generation Y needs further research, but it would be interesting to see what are the most important factors in their decision about where they want to work and live.

The consequences of the global economy also influence Global Generation Y’s psychological contract. In a knowledge-based global economy employers can obtain knowledge as an intellectual property about how and where they can find the most relevant and expert employees, what resources they need, and what they can make available, in addition to “the indirect ties that they provide to resourceful others” (Wellman B., 2002, p. 20). Therefore, in the global economy, Glocal Generation Y looks for opportunities in broader scales to find the most appropriate jobs, corporations are competing with each other to hire the most skilled
employees, and cities are competing with each other to attract more corporations. This never-ending cycle may explain the increasing turnover rate and decreasing loyalty among Generation Y.

3.3 Local Context

Despite all of the changes in information technology and global economy that may draw us to the conclusion that the world is heading toward a global economy, location and physical boundaries still matter. Generations in different societies have born and raised in different cultures, educated in different educational systems, and deal with different opportunities and threats. Even many corporations and organizations in different countries deal with different governmental policies and different kinds of employees and clients. Therefore, the effects of globalization on society is overestimated by assuming that the world is heading toward a direction that differences between concurrent generations among different countries are being dissolved and their characteristics are becoming more and more similar. This is why this thesis calls a generation who has born and raised simultaneous to all these global changes Glocal Generation Y, as they are affected by global forces but reacts differently based on local context. In the rest of this section I discuss how local education system and societal culture affect Glocal Generation Y’s personality and psychological contract.

3.3.1 Local Educational System

Educational system in each country is where society formally and officially prepares younger generations to be part of the future workforce. Webb and Jordan talk about the main purposes of education in the United States as “develop reasoning about questions, master the methods of scientific inquiry, cultivate the intellect, create change agents, develop spirituality, and model a democratic society” (Webb, Jordan, & Metha, 2010). Other countries also have similar goals, but they are different in the content and methods of education. Since more than a decade of first 20 years of younger generation is forcefully under official education it fundamentally affects how the personality of this generation is formed and how official values of each country transferred to newer generations.
Personality of Glocal Generation Y and how they behave when entering the workforce depends on the educational system that they have been raised in. These differences are more obvious in organizations and corporations that hire more diverse international employees. Teamwork, leadership attitudes, and basic professional skills are examples of different aspects of personality that are being formed in childhood, and mostly in schools. This is why employees from some countries do a better job in projects that needs personal expertise and others are better at working in a team and leading a group to set its goals and collectively find the most appropriate way to reach them. For example, American educational system emphasizes more on social skills, such as teamwork, in comparison to Asian countries that emphasize on technical skills.

Local educational systems also influence psychological contract and work values of Glocal Generation Y. Again, studying the relation between behaviors of employees from different countries and the content and methods of education of those countries can show how relation between teacher-student can, to some extents, be replicated in the relation between employer and employees. An educational system that provides more flexible curriculum for students to find their own ways of addressing each course’s goals and assignments develops creativity and confidence among them. The generation who has been educated in such structure more likely prefers to work in an organization that provides similar flexibility in different parts of a project. On the other hand, a more rigid educational system, such as what exists in most Asian countries, generates workforce that would prefer to work on projects that have specific goals and defined tasks. Therefore, because of expansion of global economy and increasing mobility in younger generations, Glocal Generation Y from different background may work with each other in the same organization or even the same project, but their personality and psychological contract is highly influenced by their local educational system.

3.3.2 Societal Culture

In addition to official education in local schools, people in each country become educated and socialized in the society in which they grow up. Family is the first social group that
forms children’s basic personality and beliefs. Although families are different in terms of their educational, social, and economic class, family structure and its importance in each country depend on societal culture of that country. In addition to family, existing values and norms in societies are being transferred to younger generations by other societal groups that each person belongs to throughout their life. These differences in societal culture, have distinguished different civilization during history. Traditional classification between West and East cultures roots in differences in micro-cultural identities. Hofstede developed a framework, the cultural dimensions theory, to address these differences in people from different countries. He believes that “people carry mental programs which are developed in the family in early childhood and reinforced in school and organizations, and that these mental programs contain a component of national culture” (Hofstede, 1984). Therefore, despite effects of information technology and global economy on Glocal Generation Y, its personality and psychological contract are highly influenced by the societal culture.

In contrast to educational systems that have direct and formal impact on the personality of Glocal Generation Y, societal culture has an indirect and informal underlying effect that makes it more difficult to measure them. Narcissism and need for social approval are two of the main aspects of personality that are different in each societal culture. This explains why Twenge and Campbell (2008) observe an increase in narcissistic characteristic in the data from 27 campuses in the U.S., except Universities in California that have high percentage of Asian students (over 40%) in the sample. Ignoring these differences and coming to a conclusion about global trend in any of these aspect would be another example of overestimating globalization effects on societies. Therefore, organizations need to recognize these differences in personality of Glocal Generation Y and avoid underestimating the effects of different cultural background on them.

Psychological contract and work values of Glocal Generation Y are also influenced by societal culture in many ways. When a person has grown up in a society that appreciates, or even prizes every work that he has done correctly, s/he may unintentionally expect similar
reward system in the organization that s/he works for. Lack of these reward systems may be misinterpreted as a sign of weaknesses in her/his work and may lead to dissatisfaction with the organization. On the other hand, those who have been raised in a society where competition is the only legitimate way of being prized, they may bring the same attitude in the workplace as a manager and create an oppressive atmosphere that undermines team’s success for the benefit of individual attainment. Therefore, in addition to professional skills, societal and cultural background are also determinant in the way that Glocal Generation Y behave as an employee and it needs to be recognized and studied to get the most advantage of this generation in the workplace.

3.4 Implications for Human Resource Professionals

It is important for human resource professionals to understand Generation Y’s preferences and characteristics in the workplace in order to attract, retain, and manage them effectively. Understanding these preferences will help HR professionals to set practices strategically based on the organization’s resources and its customers preferences. However, it is important to note that one should not over generalize such characteristics and preferences since local context has a substantial influence on this generation. The following are general recommendations that each organization should use as a baseline, and customize it based on its location, culture, and what they want to achieve.

To attract and recruit Generation Y, organizations can benefit from use of information technology along with traditional tools. Social media is one of the best tools available to recruiters to reach this generation around the world since Generation Y is the largest group who uses social networks in its daily life. Corporations can create the company page on Facebook to advertise themselves and job openings. An online resume database is another tool to look for this generation’s top talents since most of Generation Y employees are using these databases to land a job. HR professionals can use such databases to search for skills they need and speed up the recruiting process. A corporate career website is also an important factor in the employment decision of this generation. Therefore, organizations need to highlight Generation
Y’s hot buttons, such as work/life balance, training and development, etc., in their career website to attract the most talented individuals.

Pay and benefits are also an important factor in the employment decision of Generation Y. Although multiple factors influence Generation Y’s decision about who they want to work for, including challenging work, social environment, training and development, and work/life balance, a minimum level of salary is non-negotiable for this generation. Therefore, organization should not underestimate the effect of salary on their decision-making process.

To retain talents from this generation, organizations can benefit from different practices. First, organizations should invest heavily on training and development since it is one of the most important factors in employment decision of Glocal Generation Y. They have learned that if they want to stay competitive in the labor market, they should take a proactive role in their career, and continuously update and upgrade their knowledge, abilities and skills. Therefore, an organization that provides a systematic process for development is going to be an attractive option for this generation, and influence their decision in where and whom they want to work for. Mentoring and coaching programs are one of the best ways to train, engage, and satisfy members of Generation Y.

While having a systematic process for training and development is important, it can be harmful if it is not designed strategically. Training and development without an insightful process for retaining those developed talents will only damages the organization’s ability to obtain its strategic goals. Therefore, in addition to designing a training and development process, organizations should plan to retain those talents by having a well-designed succession plan, empowerment plan, lateral movement plan, or other means of promotion and talent retention, considering their strategic direction. Members of Generation Y also expect rapid career advancement, and when they do not see any opportunities for advancement, they simply leave the organization. Therefore, organizations need to address this expectation by designing jobs in a way that permit such opportunities and rapid promotions, and provide them with a variety of opportunities to advance their career.
Work/life balance is another factor that HR professionals should keep in mind. Today’s Generation Y do not ‘live to work’ but they ‘work to live.’ Therefore, they are looking for ways to balance their professional aspect of life with their personal aspect. It is also important to note that a well-designed work/life balance plan is the one planned based on the demographic and preferences of its clients. Therefore, organization should use employees’ opinion about practices, including flexible hours, work from home, childcare assistance, and job switching/sharing, to use.

Members of this generation also need frequent feedback, and need to be praised frequently when they do a good job. Therefore, performance evaluation should be designed to allow frequent feedback and evaluation. Managers and supervisors also need to be trained to be able to patiently describe why certain tasks should be done in specific ways since members of Generation Y want to know why some tasks should be done in a specific way and when they do not understand the reason, they become discouraged, dissatisfied, and less productive since they feel powerless. This is why this generation is called Generation ‘Why’. Therefore, organizations should also empower and encourage their employees to come up with creative ways of doing their job. This way, Generation Y feels they have the power to change what is happening around them and creates a sense of purpose. Organizations also need to put plenty of time for orienting this generation, give them a clear picture of the work environment, and familiarize them with organizational culture and processes.

As the most technology-savvy generation, Generation Y uses social networks, instant messaging, etc. in their daily life, and demands it in the workplace as well. Therefore, to compete for these talents, organizations need to address such demands by having corporate social networks, corporate training podcast, etc. Organizations can also strategically benefit from social networks to create a bond among their employees and facilitate their communications after working hours. This way they will be able to create more loyalty among their employees and decrease voluntary turnover. Using information technology tools,
organizations will be able to increase satisfaction among Generation Y, who is technology-savvy and expects fast and accurate responses.

Finally, corporate reputation is another tool that organizations can use strategically to attract and retain talented individuals from this generation. Organizations can create an image that is desired by this generation such as focus on work/life balance, training and development, or corporate social responsibility. Social networks can play a vital role in creating this image for the members of Generation Y.
CHAPTER 4

CONCLUSION

In this thesis, I raised the question whether we can define a Global Generation Y with similar characteristics around the world. In order to answer this question, I reviewed related literature and concluded that although advancement in information technology and the global economy may lead those in Generation Y to have similar childhood experiences and characteristics, the local context, including educational system and societal culture, still has a substantial influence on Generation Y’s characteristics. Referring to the glocalization literature, I defined the concept of a Glocal Generation Y that is influenced by global forces, but reacts differently based on local context.

However, HR professionals still can plan their practices based on these similar global characteristics, but they need to recognize the differences as well, and customize their plans based on their location, context, and goals. Organizations can attract Generation Y by using information technology tools such as social networks, and retain them by addressing their demands on work/life balance, training and development, opportunities for advancement, etc.

This thesis has only focused on personality and psychological contract of Generation Y, and more research is needed to evaluate their characteristics from other points of view, such as the location preferences of Generation Y around the world. In addition, more concrete empirical research is needed to examine the common characteristics of Generation Y around the world, and what differences exist among them.
REFERENCES


Twenge, J. M., Konrath, S., Foster, J. D., Campbell, K., & Bushman, B. J. (2008). Egos Inflating Over Time: A Cross-Temporal Meta-Analysis of the Narcissistic Personality Inventory. *Journal of Personality*, 76 (4).


BIOGRAPHICAL INFORMATION

Hoda Vaziri, born and raised in Tehran, Iran, graduated in 2004 from Roshangar High School, and got admitted to the best Engineering School in Iran, Sharif University of Technology. She graduated with Computer Engineering degree in 2009 while realizing that her main interest is in human aspect of organizations. Therefore, she started her Masters degree in Human Resources Management at University of Texas at Arlington. She plans to pursue her post-graduate education as a doctoral student in Strategic Management to become a corporate consultant.