CHAPTER 2

LITERATURE REVIEW
This chapter deals with an understanding of previous work that has been conducted in this particular domain with specific focus on the research topic through a review of 184 research papers, books, articles and relevant web resources. The chapter initially explores the evolution of human resource management in India and its growing impact in terms of practices and policies on the individual perceptual process. It further covers seminal work on the concepts of Work Values, Perceived Organizational Support and Job Attitudes while detailing further progress in research related to these constructs both in the global and national context.

The chapter has been divided into following sections.

2.1 Human Resource Management and Organizational HR practices

2.2 Human Resource Management in the Indian Context

2.3 Generational Studies in Organizations

2.4 Generational Cohorts and their differences

2.5 Generational diversity and its impact on Human Resource Management

2.6 Indian Generation Y employees

2.7 Work Values and Value Systems

2.8 Perceived Organizational Support and Social Exchange Theory

2.9 Job Attitudes: Affective Commitment

2.10 Job Attitudes: Felt Obligation

2.11 Employee Behavioral Outcomes: Job Satisfaction

2.12: Employee Behavioral Outcomes: Turnover Intention
2.1 Human Resource Management and Organizational HR Practices

2.1.1 Origin and growth of Human Resource Management

HRM or human resource management has been widely defined by scholars as a strategic function that encompasses management of its critical human assets for gaining competitive advantage in a dynamic business environment. HRM is the function performed in organizations that facilitates the most effective use of people to achieve organizational and individual goals (John Ivancevich and Glueck, 1989). The concept that ‘human resource’ is a valued asset that can help tide an organization over turbulent waters has been very aptly realized in the recent times of economic turmoil by businesses worldwide. The genesis of this concept however lies with the onset of Behavioral Movement in the early 20th century when eminent researchers like Mary Parker Follet, Chester Barnard, Elton Mayo and Douglas McGregor realized the most important component of any business – ‘its manpower or human resources’ that made the difference towards better efficiency for any organization. Termed the ‘Human Relations Movement’, researchers tried to understand how issues like working conditions, workplace relations, job satisfaction, work variations etc could actually impact efficiency levels for an organization. Armstrong (1992) defines HRM as a strategic and coherent approach to the management of an organization’s most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives.

Despite its origin in the United States, HRM has forever remained a topic of debate amongst the academicians and businesses alike. While businesses in the initial years of evolution failed to understand how the concept of HRM differs from the concept of purely Personnel management, academicians had their own schools of thought relating to understanding HRM. The Michigan school (Fombrun et al., 1984) believed that HR systems and the organization structure should be managed in a way that is congruent with organizational strategy, also therein termed as the ‘matching model’; the emphasis was on understanding the entire cycle of Human Resource Management beginning with selection, to effective appraisal, giving rewards to developing high quality employees in the long term perspective. Round the same time period, the Harvard school of thought (Beer et al., 1984) developed the ‘Harvard Framework’ (Boxall, 1992) that first held the belief of considering a long term perspective of people management as potential assets than merely variable costs. Beer et al., (1984) went on
to state: ‘Human resource management involves all management decisions and action that affect the nature of the relationship between the organization and its employees – its human resources.’ They were also the first to believe that line managers should accept the responsibility for alignment of competitive organizational strategies and personnel policies rather than totally depending only on personnel managers for effective management of its people. This model went on to exert considerable influence on management thought of countries across the world and also the functioning of organizations by creating a difference between personnel management and human resource management. HRM has been a field of study with increased complexity and multidisciplinary approach. (Cakar and Bititci, 2002) through their research demonstrated the levels of inconsistency in the study of HRM with respect to HRM models from a business process perspective. There exists a lot of debate in HRM related literature pertaining to the concepts of hard & soft ‘HRM’ (see for example Storey, 1989; Legge, 1998; Guest, 1999; Truss, 1999; Granton et al., 1999) and also to an understanding of the strategic role of HRM in a business process, particularly its contribution to the firm (see, for example, Guest, 1997; Huselid, 1995; MacDuffie, 1995; Schuler and Jackson, 1999). Nonetheless HRM over the decades has moved from its role of being a mere spectator cum administrator to being a more strategic proactive contributor in an ever changing business domain.

2.1.2 Aspect of Strategic Human Resource Management and Organizational HR practices

“Strategic HRM is an approach to making decisions on the intentions and plans of the organization in the shape of the policies, programmes and practices concerning the employment relationship, resourcing, learning and development, performance management, reward, and employee relations. The concept of strategic HRM is derived from the concepts of HRM and strategy. It takes the HRM model with its focus on strategy, integration and coherence and adds to that the key notions of strategy, namely, strategic intent, resource-based strategy, competitive advantage, strategic capability and strategic fit” (Armstrong, 2006, p.115).

Strategic HRM thus is understood to be an approach that the management desires to adopt aligning their business strategies to the policies and processes of managing their human resources creating competitive advantage for the organization in future. According to Hendry and Pettigrew (1986), Strategic HRM has four meanings:
1. Efficient use of planning;
2. A coherent approach to the design and management of personnel systems based on an employment policy and manpower strategy and often underpinned by a ‘philosophy’;
3. Matching HRM activities and policies to some explicit business strategy;
4. Viewing people of the organization as a ‘strategic resource’ for the achievement of ‘competitive advantage’.

Strategic HRM is essentially an integrated process that aims to achieve ’strategic fit’. A strategic HRM approach produces HR strategies that are integrated vertically with the business strategy and are ideally an integral part of that strategy, contributing to the business planning process as it happens. Walker (1992) defines strategic HRM as ‘the means of aligning the management of human resources with the strategic content of the business’. Strategic HRM thus adopts a resource-based philosophy wherein the focus is to look at three different approaches towards aligning business strategy of the organization and its human resources, namely; high-performance management (high-performance working), high-commitment management and high-involvement management (Armstrong, 2006, p.115).

Dessler and Varkkey (2011) give a more practical approach to understanding Strategic HRM and its linkage to organizational HR practices. They define Strategic HRM as an approach to, ‘Formulating and executing human resource policies and practices that produce the employee competencies and behaviors that company needs to achieve its strategic aim.’(p.87)

Researchers in the domain of Strategic HRM suggest adoption of varied HR policies and practices in organizations supporting the three different approaches.

**High-Performance Management Approach:** (Stevens, 1998) suggests:

- decentralized, devolved decision-making made by those closest to the customer – so as constantly to renew and improve the offer to customers;
- development of people capacities through learning at all levels, with particular emphasis on self-management and team capabilities – to enable and support performance improvement and organizational potential;
- performance, operational and people management processes aligned to organizational objectives – to build trust, enthusiasm and commitment to the direction taken by the organization;
• fair treatment for those who leave the organization as it changes, and engagement with the needs of the community outside the organization – this is an important component of trust and commitment-based relationships both within and outside the organization.

**High-Commitment Management Approach:** (Beer at al., 1984) suggests:

- the development of career ladders and emphasis on trainability and commitment as highly valued characteristics of employees at all levels in the organization;
- a high level of functional flexibility with the abandonment of potentially rigid job descriptions;
- the reduction of hierarchies and the ending of status differentials;
- team structures for disseminating information (team briefing), structuring work (team working) and problem solving (quality circles).

**High – Involvement Management Approach:** (Armstrong, 2006) suggests:

- involves treating employees as partners in the enterprise whose interests are respected and who have a voice on matters that concern them.
- It is concerned with communication and involvement.
- The aim is to create a climate in which a continuing dialogue between managers and the members of their teams take place to define expectations and share information on the organization’s mission, values and objectives.
- This establishes mutual understanding of what is to be achieved and a framework for managing and developing people to ensure that it will be achieved.

### 2.2 Human Resource Management in the Indian Context

#### 2.2.1 The history of human resource management in India

Management as a concept is not new to the country. Historically it is stated that Kautilya (the most reputed economist and management guru of Indian History, advisor to King Chandragupta Maurya) provided a systematic treatment of management of human resources as early as 4th century B.C. in his treatise titled "Artha Shastra". This book or treatise details logical procedures and principles in respect to people management referring to the *rajiya* (state) as an organization and the *raja* (king) as the Head or CEO of an organization. Kautilya being the eminent advisor, through his *sutras* emphasizes the need of humility in the king and
his mantris (managers) while following the path of dharma (ethics & righteousness) in management of an organization (state). The importance was on self-management and self-evaluation before considering oneself truly capable of leading an organization as a competent leader keeping welfare of people and the organization before one's own motives. The text although written centuries back in an ancient script (Sanskrit) draws parallel to today’s modern organization systems and issues. (See Muniappan, 2005 and Rangarajan, 1992).

Similarly the Bhagvad Gita, considered one of the most holy texts of Vedic literature written during Mahabharata is a practical guide to all aspects of life including management of self and thereafter management of people and resources. Concepts like optimum utilization of resources, decision making, leadership, ethics, motivation, morale and outcome of performance (deeds) are clearly marked in the verses of this great book as ongoing dialogues between the Lord Shree Krishna and the Warrior Arjuna. (Bhattathiri, unknown).

This concept of management from ancient India was however lost due to successive invasions upon the country and confluence of different cultures from across the world, fragmenting the country into numerous small states governed by sovereign rulers lacking at times both competence and people (Praja) management skills. Gradually the natural classification of the society evolved due to subsequent inter-marriages and subdivisions, giving rise to more than 3000 plus castes, as can be accounted for in modern India. These sub-castes or ‘jatis’ resulted in more rigidity in a societal system that had been governed by principles of work interest, creating stringent laws for each sub-group by way of establishing supremacy of their own affiliated groups (jatis).

2.2.2. The advent of modern management in India

The initial years of modern management evolution in India, started with the eighteenth century (termed the Colonial period till the year 1950) when the Britishers or the colonial rulers set foot in the country, an era that has been marked with a sole focus on utilization of labour as a commodity which can be bought and sold at a price. So great was the impact of this thought process during the colonial rule, that the then formulated Plantation Act 1863 treated labour with imprisonment and severe punishment on failure to do work as ordered. The mechanism was biased with hardly any intervention to protect the interests of workers except in issues related to wage settlement. The slow progress towards recognizing labour as
human beings and not machines began with the Factories Act 1881, which allowed some liberal policies like weekly offs, fixed wages and fixed hours of work. Personnel management being the main concern of employers during the early twentieth century, there was more concentration on industrial relations and labour management paving way for the enactment of various acts – namely the Trade Union Act (1926), Workmen Compensation Act (1926), Trade Disputes Act (1929), Bombay Industrial Relations Act (1938); recommendations of Royal Commission on Labour 1931 led to the Payment of Wages Act (1936) and further amendments to Factory Legislations Act (see report by First National commission of Labour, NLC, 1969).

Post independence focus slowly started shifting towards industrialization of the new country and evolution of a uniform Labour policy. However, the veil of colonialism still hung greatly over India with major leaders still being under the influence of Western philosophies and policies. Evidence of this fact is visible during the post-colonial phase of management evolution in India, from 1959-1976. The Indian government was keen on aping all that was Western and incorporating the same in the Indian context. It began looking at industrial investment through a ‘mixed economy’ policy wherein technology would be imported from Western nations but there would be a protection regime for domestic industries by way of policies relating to regulations on price levels, import levels, joint ventures, and investment levels to name a few (Rothermund, 1992). Their ambitious industrial and labour policies were backed by rising Indian business houses and leaders who were prominent socialists and authorities in themselves. Being family controlled business that worked on the ‘managing agency system’, investment and staffing decision were centralized with no major merit towards empowerment of human resources (Tandon, 1980). The resultant effect of which became aptly visibly not only in the formulated Labour policies but also on management of workforce across the industries, being more legislative and reactive than being proactive and voluntary.

However this hope of quick fix policy by the Indian government did not work very well, with the country witnessing turbulent times from the year 1977 (when emergency was declared in India) till 1990 – the year before liberalization process began in India. The subsequent series of wars that India faced from 1962-1972, bred a culture of protection across the Indian industry per say the industrial sector (being the most dominant sector). The crisis was compounded by the lack of managerial talent in India based on the fact that Indian managers
belonging to a totally different cultural background just could not adjust to the managerial theories and models of the West. Theorists started questioning the root of Western philosophies with scathing remarks on Indian policy makers and so-called management gurus about the sanity of blindly aping the West in all domains of industrialization and management. They emphasized the need to understand concepts from India’s own ancient roots, culture and values, even spirituality (Hinduism) and incorporate the same into Indian managers for better sensitivity to one’s own people alternatively for better people management. (Chakraborty, 1991, 1995). India during this era of crisis, dipped from being one of the major industrialized countries to the bottom of the rung in the list of 10 industrialized nations. The 1992 UNDP Report of Human Development ranked India at 134, in a list of 160 countries on the human resource index.

The country’s journey of progress began with the New Economic Policy, 1991 initiated by the then Prime Minister – Shri Rajiv Gandhi and his stalwart – Dr. Manmohan Singh, opening the doors of Liberalization and ushering in the concept of competing in a globalized environment for the Indian industry. Banga (2005) presented a view on liberalization and its impact on wages and employment. She went on to conclude that FDI needed to be increased in export-oriented sectors coupled with liberal labour laws that can go a long way towards improving employment levels and also add on to the skills of workmen enabling strategic utilization of manpower for economic growth of the nation. This phase beginning 1992 has progressed greatly over the last two decades, accepting Human Resource Management as a holistic concept incorporating the essence of human spirit and recognition of its potential for business success.

2.2.3 National visionaries and model companies

India has ever been a land of paradigm and fascination. People from the West had previously envisioned the country as a land of spiritual gurus and snake charmers – a concept that has taken a long time to erode even with globalization and economic liberalization. Today India stands tall with its diverse culture, considerably huge population, and economic disparity as one of the fastest growing developing nations. It is a nation with the largest English speaking population and the world’s largest base of middle class that has led the spurt of growth. A recent report by IMF has pegged India’s GDP growth at 7.9% for the year 2010.
The country has ever been heavily influenced by Western management philosophies and schools of thought, particularly those of the United States and UK. Management education based on Western philosophy of ‘materialism’ gained prominence in India around the early sixties with the establishment of the Indian Institutes of Management (the most prestigious and reputed institutions of India), funded by the Ford foundation based on the thoughts and systems of its able western counterparts – the Harvard School of Management and MIT’s Sloan School of Business Management emphasizing the need to incorporate Western or more specifically US management theories and models as a medium of achieving collaborative management education. (Hill et al., 1973; Srinivas, 2009). Conversely the country has still clung to its roots, ethos and cultural values in terms of people management leading to a misunderstanding that generalized HRM principles do not work for India. The country has its own philosophies deeply rooted in cultural beliefs, traditions and habits that dominate its human resource management principles and functions (Sparrow and Budhwar, 1997). The best part about HRM evolution in the country has been its ability to incorporate principles, approaches and models from across the world that was beneficial to the functioning of the organizations. While labour and personnel management principles were heavily borrowed from United Kingdom, approaches and models of HRM came from the United States, quality consciousness and norms were adapted from the Japanese, thus creating a powerful productive concoction sprinkled with indigenous Indian values and ethos – a sure shot Indian recipe for success even during the times of recent economic recession.

Indian companies during post liberalization have faced many challenges in terms of re-orienting its workforce towards a more competitive and volatile business scenario by ways of either re-skilling or multi-skilling its manpower across various functional domains; making themselves capable of surviving amidst the onslaught of multi-nationals. This phenomenon has further necessitated Indian organizations to look beyond their narrow domains of family oriented/ family centric management to wider perspectives of strategic management according due importance to strategic human resource management as one of the critical factors of success in a competitive business domain. Although HRM in this country is at an evolutionary stage most suitably at its youth, there have been some progressive leaders and their related organizations who have laid the foundation for better people management pre-liberalization also; prominent amongst them being Jamsetji Tata and his establishment – the TATA group of companies (initially established as Tata Sons limited).
Jamsetji, the founder of Tata group was a strong believer of the welfare of all major stakeholders; primarily the employee stakeholders whom he understood as the heart of any organization reflecting the image and growth of any firm (Sivakumar, 2007). A visionary leader during his times (pre-independence era), Jamsetji stressed on employee welfare by way of hygienic work and accommodation facilities for labour, recreational and education facilities for the employee family members, awards for performance and even investment in training and career development of employees; something unheard of then. Such was his understanding of labour psychology, that he was forever committed to the culture of participation for organizational growth. In times when management studies were at a nascent stage and industrial rules not so formidable; Jamsetji pioneered retirement benefit systems for mill workers by way of voluntary provident fund and gratuity schemes. This dedication of the founder was carried on by his subsequent successor JRD (Jamsetji Ratanji Dadabhoy) Tata who had his own passion of philanthropy and tolerance, resulting in this esteemed group being recognized as a respectable and ethical organization of India.

The impact of ethical image of this group of companies was such that employees held a degree of prestige in working for this organization and the name TATA became a synonym for ‘Trust’ in the country. JRD (Jamsetji Ratanji Dadabhoy) never believed in the philosophy of monitoring employees. His understanding was based on grooming the best of employees by way of participative and free-rein leadership, an ideology clearly reflected in numerous innovative people centric policies developed and adopted by the Tata group companies (Wakins, 2007). Tata Steel, one of the first companies of the group was a pioneer in progressive industrial relation policies introducing joint-consultative system of management for better co-operation between labour and firm (Sen, 2009). The legacy of Tata carried on with Ratan Tata at the helm, steering the organization towards a more strategic path albeit a little more autocratically than JRD (Jamsetji Ratanji Dadabhoy) crafting a new identity post-liberalization for the group in terms of retaining its core values and ethics but coming across as a more dynamic group with not only national but global business interests at its forefront.

2.2.4 The Indian Work Culture

Management of diversity specifically related to Global workforce management is an important topic for discussion across human resource professionals worldwide. However, for Indian managers or rather Indian people; diversity is a way of life. India is a country
representing every major religion, almost two thousand ethnic groups, four major language families containing a total of 1,652 languages and dialects and a strong social hierarchical structure unparalleled by any country other than the continent of Africa in terms of linguistic, social and cultural diversity. Indian work organizations respect and exhibit this vast diversity through its employees wherein every organization in itself represents a mini-India with its cultural flavors as people from varied religion, ethnic group, caste and language work together for a common organizational goal.

Basham (2004) in his book details the evolution of Indian history, highlighting the presence of more than 3000 castes in modern India, that define the social structure of the country and how their affiliations impact the values and culture of Indian people. Given this backdrop, it is interesting that during the study of organizational behaviour related to Indian organizations, most researchers have agreed upon them as displaying a mixed set of values and characteristics adapted from both Western and Indian culture and traditions (Rangnekar et al., 2009; Sinha et al., 1990, 1997).

Research on Indian organizations has primarily focused on understanding the value systems and cultural context of the same in relation to western countries like US, UK and Germany (Tayeb, 1987; Singh J.P., 1990; Tripathi, 1990). (Sinha, 1990) details the transfer of western work cultures to India by way of contractual work relationships leading to less dependency and arguably an occupation based identity formation. However, going by the country’s penchant to absorb ‘as deemed suitable’, the resultant transfer process has been more technological and job oriented than in the socio-cultural perspective. Indian culture over the years has been paternalistic and power oriented with concentration of authority at higher hierarchical levels of the society. Work predominantly has been considered as form of manual labour, not suitable to people at higher strata of society, the basis for ‘Varna’ system in the country. Although this fact is visible through the recruitment of ‘Harijans’ (lowest caste category) for undertaking menial jobs of cleanliness by Indian organizations, there is lack of research evidence related to understanding the impact of such system (‘Varna’ or Caste system – Jatis) on the work organizations; specifically in the context of the Indian industrial sector.

Research related to job perception by Indians, has linked – ‘Undertaking a job’ to not only extrinsic factors like authority and compensation but also to intrinsic factors like ‘Self esteem’, ‘Achievement’ and ‘Self development’. Given this cultural and historical background, researches conducted on work organizations have displayed a strong hierarchical
structure, high power concentration, centralized authority and decision making on part of the employers or supervisors simultaneously exhibiting the contrast effect of these dominating values on the employees across industrial sector by way of lacking sense of direction, affection towards co-operation, accountability and responsibility (Tripathi, 1990; Sinha, 1980, 1988, 1990). Kakar (1971) details Indian work organizational culture based on an understanding of the history of authority patterns from the British era. The study outlines shifting of authority patterns after Independence, from the hands of British supervisors to Indian managers who believed that maintaining high power distance between the superior and the subordinate and a display of assertive behavior can entail (induce) work-related productivity from the employees. The show of emotions (by way of sympathizing) and lack of discipline by the supervisors while dealing with subordinates was not traditionally acceptable in the industrial sector, where being paternalistic or acting as a father figure commanded respect and power. The supervisors were supposed to maintain the power distance from subordinates and only interact with them when some problem arose, to give guidance or advice. Sinha (1980) and Sinha and Kanungo (1997) discuss the emergence of two different facets of relationship between the superior and subordinates across Indian organizations based on nurturing-style and participative- style that progresses based on the maturity of the subordinates in terms of gaining more experience, expecting autonomy, responsibility and participation. An interesting fact to note in this study is the reference to sneh (affection) and shraddha (respect) in this relationship that values the paternal image of the supervisor ensuring workers (subordinates/employees) put in their best efforts to avoid any loss of face by their supervisor. This particular characteristics displayed by the supervisors and subordinates can be attributed to Indian culture which is based on high uncertainty avoidance wherein employees prefer their relationships to be more personalized than contractual assuming guidance by the leader for doing work as specified (Sinha, 1984). He further goes on to cite a few cases from the industrial sector; one being that of chairman from a large steel manufacturing company who would interact with workers at lowest level, understand their work and personal problems, give advice and support but on the other side would expect high level of respect based on his power and authority that added to his charisma.

The other case is of the managing director of a large manufacturing unit whose medium of getting all information about the organization would be special courts held at his home every
evening, wherein employees would touch his feet, show respect and then detail him various issues and information. It was his way of showing personalized relations and nurturance, while from his subordinates’ perspective; this was their way of receiving guidance and paying respect to his power and authority (Sinha, 1980).

Bhaduiy (1991) through his research on work ethos and work culture in Indian organizations compares the socio cultural parameters of both India and Japan; citing reasons of difference in how the perception of work linked to team support, co-operation, attitude and leadership issues is understood by employees operating in Japan vis-à-vis their counterparts in India. His study details a sense of apathy towards valuing work, understanding teamwork and co-operation, understanding the meaning of self and organizational discipline coupled with a complete lack of trust towards the supervisors and management, thus aptly depicting the changing psychology of employees (mostly sampled young workers) in India.

While this may have been the case in the pre-liberalization period (1950-2001), wherein the manufacturing setups were more bureaucratic with concentration of power through central authority (more of paternalistic power equation), the situation has vastly changed across the new manufacturing setups of India. Faced with strong competition from MNC’s entering India post liberalization, the concept of empowering its people and using them as strategic tools for survival has gained prominence. Citing a few cases from the Indian industrial sector, Som (2006) explains the impact of HRM practice revival on organizations like Maruti Udyog Limited, Mahindra & Mahindra Tractors Division, Tata Iron & Steel Co. Ltd (TISCO) and Arvind Mills. His study details how Maruti Udyog through a change in leadership revamped its HRM practices by linking them to the strategic objectives of the organization thus bringing in more transparency, clear communication and an environment of trust amongst its employees resulting in higher employee morale, co-operative team work and increased commitment towards the job individually.

Another case which highlights the shift in traditional mindset of a manufacturing firm to more open mindset incorporating the concept of ‘group work’ and ‘process re-engineering’ is that of Mahindra & Mahindra tractor division. The company that was plagued with low productivity and inefficiency adopted the concept of Business Process Re-engineering (BPR) as early as 1995. This resulted in a dramatic shift in the thought process of the management from both the business process and organizational structure viewpoint. The company
redesigned its multilayered structure to a flat hierarchy enabling more transparency across job roles, reducing disparities. This process further worked on pooling talent from across various teams for strategic roles emphasizing the need of group work, stressing on the power of co-operation and success through use of ‘cross-functional teams’. Development of an internal social network and linking accountability to concerned teams ensured higher morale and support to achieve organizational objectives.

Based on similar lines, TISCO – the manufacturing behemoth of India utilized the knowledge of McKinsey Consultants to revamp their HRM practices for better profit, accountability and growth across the organization. The approach was based on creating work teams and giving autonomy and accountability to these teams for setting their own performance targets and ensuring achievement of the same. Promotion patterns were changed from being seniority based to merit/performance based, thus initiating a vibrant new culture for high performers driven by the concept of growth through mutual support across functional teams.

Arvind Mills on the other hand, adopted some different form of HR practices to boost morale and teamwork in its organization. They initiated support programmes like ‘kite-flying’ competitions, ‘rock shows’ and specific forum called ‘Umang’ (Happiness/Joy) to ensure greater understanding between the management and its workforce. Although the approaches adopted by these companies differ to some extent, the objective remains the same – that of encouraging belongingness, participation, co-operation and team spirit amongst its employees. The cited cases also display the increased commitment from top management across manufacturing organizations in India towards treating HR as a strategic function, aptly reflected by the employees of the organizations concerned, through higher work commitment, productivity and growth.

This fact of changing mindsets amongst Indian leaders and their increasing commitment towards nurturance and growth of human capital is further reiterated by a Wharton university recent study based on structured interviews of 105 leaders across 98 organizations in India. Cappelli et al., (2010) compared and contrasted leadership focus amongst US and Indian leaders highlighting the paradigm shift amongst Indian leaders by way of investment in ‘people’. Termed ‘The Indian Way’ this research focuses on how the priorities for Indian leaders today is based on business strategy, organizational culture and nurturance of people. The focus is on ‘transformational leadership’ with a strong belief that investing in people,
creating a culture of trust and mentoring people would on its own elevate an organization to a
business leader platform thus ensuring high profitability and success. Infact the study reveals
that “twice as many Indian leaders as U.S. leaders think that human capital drive business
success.”

2.3 Generational Studies in Organizations

(Joshi, Dencker, Franz and Martocchio, 2010) define ‘Generation’ as a construct that is
elusive and has become more sophisticated and complex in academic interpretations over
time. Studies in the generational context understandably during its early origin phases has
been identified to be a part of Greek and Egyptian mythology, wherein many research
scholars have found clear distinction segregating older generations to younger generations
(Redford, 2003; Burnett, 2011). (Joshi, Dencker & Franz, 2011) through a comprehensive
study tracing the history of Generational origins and extensive review of literature related to
understanding the aspect of ‘Generations in Organizations’; outline that understanding
‘Generations’ can be based on - chronology (the idea that a unique location in time creates a
‘generation’) and genealogy (the idea that generations are linked through the
transmission/descent of ideas/values/skills/knowledge) (Joshi et al., 2011, p.179). The
researchers portray that ‘generational differences are rooted in temporal distinctions between
individuals who occupy unique locations in a chronological order. Preceding and succeeding
generations are also linked through the unique imprints (e.g., the set of knowledge, skills, and
values) that they acquire and are in a position to transfer based on their location in a temporal
order’ (Joshi et al., 2011, p.179). Their research highlights that during the early origin phase,
study on generations was in relation to a particular age or portrayal of people who lived in a
particular age (sense of time borders), i.e “‘kind of people’ who lived in ‘kind of time’”
(Burnett, 2011). Later studies on generations moved towards – the notion of ‘kinship’
(lineage through blood or marriage) and the notion of a ‘cohort’ (a group sharing a common
socio-historic context) (Joshi et al., 2011, p.180).

Seminal research work by Mannheim (1928, 1952) outlined the concept of ‘generations’ as
being a sociological issue than a biological issue. He argued that the concept of ‘generations’
was essentially linked to two components – a historical time period and a distinct
consciousness as a result of similar events in history during a particular time period. He
proposed that generations are a result of a sociological change process wherein individuals of
a particular location are part of a historical social change process, thus being familiar to
similar social experiences that impact their views/thoughts towards the society at large. His research identified generations or individuals of particular generations as being social change agents. His theory argues that each generation through their participation in collective events during their young adulthood develops a collective consciousness that segregates their generation collectively from the older or younger generation that may follow them in the future.

Table 2.1: Summary of Generational Research in organizations by Joshi, Dencker & Franz (2011).

| Theoretical background: Sociology and Social Gerontology (Age-Based Generations) | Conceptualization of generations Age-based generations Generational imprint based on cultural values developed during formative years of one’s life | Illustrative research Mannheim (1952, 1928) • Seminal work on generations which expanded the construct from biological to sociological significance • Argued that generations share a common location in history, which would determine a collective historically dictated action • Each new generation attempts to fit into existing traditions and critical patterns, thereby becoming agents of social change Schuman and Scott (1989) • An extension of Mannheim’s work, study included a sample of 1400 Americans in 1985 to recall critical historical events which were important to them • The data from these responses suggest that different age cohort recall different events, and that these formative experiences (“collective memories”) play a key role in the adoption of values and attitudes • Responses also suggest that the formation of unique generational collective memories occur most saliently when a cohort of individuals transitions into adulthood |
Smola and Sutton (2002)
- Study of generational differences in workplace values across 54 manufacturing and service firms in the US
- Data were gathered for individuals in two distinct time periods – 27–40-year olds in 1974 and 1999; 41–65-year olds in 1974 and 1999
- Results suggest that while some differences exist (i.e., younger workers wanted to know ‘what’s in it for me?’), the most significant changes were across time, not between generations. In 1999, independent of age, people desired more work-life balance, and failed to believe that working harder makes him/her a better person, compared to the same responses gathered in 1974

Egri and Ralston (2004)
- Comparison of age-based cohorts among 774 Chinese managers and 784 US managers
- The Social Reform generation in China (defined by the economic reform of Deng Xiaoping) reported significantly higher openness to change than older generations
- Generation X in the US (born between 1965 and 1979) were found to value openness to change and self-enhancement than its older generations
- Comparisons between the US and Chinese samples indicate that the younger generations have less in common than the older generations

Dencker, Joshi, and Martocchio (2008)
- An organizational application of Schuman and Scott’s theory of collective memory
- Proposes that diversity in employee preference of benefits and compensation and other HRM practices could be better understood by recognizing the generational differences that occur within the workforce based upon the collective memories and consequent values and attitudes of those memories
<table>
<thead>
<tr>
<th>Social Stratification and Political Sociology (Cohort-Based Generations)</th>
<th>Age/Tenure cohorts based on membership' shared experiences as a cohort</th>
<th>Gusfield (1957)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>• Case study of inter-cohort conflict within the Women's Christian Temperance Union (WCTU)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Division between 'old guard' and 'young Turks' surfaced following the repeal of prohibition in the US</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Those in support of continuing prohibition-type values sought to hold on to power as the opposing cohort attempted to reach out to the public</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• The failure to adapt and resolve differences ultimately led to the decline of the WCTU</td>
</tr>
<tr>
<td>Ryder (1965)</td>
<td>Cohort defined as a group of individuals who experience the same event within the same time interval</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Each cohort is distinct in character as a result of the context provided by its unique collective occupation of time</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Extends the concept of cohort beyond age to a focus on shared temporal experience (which could occur independent of age)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Each succeeding cohort serves as the mechanism whereby change can occur</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wagner, Pfeffer, and O’Reilly (1984)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Study of top management team turnover from 1976 to 1980 across 31 Fortune 500 companies (599 executives)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Results suggest that individuals who join the company at the same time (as a TMT) develop similar values and patterns of communication, resulting in strong in-group identification, lower conflict, and higher levels of cooperation with other cohort members</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The more demographically distant an individual in the TMT (demographic distance defined by age and date of entry), the greater the likelihood of turnover</td>
<td></td>
</tr>
<tr>
<td>Turner (1989)</td>
<td>Presents three dimensions of social stratification (economic class, political inequalities, and culture life-styles) which impact age cohorts in society</td>
<td></td>
</tr>
<tr>
<td></td>
<td>As people mature they take on obligations which tie them to the social system (e.g., marriage, children, careers)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Status within the social system grows along a curve; with age comes greater distinction, but in old age as retirement looms, status wanes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>As distinct cohorts simultaneously occupy different points on the status curve at any given time, a strain on resources and entitlements may emerge</td>
<td></td>
</tr>
</tbody>
</table>
Pfeffer (1992a)
- Review of multiple studies on organizational tenure distribution, team tenure composition, and tenure dissimilarity
- Studies provide the conclusion that tenure-based cohorts produce two types of effects – conflicts (gaps) across cohort groups and solidarity and mutual sponsorship within cohort groups

Pellet et al. (1999)
- 45 teams (317 employees) from three major corporations working on complex and time-constrained projects
- Functional background diversity drives task conflict
- Tenure diversity positively associated with emotional conflict
- Age diversity negatively associated with emotional conflict

Zenger and Lawrence (1989)
- Study of internal and external group communication among engineers and engineering managers
- Individuals communicate with out-group members based on tenure similarity
- Within groups, age similarity is more predictive than tenure similarity of technical communication frequency
<table>
<thead>
<tr>
<th>Family Sociology and Gerontology (Kinship and Descent-Based Generations)</th>
<th>Incumbency in job/role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job-level incumbency</td>
<td>Ardner (1989)</td>
</tr>
<tr>
<td>Functional role incumbency</td>
<td>- Establishes ‘kinship’ as a concept of recruitment which is utilized by societies to acclimate new members</td>
</tr>
<tr>
<td>Founders’ imprint/legacy</td>
<td>- Each new person/member is granted definition as a ‘kind’ of person due to where they enter in relation to others (in terms of location and time)</td>
</tr>
<tr>
<td>Generational imprint based on experiences in job-level or functional role</td>
<td>- Kinship systems bind members into networks based on affinity and similarity</td>
</tr>
</tbody>
</table>

Phillips (2002)
- Examination of the transfer of resources and routines from parent to progeny law firms in Silicon Valley over a 50-year period |
- The transfer of resources and routines from parent to progeny firms increases the survival chances of progeny, but decreases survival chances for parent firms |
- Founders play significant role in the transfer of routines and experiences from parent to progeny (including societal level outcomes, such as the role of women in leadership roles) |

Wade-Benzoni (2002)
- Set of lab experiments conducted with MBA students and university staff members wherein participants made business decisions based on real-life scenarios |
- Decisions rested on whether or not individuals would ‘pass along’ burdens or benefits to the next generation |
- Results show that regardless of whether a generation inherits a benefit or a burden, they will pass along what was given to them (instead of trying to create the opposite result) |

Burton and Beckman (2007)
- Multi-year longitudinal study gathering data on 1400 silicon valley executives across 169 unique firms |
- Examination of the impact that predecessors’ imprint has on successor success |
- Results suggest that the greater the similarity of successor and predecessor, the more likely the imprint will be duplicated by the successor, leading to decreased likelihood of successor turnover |

Wade-Benzoni et al. (2010)
- Series of experimental lab studies examining the role of resource value in intergenerational allocation |
- Results suggest that participants felt stronger emotions (negative) about passing along burdens to the next generation than the positive emotions associated with passing along benefits |
- Authors conclude that concern for burden rather than benefit suggests individual caution regarding one’s moral legacy |

Bengston (2011)
- Longitudinal, mixed methods approach tracking 25 different families across 4 generations between the years 1970 and 2005 |
- Data and interviews reveal that parenting styles, closeness of relationships, openness, and alignments between children and grandparents all impact the successful transmission of religion and values across generations |

2.4 Generational cohorts and their differences

Kupperschmidt (2000, p.66) refers to generational cohorts as “identifiable group that shares birth years, age location, and significant life events at critical developmental stages”.

Most researchers believe that each generational cohort experiences almost similar learning processes, growing up around the same time frame with access to similar social, political and economical events during their life progression stages. This process of learning creates a cohort which shares similar attitudes, values and perceptions unique to their own generational cohort (Costello et al., 2004; Bogdanowicz and Bailey, 2002) that in turn can impact organizational practices related to support, work outcomes and commitment levels. This view has been contradicted and questioned by quite a few researchers (Twenge, 2010) (Twenge and Campbell, 2010), who believe that it is quite difficult to construct generational cohorts based on similar learning experiences wherein factors such as life circumstances, age based maturity levels and time frame of review may impact the learning and social experience process of individuals belonging to a particular generational cohort. These researchers state that a true understanding of generational differences is only possible through time-lag study wherein individuals of same age are examined at varied time points related to evolution of their life stages thus making an attempt to understand factors like values and attitudes which may vary across these time points for same cohort individuals. Nevertheless an attempt has been made in this study to review available literature on generational cohorts, for better understanding of organizational effectiveness measures and strategies in managing these diverse cohorts. The definitions related to generational cohorts in this study is based on studies related to understanding generational cohorts in the context of American people, which has later been applied broadly to the world population with an argument that major world events witnessed by generational cohorts are similar ensuring homogeneity in the social learning experience. Studies and data pertaining to Indian generational cohorts is limited (Mellahi and Guermat, 2004), compelling the author to look at U.S. Generational cohort time-frame and applying it in the context of Indian people drawing inferences based on outcomes of this study related to a particular generational cohort.

2.4.1 Silent Generation or Traditionalists

This generation has been defined as people born from 1925-1945 in America; broadly this definition has been extended across the world from Europe to Asia characterized by individuals born during times of great political and economical turmoil in the world like the
Great Depression and World War II. Researchers have defined this generation as being conventional, fatalistic, confused and to a large extent adaptive. Since members of this generation grew up in terms of major crisis and upheaval across the world, they are understood to be more oriented towards work, giving respect to authority and adaptive to difficult circumstances. The term ‘Silent generation’ was coined in the year 1951, as this generation was understood to be submissive and silent, never raising their voice against any issues. Many researchers feel that this strong inclination towards traditional values, ethics and family ties (hence the term ‘Traditionalists), maybe an outcome of the tough growing up period for this generation that demanded restrain in utilization of resources, conservatism and loyalty.

2.4.2 Baby Boomers

“Baby boomer is a person who was born during the demographic post-World War II baby boom between the years 1946 and 1964, according to the U.S. Census Bureau. This generation is generally understood to think of themselves as a special generation as they grew up post-World War II, a time when the United States as a nation was slowly coming out of the shadows of war undergoing a major social change process. It is during these times that commercial success was increasingly been understood as components of a better life in the post war era. They are categorized as a generation that grew up embracing the psychology of entitlement, expecting the best from life (Kupperschmidt, 2000). This generation has been a witness to major political scandals and turmoil while being part of a major business and social change process, hence collectively as a cohort they lack respect for and loyalty to authority and social institutions (Kupperschmidt, 2000). Baby boomers have been also defined as being more individualistic, competitive with high interest in self-development, demonstrating strong work ethics and high job involvement leading to economic security and career success (Kupperschmidt, 2000; Parker and Cusmir, 1990).

2.4.3 Generation X

Generation X is understood to be children born post World War II. Although researchers find it difficult to attach a particular timeline to this generation, it is understood that this generation started rising after the baby boom ended around late 1950’s. Hence most researchers specify a timeline starting from early 1960’s to 1980. Some even refer to this generation as the ‘Baby-bust’ generation to signify the sharp drop in birth rates across
America post 1950. Report on the Longitudinal Study of American Youth (LSAY)\textsuperscript{xiii}, refers to Generation X as young adults born between 1961 and 1981; the first generation to grow up in the evolving Internet Era, tuned to hardships in both political and economic domain, understandably the most highly educated generation, family –oriented while being ambitious and achievement oriented. Contrary to earlier beliefs that Generation X’ers are more materialistic and disoriented, this report highlights that a majority of Generation X’ers are active, balanced and happy individuals who strive to work hard while being oriented towards securing a good future for their children and families. This generation has been understood to be more family oriented and focused on their children than previous generations. While this study focused on general life attributes and characteristics of Generation X, studies on work environment fit and preferences related to this generation portray them as being individualistic, self –sufficient with disregard for authority and position attributing it to environmental impacts on this cohort. Westerman and Yamamura (2007) in their study on generational preferences for work environment, outline social phenomena’s like dual-income families, increasing divorce rates and the concept of ‘latch-key’ kids to the aspect of individualism and self-sufficiency amongst Generation X cohorts. They seem to be technically more competent, value diversity, multi-tasking and competition. Smola and Sutton (2002) highlight the lack of loyalty aspect amongst individuals of this cohort, again attributable to their growing years during economic depression and incidences of lay-offs for their parents. They indicate that this aspect of not taking work security as inevitable or believing that a job is not permanent ensues in the show of indifference towards organizational loyalty amongst members of this generation. Most organizations during the Internet boom of 1990’s outlined flexible policies, casual dressing, and entertainment zones to recruit and retain Gen X employees (Smola and Sutton, 2002).

2.4.4 Generation Y\textsuperscript{xiv}

Gen Y are loosely defined as a group born from 1982-2000 (hence the term Millennial Generation) who would range in the age groups of 15-29 years identified herein as the young generation. Statistics by the U.S. Census Bureau, estimate that Generation Y comprises of around 25.7% of the world total population given the age category of 15-29 years.\textsuperscript{xv} Analysts define this generation as having an upbringing in a world marked by neoliberal approach towards politics and economics marked by increased usage of communications, media and digital technologies. This generation is also at times referred to as the ‘Wired Generation’
that needs to be connected at all times and feels most comfortable in digital environments. For the purpose of this research study Generation Y shall be considered between the age group of 20-29 years, which comprises almost 17% of the world population as on 2012 (mid-Year population estimation by U.S. Census Bureau, International Database)\textsuperscript{xvi}.

Gen Y has started entering the ranks, infiltrating the traditional workplace with their baggage of digital technology, social media networks and higher expectations/norms towards a flexible work environment. They are increasingly demanding, wired and virtually connected, questioning traditional practices cum authority, displaying and openly voicing their disagreements and opinions without paying heed to set cultural norms and organizational practices. This is a generation that knows what it wants, in terms of their space, comfort levels or communication channels. They are open and brash about their expectations and expressions, seeking to collaborate and rapidly exchange knowledge/information, networking for acceptance, thus challenging ways traditional organizations functioned.

A study by Deloitte Consulting in (2005), attempted to understand Generation Y or Millennial Generation by way of understanding their specificities as a digitally connected and wired generation of employees. Extensive studies have been conducted on Gen Y to understand what ticks them; why are their expectations and how do they link to their workplace.

Table 2.2: Millennial at work.

<table>
<thead>
<tr>
<th>Millennial at work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work well with friends and on teams</td>
</tr>
<tr>
<td>Collaborative, resourceful, innovative thinkers</td>
</tr>
<tr>
<td>Love a challenge</td>
</tr>
<tr>
<td>Seek to make a difference</td>
</tr>
<tr>
<td>Want to produce something worthwhile</td>
</tr>
<tr>
<td>Desire to be a hero</td>
</tr>
<tr>
<td>Impatient</td>
</tr>
<tr>
<td>Comfortable with speed and change</td>
</tr>
<tr>
<td>Thrive on flexibility and space to explore</td>
</tr>
<tr>
<td>Partner well with mentors</td>
</tr>
<tr>
<td>Value guidance and Expect respect</td>
</tr>
</tbody>
</table>


Global survey by IABC and Deloitte Consulting towards understanding GEN Y imperatives, discusses how important it is for GEN Y employees to feel connected, updated and involved
in an organization. The paper details viewpoints of these employees that highlight aspects of frequent, short and updated communications, alongside factors like honesty with clarity in communication. Gen Y is dynamic and eager to collaborate, they respect leaders who are honest, forthright and open, hence their relationship to an organization is not just based on their perception of the organization but also of the leader they are associated with. This emotionally charged enthusiastic young workforce seeks to contribute to their organizations through a plethora of ideas, suggestions and informed opinions; which at times challenge the traditional mindset of organizational management (Rai 2012). Their ideas are creative, innovative and at times exceptional; being based on the knowledge acquired by being part of a socially networked cum connected domain. However this generation also believes in the concept of instant acceptance and open feedback, these being critical factors for their enthusiasm and satisfaction towards organizational processes.

Fig 2.1: Words of Gen Y employees

From Abdullah in Tanzania:
“Most organizations do not give a chance for the younger generations to communicate up effectively. You find now that younger generations have a lot of ideas—really brilliant ideas, actually. If management can find a way to tap the knowledge that is brought in by these young generations, it would bring a very big impact to the organization.”

From Jennifer in Hong Kong:
“One of the great challenges for organizations is that younger professionals do not think it safe or do not have ways to share their opinion with more senior members of the company—knowledge that could be valuable.”


Similar survey on Global Workforce Innovation was conducted by Johnson Control in association with Haworth, iDea and Oxygenz.com (Generation Y and Workplace Annual Report, 2010). The survey outlines similar factors as discussed, but goes beyond communications and connectivity, detailing aspects of workplace ergonomics, sustainability and environmental consciousness that impacts engagement levels for Gen Y. The report defines Gen Y as collaborative, mobile, flexible and unconventional, valuing sustainability and environmental adaptability. This report is explicit in detailing the valuation this
generation places on factors like ‘Workplace environment’, perceived as an emotionally engaged place where they socialize, learn and collaborate. This is their area or their ‘own work space’ which is personal, sacrosanct linked to their well-being in the organization. Being emotional and trendy (also referred as stylish), Gen Y prefers workplaces that are boundary less, colorful and open with breakout spaces, conversation areas and chill out zones that allow them to collaborate, innovate and be creative. This aspect as per the survey is of utmost importance to these youngsters who value their spaces or personal zones (personal desks) as a reflection of their identity. Most of them prefer urbanized and trendy work areas, with the exception being Chinese Gen Y’ers who have a preference for rural settings as mentioned in the survey. The survey also puts up interesting facts related to why GEN Y’ers opt to work for specific organizations; prominent factors being Learning & Development opportunities, Quality of Life and Work Colleagues (includes peers & superiors). xvii

2.5 Generational diversity and its impact on Human Resource Management

Generational diversity or Multi-generational workforce have been steadily gaining research attention over the past two decades with a plethora of research focusing specifically on dynamics of these generational cohorts such as Baby Boomers, Generation X and Generation Y. Most researchers agree that with increase in life expectancy and survival of the working population, there is an existence of different generational cohorts working alongside across organizations. Kupperschmidt (2000, p.66) refers to generational cohorts as “identifiable group that shares birth years, age location, and significant life events at critical developmental stages”. The questions that organizations seek to understand about generational cohorts is related to the difference between these cohorts in terms of values and preferences that impact their learning process and work style; highly important in understanding the management aspects of generational cohorts.

Researchers argue that differences in generational cohorts is related to their learning process that is impacted by their early socialization process impacting development stages of life and adulthood, socio-cultural events like disasters, wars or it’s after effects, advent of technological factors that impact family and life patterns, political events like protests, revolts, or collapse of political machinery (nation specific), socioeconomic events like market collapses, depressions and successive recessions (Mackey, Gardener and Forsyth 2008).
(McGuire, Todnem and Hutchings 2007) point out that these differences in learning process of generational cohorts are widely exhibited through their outlook and approach, while ageing employees have high experience levels, maturity, work-orientation and stability; the younger workforce is highly mobile, impatient, and exhibit less organizational commitment but are entrepreneurial, better educated and technologically more competent than previous generations. They further argue that it is these differences in generational cohorts that give way to intergenerational conflicts impacting organizational performance; failure to understand and manage intergenerational conflicts in severe economic situations leads to further complications in terms of lower employee morale, productivity and innovation in turn impacting corporate citizenship resulting in higher employee attrition and turnover.

2.6 Indian Generation Y employees

Research work in classification of the Indian generational cohort has generally been limited with initial focus being on generational research in the context of cohorts defined by the western world (Bijarpurkar, 2007; Erickson, 2009; Ghosh and Chaudhari, 2009; Roongnergsuke, 2010). However in recent years some researchers have attempted to outline generational cohorts in the Indian context with specific reference to social, economical and political changes that have happened in India and their impact of the related generational cohorts. Srinivasan (2012) in her research done with 1600 Indian employees classifies Indian employees as per their professional work experiences into Pre-Liberalization (exp>21 years), Pre-Liberalization (exp between 10-21 years), Rapid growth (exp 5-10 years) and Plateaued growth (exp 0-5 years) (SHRM Report, 2012). The research focused on understanding ranking of Instrumental and Terminal values by multi-generational Indian employees. Rajesh and Ekambaram (2014) in their study on 250 corporate representative samples in India have classified Indian generational cohorts based on birth years as Veterans (1920-45), Free-Gens (1946-1960), Gen X’s (1961-1970), E-Gen’s (1971-1980) and Gen Y’s (1981-1990).

CRISIL (2010) Report on Skilling India highlights the tremendous opportunity and challenges for Indian business organizations. The country with a population of 1.2 billion (as on 2010) has 17.6% share in the world population pie making it the second largest country after China in terms of demography. This is slated to change by 2030, with India reaching 1.5 billion population crossing China and becoming the largest populated country in the world.
While this may seem challenging, there is also an opportunity; India’s working population (15-59 years) will swell from 749 million to 924 million by year 2030, making it the most desired location of talent acquisition (employee availability) heightening business growth and progress in the country. Interestingly as on 2010, half of India’s working population that is around 362 million is below the age of 25 and this number shall only increase with the population figures making it one of the youngest countries of the world (Rai, 2011). Research report by Haworth, iDea and Johnson Control on Gen Y and Workplace, (2010) gives a different picture relating to Indian youngsters (Gen Y employees) through their global survey. Indian Gen Y workforce is considered the most demanding population with high expectations from the work environment in terms of better on-site support facilities and norms for work-life balance. They believe in not only socially collaborating but also engaging socially as an extension of their workplace to enhance learning opportunities and maintain a balance between their personal and professional lives. This generation of Indian youngsters is tech-savvy, entrepreneurial, ambitious, optimistic and ready to walk the extra mile for achieving their dreams and goals. They are strongly influenced by social opinions and base their judgments on peer factors much like their counterparts across the globe. They are a generation tuned to opportunities and consumerism, which make them more open for change, demanding with higher levels of expectations, impacting their perception towards organizations and their engagement processes (Rai, 2012).

Ma Foi Randstad Workmonitor – Wave I Report 2011, details the changing work characteristics of Indian GEN Y employees. The report states that mobility intent index is highest amongst the 18-24 years age category of Indian employees who are quite open for change and evaluate organizations on the availability of learning and growth opportunities including better engagement processes. While 78% Indian employees (across age groups), have a social profile on the web, an equal percentage of them use this medium for gathering information about prospective employee organizations; while 84% of Indian employees use Social Media tools & platforms to understand prospective employee work culture. Detailing the impact of Social Media and peer opinions pertaining to prospective employees, the survey states that almost 75% employees are hesitant to join organizations which have been negatively rated on this medium. Moreover 63% employees don’t think that access to Social Media at workplace impacts their productivity, while 79% actually believe that this medium helps increase their work output through sharing and collaboration.
2.7 Work Values and Value Systems

2.7.1. Conceptual understanding

Theory defines ‘Values’ as deep beliefs held by human beings towards specific modes of conduct which are socially and morally preferable. Values vary in terms of importance as guiding principles for an individual’s life, about what is good, right and appropriate in terms of leading one’s life (Rokeach, 1973). Rokeach (1973) outlines values as key beliefs that shape individual perceptions about the world and their attitudes and behavioral conduct towards society at large. It gives an understanding of what is ‘right’ and ‘wrong’ outlining acceptable modes of conduct which are preferable and acceptable over socially unacceptable modes of conduct. Value system as identified in this study thus refers to a hierarchy of values that is categorized on priority levels set by individuals which may vary according to the societal and environmental learning experiences. The concept of ‘Values’ as deep beliefs or strong convictions which are relatively stable was furthered in this study by classification of values as Instrumental values (personal conviction about desired modes of conduct) and Terminal values (personal conviction about desirable lifelong goals). Most researchers tend to agree that values are basically certain standard criteria’s which help guiding an individual’s life or in the process of choosing his/her goals for life, remaining relatively stable and enduring over time (Kilmann, 1971; Kluckhohn, 1951; Rokeach 1968, 1973; Dose, 1997). Rokeach (1968) argues that there exists a difference in understanding values and attitudes. He summarized that while values are standard, not related to a specific situation and remains stable over time; attitudes are linked to specific objects or situations and occur as a antecedent of individual values. Most theorists thus tend to agree that values while being relatively stable over time develop due to influences of culture, society and individual personality (Dose, 1997).

While the debate on focusing research efforts towards value versus attitude continued, researchers went to expand their work towards understanding a particular facet of human values relating to the work environment that shaped an individual’s understanding of career choices, job satisfaction and intention to continue with the job. Studies related to understanding this facet evolved as ‘Work Values’ which attempted to link individual preferences for work or work environment as critical factors for his/her continuity in the job (Super, 1973). Early researchers like Herzberg et al., (1956) linked work values to
motivational aspects, i.e. hygiene factors and motivators; later studies linked the aspect of personal convictions and impact of societal learning process to the work context relating it to certain outcomes of the work itself (Elizur, 1984).

Brown (2002) identified values as individual beliefs that should be fulfilled as an aspect of work participation role, leading them to setting and achieving directional lifelong desirable goals. He further classified values into personal and cultural beliefs in relation to:

- Human nature (human beings are good, bad, or neither);
- Person-nature relationships (nature dominates people; people dominate nature; living in harmony with nature is important);
- Time orientation (past, past-future, present, or circular (circular is oriented to changes that recur in nature as opposed to time as measured by watches and calendars));
- Activity (being (spontaneous self-expression is important); being-in-becoming (controlled self-expression is important); doing (action-oriented self-expression is important));
- Self-control (it is either highly or moderately important to control one's thoughts and emotions); and
- Social relationships (individual (the individual is most important to the social unit); collective (it is important to put the group's concerns ahead of the concerns of the individual).

Financial prosperity, altruism, achievement and responsibility are some examples of work values.\textsuperscript{xix} (Brown 2002)

Elizur (1984) analyzed two basic facets of work values:-

a) Modality of outcomes
   i. Instrumental: Values that define work outcomes of materialistic nature like pay, hours of work etc.
   ii. Cognitive: Values related to desired behavioral modes of work outcomes like achievement, job challenges, responsibility etc.
iii. Affective: Values related to aspects of relationship which affect individuals like recognition, acceptance, esteem etc.

b) System performance contingency

Values that relate to contingencies of the work performance that may be essential for organizations to motivate individuals in the context of job performance like work environment, benefits, transportation etc.

Dose (1997) through an extensive and critical study of values and work values literature summarized that there remains extensive differences in defining the content and structure of work values, attributing it to varying parameters adapted by theorists related to work domain, work knowledge and its allied relationships. She proposed a framework that encompassed all conceptualizations and research related to the construct of work values with considerations for values as ‘standards’ and also being classified according to various properties. Dose (1997) proposed and defined the following: ‘Work values are the evaluative standards relating to work or the work environment by which individuals discern what is ‘right’ or assess the importance of preferences.’ She further proposed two dimensions of work values, namely a) ‘whether the value held exhibits a moral element’ and b) ‘the degree of social consensus regarding the degree or desirability of the particular value’.
Researchers in their understanding of relationships relating to work values and organizational constructs have linked it to work attitudes, job satisfaction and most importantly to the aspect of organizational commitment. (Elizur, 1996; Kildron, 1978; Putti et al., 1989) through their research found that a moderate relationship existed between work values and the aspect of organizational commitment with Putti et al., (1989) further propounding that intrinsic work values relate more closely to organizational commitment than extrinsic values. Researchers working on the aspect of work values believe values can be theorized as being conceptually parallel to higher-order needs of human beings, while intrinsic values are more related to self-
actualization like interesting work, autonomy, growth and creativity; extrinsic values tend to focus on basic human needs of job security, pay enhancement or work environment cohesion. This view thus gives more depth to early researchers like Herzberg et al., (1951) who linked work values to motivators and hygiene factors for individuals.

Research done on Personal values looked at developing measurement related to work needs and values for employees. Prominent among them have been Porter’s (1961) Need Satisfaction questionnaire, Minnesota Importance Questionnaire, Rounds et al., (1981), Super’s (1962) Work Values Inventory, the Work Aspects Preference Schedule (WAPS), Pryor (1979) and Manhardt’s (1972) 25 item Work Values Inventory. The studies have overlapping concepts as identified by Macnab and Fitzsimmons (1987), wherein aspects of authority, creativity, independence, altruism etc, come under the common trait of ‘need’. This is in line with earlier studies done linking individual needs to job characteristics that outline how individual needs impact perception of work values and its strong impact on job satisfaction for an individual employee.

2.7.1 Generational differences in work values

Substantial amount of research over the years have been increasingly focusing on the aspect of changing work values and its impact on the organizational environment. These studies have been necessitated from the fact that with changing employee values and related preferences their affect is bound to be felt in the organizational environment wherein employees are associated at both physiological and psychological levels. Previous studies on the factor of age impacting work values have tried to understand whether this factor varies with generational differences or does simply affect the maturity level of an individual leading to changes in his/her work values or value systems over a time period. Rhodes (1983) in his study tried to understand the impact of career stages on work attitude, values and satisfaction wherein it was found that this aspect of career change at varying age levels does have an impact on the above factors inclusive of work values. However research conducted around the same time period by Furham (1982) on PWE (Protestant Work Ethics) and age found no such significant correlation, making him state that there are other factors than age that may affect one’s beliefs and that it is possible that beliefs in PWE could attain significant relationship with age at the older stages of one’s life.
This debate on whether generations do make a difference in one’s work values has fuelled many studies. Parker and Cusmir (1990) through their generational study on belief systems and value scores, found Boomers to being more humanistic/moralistic while pre-boomers were more traditional and pragmatic. This study strengthened the line of thought that highlights differences in generational values and its possible impact/affect in the organizational environment. Subsequent studies by (Judge and Bertz, 1992) related to impact on organizational culture, (Jurkiewicz and Brown, 1998 and Jurkiewicz, 2000) related to impact on human resource management processes, and (Dose, 1997) related to impact on ethical aspects outlines that generational differences in work values do tend to have an impact on organizational processes and its related environmental factors.

A major study in this direction was conducted by Smola and Sutton (2002) on a valid sample size of 335 American national who were understood to be full time employees at organizations. The study sought to understand if Generational differences in work values still existed amongst employees in the new millennia, specifically with relation to Boomers and Gen X-ers. They found that significant difference existed in two major values constructs, ‘Desirability of work outcomes’ and ‘Moral importance of work’. While older employees had less desire for promotion or growth, the younger generation had strong desire to move ahead in life. Similarly on the aspect related to ‘Moral importance of work’, Boomers felt that one’s recognition is through his/her work hence it should be the most important aspect of one’s life; Gen X-ers on the other side related more to work being associated with making them better individuals in terms of money, learning and growth. The study reflected that Gen X-ers value system seemed to be more ‘ME’ oriented than Boomers who seems more loyal to the work and organization, but at the same time the researchers also highlighted that being ‘me’ oriented doesn’t make Gen X-ers selfish; it only means that they are better able to align individual goals with organizations that benefits them mutually and lead more balanced lives than their previous generations. The study also looked at comparing work values of employees in the new millennia with those in the year 1974, while also trying to understand if work values change or remain constant with age. The study strongly indicates that generational differences have more influence on Work Values than age and maturation aspect (Smola and Sutton, 2002; p.379); a factor that organizations necessarily need to take into consideration as Gen Y employees steadily join the workforce.
Further research in this direction by Egri and Ralston (2004) looked into the Personal value orientation of 774 Chinese and 784 U.S. managers and professionals. The study found that while U.S. managers and professionals exhibited age-related value differences (as has been evident through previous researches on Silent generation, Boomers and Gen X-ers); Chinese managers and professionals exhibited personal value differences based on the Era they belonged to during their formative years. The study shows that while their existed some similarity in the personal value orientation of Silent Generation (U.S.) and Republicans (Chinese); the similarities ceased to exist for Boomers (U.S.) and Consolidation (Chinese)/Cultural Revolution (Chinese) generations with only one value being similar (intermediate openness to change). In the case of Gene X-ers (U.S.) and Social Reform generation (Chinese), only two values seemed similar; that of high openness to change and low conservation. This study highlights that their exists considerable intergenerational differences in personal values amongst both these cross-cultural groups, hence future studies in cross-cultural research need to incorporate aspects of intergenerational differences also in research focus than being limited to the myopic vision of national culture difference research.

In terms of study across different industry sectors, a significant study by Chen and Choi (2008) sought to understand generational differences in work values amongst hospitality sector employees in USA. The study was conducted on a sample of 398 hospitality sector employees in southeastern USA on 15 work value constructs for employees who had clocked a minimum of 400 work hours. The study conducted in the format of work value ranking found two major work values as being similar across all generations (Baby boomers, Generation X-ers and Millennial or Gen Y); namely ‘way of life’ and ‘achievement’. However there existed significant difference in terms of other work value rankings amongst employees from different generational cohorts. Baby Boomers gave high ranking to ‘Altruism’ while Generation X gave higher ranking to ‘Security’ and ‘Independence’ and Gen Y preferred ‘Supervisory relationship’ and ‘Economic returns’ amongst given work values. While the study details similarities and dissimilarities amongst different generations in ranking of work values; it is significant to note that differences in work values are based on constructs that are associated with how an employee perceives the concerned construct. For example if a particular generation (like Gen Y) has evolved in an era of consumerism and achievement oriented parenting (Gen X or Baby Boomers), then their value system will perceive ‘economic returns’ as a preferred work value as they have amply viewed the value of monetary utilization and its importance during their formative years. The study although
focused on the hospitality sector, outlined that irrespective of the sector there does exist differences in work values across generational cohorts; albeit the work values itself might slight differ across industry categories based on its perceived need and valuation which makes for interesting research in future but currently out of the purview of this research.

2.8 Perceived Organizational Support and Social Exchange Theory

POS is a key concept of organizational support theory (Eisenberger et al., 1986; Eisenberger et al., 1997; Rhoades & Eisenberger, 2002), which posits that “employees evidently believe that the organization has a general positive or negative orientation toward them that encompasses both recognition of their contributions and concern for their welfare.” Organizational support theory (Eisenberger, Huntington, Hutchinson, and Sowa, 1986; Rhoades and Eisenberger, 2002; Shore and Shore, 1995) holds that in order to meet socio-emotional needs and to assess the benefits of increased work effort, employees form a general perception concerning the extent to which the organization values their contributions and cares about their well-being. The concept of POS is based on a social exchange theory whereby employees extend their effort and loyalties in return for the material commodities and social rewards given to them by the organization (Blau, 1964). Based on the norm of reciprocity (Gouldner, 1960), POS is theorized to indirectly impact employee attitudes and behaviors by creating a sense of obligation within individuals that results in reciprocation (Eisenberger et al., 1986). Employees with higher levels of POS are more likely to repay the organization with positive attitudes and favorable work behaviors (Eisenberger et al., 1986; Eisenberger, Fasolo, & Davis-LaMastro, 1990; Eisenberger, Cummings, Armeli, & Lynch, 1997). Perceived organizational support (POS) would increase employees’ felt obligation to help the organization reach its objectives, their affective commitment to the organization, and their expectation that improved performance would be rewarded. Behavioral outcomes of POS would include increases in job performance and job satisfaction and decreases in turnover.

Employees’ perceptions about the degree to which the organization cares about their well-being and values their contribution, describes the social exchange relationship between the organization and its employees. (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001). POS can have a positive impact on employees’ attitudes and behaviors mainly because it creates a sense of obligation within the individuals to repay the organization (Eisenberger et
al., 1986; Eisenberger et al., 1990). Despite this contention, most POS studies have only examined the direct effect of POS on various outcomes, while little research has been conducted to investigate the mediating mechanisms through which POS influences employee behaviors and attitudes. One exception is Eisenberger et al., (2001) recent research, which specifically examined the role reciprocation in the relationships of POS with employee commitment and job performance. Their research suggests that an important mediator of the POS-outcome relationship is felt obligation, which refers to an employee’s belief regarding whether he or she should care about the organization’s well-being and should help the organization obtain its goals (Eisenberger et al., 2001). The research’s findings support social exchange theory (Blau, 1964) and organizational support theories (Eisenberger et al., 1986; Rhoades and Eisenberger, 2002) with the assertion that the norm of reciprocity applies to the employer-employee relationship. Specifically, employees respond to favorable treatment by the organization with feelings of obligation to care about the organization’s welfare and to act in the organization’s behalf, which, in turn, enhance positive work attitudes and behaviors. In order to validate the role of the reciprocity norm in explaining the mediating, the employee’s obligation as mediators of the effects of POS will be tested for employee’s work attitudes and behaviors.

2.8.1 Antecedents and Consequences of POS

Theorists have long believed that Human Resource Management (HRM) practices operate through their more proximal influences like Perceived Organizational Support (POS) (Rhodes and Eisenberger, 2002). Research has summarized that one of the key factors that has an influence on an employee at the Individual level and brings about a significant impact in employee outcomes, attitude and behavior is the relationship between the organization and the employee. Studies have shown that employees rely on their perceptions of procedural fairness to understand their relationship with the other party specifically related to the aspect of trust in the concerned relationship. The greater an employees’ perception of procedural fairness that is if he/she perceives that he has been treated with fairness at each and every step of the processes followed by the other party then are higher chances of strong trust and reciprocal behavior developing in the relationship with the other party. High trust relationship have been shown as positively influencing employee outcome related attitude and behavior like high levels of organizational commitment, felt obligation and job satisfaction which have
been based on the individual’s perception of fairness and support (POS) from the organization; an area of interest in the concerned and current study.

Organizational Support Theorists (Eisenberger et al., 1986, 1997) outline that organizational treatments that demonstrate organizational recognition of the employee contribution and caring about their well-being is likely to induce higher levels of POS among employees. HR practices specifically Strategic Human Resource Management (SHRM) practices are an important channel through which organizations tend to demonstrate the aspect of organizational recognition, caring and reciprocation (Becker & Gerhart, 1996; Guest, 1997; Guest et al., 2003; Huselid, 1995). Becker and Gerhart (1996) emphasized that based on theories of commitment and Strategic HRM; HRM policies and practices are expected the influence the perceptions of these practices (e.g. fairness) and the organization (e.g. organizational support), which in turn shapes employees commitment factors and its related influences. The implementation of appropriate strategic human resource practices can help develop high levels of POS which in turn contributes to positive employee attitudes and organizational behaviors.

Effective HR practices help acquire, develop and motivate employee behavior affecting firm performance (Jackson et al., 1987; Schuler and MacMillan, 1984). Research has looked at impact of HRM practices on organizational performance (Guest, 2003; Huselid, 1995) and to an extent on employee attitudes and work behaviors (Guest 1997). Strategic value of HR in creating and developing organizational culture and social relations cannot be replicated thus creating competitive advantage for organizations (Becker & Gerhart, 1996). Researchers have urged systematic investigation in the context of social relationships and their implication on HR practices. (Uhl-Bien, 2000; Graen, & Scandura, 2000).

Shore and Shore (1995) asserted that organizational actions that are interpreted by the employee as a medium symbolic of their organizations showing appreciation, recognition, and availing them discretionary rewards in line with their contributions to the organization, are more likely to be positively related to POS. They identified two types of HR practices related to POS; first, discretionary practices that imply organizational caring but are not mandated by company policy or union contract; second, HR practices that symbolize organizational recognition of the employee’s contribution. This proposition suggests that those HR practices that represent different ways in which the organization shows concern for
the employees and values their contributions may be particularly critical for the development of high POS in order to satisfy their needs accordingly. First, satisfactory pay is necessary for meeting individuals’ physiological or existence needs. Second, growth needs can be met by sufficient career development opportunities that help employees extend their potential and expand their capabilities. Third, HR practices that provide social support, such as job security and family relationships, can help meet employee basic needs of safely and well-being. They asserted that organizational actions that are interpreted by the employee as symbolic of appreciation, recognition, and discretionary rewards are more likely to contribute to POS. HR practices that would meet individuals’ needs for existence, relatedness, and growth will be selected. These HR practices include organizational rewards, training and development, procedural justice, and workplace partnership.

Researchers outline that POS is developed through a process of ‘personification’ (Shore and Shore, 1995; Wayne et al., 1997). Employees tend to ‘personalize’ the organization based on their accumulated experiences of rewards and punishments received from representative organizational members, thus adding a ‘human aspect’ to the organization. Since the organization gets represented within employees through direct leaders (line managers) who are often in charge of administering and allocating discretionary rewards, support and resources, it is likely that this relationship between the leader/ supervisor and the employee plays an important role in the perception of both supervisory and organizational support; the concept of Perceived Organization Support and Perceived Supervisory Support. Eisenberger et al. (1986) indicate that employee perceive the favorable and unfavorable orientation of their supervisors towards them, as being synonymous with the orientation of the organization as supervisors are viewed as agents of the organizations, hence any action on their part is interpreted or perceived as action by the concerned organization. This viewpoint is supported by research in the context of leader-member exchange studies (Settoon et al., 1996; Wayne et al., 1997).

Eisenberger et al., (1986) evolved the concept of Perceived Organizational Support (POS) based on the effect-outcome expectancy and the aspect of affective attachment to one’s organization based on exchange ideology; an area that was explored by previous researchers (Levinson, 1965; Mowdays et al., 1982). This exchange ideology between the employee and his employer (the organization) seems to have strong impact on job attitudes like organizational commitment, turnover, absenteeism and work-performance for those employees
who have strong exchange ideology than on those with weak exchange ideology. This implies that employees’ perception of how the organization supports him/her through its agents (Supervisors) and takes care (recognition, rewards, fairness in processes etc) directly impacts the relationship with the organization as per the norms of social reciprocity; demonstrating strong or weak impact on job attitudes (which varies according to the exchange ideology of individual employee).

Consequences of POS; Organizational Commitment (affective commitment) is understood to increase positively with increase of caring by the organization wherein caring is reciprocated with more felt obligation and affective attachment through demonstration of higher levels of commitment by the employees. This exchange is based on social reciprocation wherein employees feel obliged for fulfillment of their socio-emotional needs through recognition, affiliation and emotional support towards the organization (in case of personification – to their ‘supervisor’), producing a strong sense of belongingness to the organization (Eisenberger et al., 1986; 2001). POS can have a positive impact on employees’ attitudes and behaviors mainly because it creates a sense of obligation within the individuals to repay the organization (Eisenberger et al., 1986; Eisenberger et al., 1990).

Rhodes and Eisenberger (2002) hypothesized that POS is understood to influence employee’s expectations and reactions related to their jobs; job satisfaction and positive mood. While job satisfaction is impacted by various aspects like socio-emotional needs, performance-reward expectancies and supervisory support; positive mood differs in this context by being a general state of emotional environmental affect. Positive mood is influenced by how one feels during a particular time period or how one feels about something which may even be temporal in nature. Researchers argue that POS contributes to employees feeling of competence and worth, thus leading to increasing their Positive mood; a consequence of POS (Eisenberger et al., 2001).

2.9 Job Attitudes: Affective Commitment

As defined by Porter et al., (1974), commitment refers to attachment and loyalty. It is the relative strength of the individual’s identification with, and involvement in, a particular organization. It consists of three factors:
1. A strong desire to remain a member of the organization.
2. A strong belief in, and acceptance of, the values and goals of the organization.
3. A readiness to exert considerable effort on behalf of the organization. (Refer Armstrong 2006, p. 271-272)

Commitment has varied definitions according to different aspects, e.g. commitment as an attitude, a force, a bond, identification, congruence and motivation. Scholars have understood commitment to be one’s psychological attachment to the organization (Buchanan, 1974, O’Reilly and Chatman, 1986). Mowday et al., (1982) used the term attitudinal commitment in terms of differentiating the psychological aspects of commitment from the economic and behavioral views of commitment, further defining is as a construct that signifies identification and involvement. Angle and Perry (1981) define commitment in terms of “one’s reciprocation for the organization satisfying important past, present and future needs, including tangible social needs (work relationships, pride from membership)”. Sheldon (1971) defined commitment as an attitude towards the organization that links or attaches the identity of the person to the organization. Allen and Meyer (1990) categorized commitment as mindset, e.g. desire – affective commitment, obligation – normative commitment and perceived cost – continuance commitment. Mathews and Shepherd (2002) asserted that employees, who are committed to the organization, have a strong belief in the organization’s goals and values and eventually the acceptance of the goals and values are also on the higher end for such employees. They show a willingness to exert considerable effort on behalf of the organizations with a strong desire to maintain membership of the organization.

One of the most important and primary instrument of measurement of Organizational Commitment was developed by Mowday, Steers and Porter, (1979). Named the Organizational Commitment Questionnaire or OCQ, this instrument analyzed the commitment of an individual to organization based on his/her identification and involvement with the organization. The instrument measures commitment based on three components; a strong belief and acceptance of the organization’s goals and values, a willingness to exercise considerable effort on behalf of the organizational and finally a deep desire to maintain membership of the organization. The instrument with its 15 items question unidimensionally focused in assessing the affective part of attachment towards the organization. Meyers and Allen (1991) in their research work also outline that the instrument OCQ is highly loaded towards the construct of Affective Commitment and its items seek to assess that particular
aspect only in the employee. The current research thus sought to adapt items from OCQ developed by Mowdays et al., (1979) as one of the major constructs of this research work is Affective Commitment which is based on an assessment of the level of affective attachment one has towards his or her organization.

Meyer and Allen (1991) classified organizational commitment into three categories: affective commitment, continuance commitment and normative commitment. Employees with strong affective commitment remain with the organization because they want to, those with a strong continuance commitment remain because they need to, and those with a strong normative commitment remain because they feel they ought to. They outline affective commitment as employee’s emotional attachment, identification with and involvement with the organization because they themselves are keen to do so. Normative commitment on the other side is more related to the obligation an employee feels towards his/her organization and desire to be members of the organizations because they believe they ought to do so. Continuance commitment is clearly the more logical aspect of commitment wherein it refers to awareness about the cost associated with leaving the organization, and vice-versa the benefit of continuing membership of the organization.

Cohan (1996) found that among these three types of commitment, affective commitment seemed to highly correlate with factors like work involvement, job involvement and career commitment than the others. The aspect of affective commitment being more positively related to job performance has been confirmed by different empirical studies (Meyer, Allen and Smith 1993; Sommers, 1995). Affective commitment can be understood as a strong belief in and acceptance of the goals and values of the organization and readiness to exert considerable effort on behalf of the organization, as well as strong desire to remain as a member of the organization (Mowday et al., 1979; Porter et al., 1974). In terms of empirical studies on commitment it was found that commitment strongly related to turnover intention as well as turnover (Mathieu and Zajac, 1990; Randall, 1990), but not stronger than job satisfaction (Tett and Meyer, 1993). The researchers Mathieu and Zajac (1990) and Randall (1990) also found that commitment positively related to job performance and attendance while being negatively related to tardiness.

Further meta-analysis in understanding the antecedents of commitment, found factors of perceived organization support (POS), organizational justice, person-organization fit and psychological fulfillment having strong link to the aspect of commitment among employees.
Employees’ perceptions about the degree to which the organization cares about their well-being and values their contribution, describes the social exchange relationship between the organization and its employees. (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001). POS can have a positive impact on employees’ attitudes and behaviors mainly because it creates a sense of obligation within the individuals to repay the organization (Eisenberger et al., 1986; Eisenberger et al., 1990). Perceived organizational support (POS) would increase employees’ felt obligation to help the organization reach its objectives, their affective commitment to the organization, and their expectation that improved performance would be rewarded. Behavioral outcomes of POS would include increases in job performance and job satisfaction and decreases in turnover.

2.10 Job Attitudes: Felt Obligation

Researchers in the domain of perceived organizational support detail that employees relationship to his/her organization is based on the norms of reciprocation (Gouldner, 1960; Blau 1964). Employees understand that if their organizations care for them (supervisory support, well-being), provide them with growth, and have fairness in their processes (distribution of pay and rewards); then they too should reciprocate this through increased commitment to the organization and take an active interest in the growth of the organization. This attitude of the employees related to being obliged to give back to the organization in exchange of the concern and support shown by the organization, has been theorized as ‘Felt Obligation’ as highlighted through evidence based researches by Organization Support Theorists ((Eisenberger et al., 1986; Eisenberger et al., 2001; Rhoades and Eisenberger, 2002; Shore and Shore, 1995).

Felt Obligation is based on employee’s reciprocity with the organization in caring about the organization and in helping the organization reach its goals and objectives (Eisenberger et al., 2001). Felt obligation has been understood to be an important mediator in the POS-outcome relationship wherein in terms of role reciprocation, felt obligation refers to the employee’s belief regarding whether he or she should actually care and help the organization in achieving its goals based on what level of perceived support he or she has received from the organization (Eisenberger et al., 2001). The research highlights that in terms of an interpersonal relationship, partners’ readiness to return favorable response is influenced by their acceptance of the reciprocity norms; identified herein as Employee exchange ideology that concerns employees’ application of the reciprocity norm to their relationship with their
work organization. Employees’ with strong exchange ideology will show more positive response towards their organization in return for favorable treatment, thus increasing their affective commitment and felt obligation towards the organization.

Felt obligation is viewed as an outcome of POS and depends on the employee’s acceptance of the reciprocity norm as applied to work (Wayne et al., 1997). POS fosters affective commitment by meeting the employees’ socio-economical needs and by creating felt obligation to the organization (Armeli et al., 1998; Eisenberger et al., 1986). This increased obligation towards the organization results in increased productivity and higher work performance beyond standard limits as prescribed by the organization. Felt obligation is also understood to reduce employee withdrawal behaviors like absenteeism and tardiness.

2.11 Employee Behavioral Outcomes: Job Satisfaction

The term ‘job satisfaction’ refers to the attitudes and feelings people have about their work. Positive and favourable attitudes towards the job indicate job satisfaction. Negative and unfavourable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006, p.264). The level of job satisfaction is affected by intrinsic and extrinsic motivating factors, the quality of supervision, social relationships with the work group and the degree to which individuals succeed or fail in their work. Purcell et al., (2003) believe that discretionary behavior which helps the firm to be successful is most likely to happen when employees are well motivated and feel committed to the organization and when the job gives them high levels of satisfaction. Their research found that the key factors affecting job satisfaction were career opportunities, job influence, teamwork and job challenge.

Job satisfaction can be divided into two elements: intrinsic and extrinsic (Clark, Oswald & Warr, 1996). Intrinsic job satisfaction refers to the internal state associated with characteristics inherent in a job, such as utilization of skills, the amount of job complexity and opportunity for control, the amount of responsibility and challenges (Cowin, Johnson, Craven and Marsh, 2008). Extrinsic job satisfaction refers to tangible aspects such as wages, work and benefits. The level of job satisfaction is influenced by a range of intrinsic and extrinsic motivating factors, which include the quality of supervision, social relationships with work groups and the degree to which individuals fail or succeed in their work.
Research on Job satisfaction has been explored through its relationship with various facets like pay, supervision, quality of work life, performance improvement and organizational commitment. Researchers have found significant correlations of job satisfaction with pay, work organization and work conditions (Cohen and Bailey, 1997; Harley, 1999; Maertz and Griffeth, 2004; Taplin and Winterton, 2007). However research in the area of increased job satisfaction leading to increased productivity seems to suggest a different picture than its correlation with other facets. A review of the extensive literature on this subject by Brayfield and Crockett (1955) concluded that there was little evidence of any simple or appreciable relationship between employee attitudes and their performance. An updated review of their analysis by Vroom (1964) covered 20 studies, in each of which one or more measures of job satisfaction or employee attitudes was correlated with one or more criteria of performance. The median correlation of all these studies was 0.14, which is not high enough to suggest a marked relationship between satisfaction and performance. Brayfield and Crockett (1955) concluded that:

“Productivity is seldom a goal in itself but a means to goal attainment. Therefore we might expect high satisfaction and high productivity to occur together when productivity is perceived as a path to certain important goals and when these goals are achieved. Under such conditions, satisfaction and productivity might be unrelated or even negatively related”.

It can be argued that it is not job satisfaction that produces high performance but high performance that produces job satisfaction, and that a satisfied worker is not necessarily a productive worker and a high producer is not necessarily a satisfied worker. People are motivated to achieve certain goals and will be satisfied if they achieve these goals through improved performance. They may be even more satisfied if they are then rewarded by extrinsic recognition or an intrinsic sense of achievement. This suggests that performance improvements can be achieved by giving people the opportunity to perform, ensuring that they have the knowledge and skill required to perform, and rewarding them by financial or non-financial means when they do perform. It can also be argued that some people may be complacently satisfied with their job and will not be inspired to work harder or better. They may find other ways to satisfy their needs (Armstrong 2006, p.264-265).
Research regarding the relationship between job satisfaction and organizational commitment indicates a positive correlation between organizational commitment and job satisfaction (Becker 1992; Williams and Hazer, 1986). It is understood that employees with higher levels of job satisfaction display higher levels of organizational commitment (Chen, 2007).

Organizational commitment has a deep relationship with organizational goals, and represents both an individual’s relationship with those goals and how much an individual values, and works towards those goals. This motivation to work towards the goals in line with organizational needs, while fulfilling individual needs increases satisfaction towards the job which if supported by the organizational efforts increases the aspect of organizational commitment, hence a positive correlation is understood to exist between job satisfaction and organizational commitment (Mowday et al., 1979).

There has been a lot of debate in literature to the similarities that may exist between Perceived Organizational Support (POS) and Job Satisfaction as most people seem to understand that both may be similar in perspective. However, evidence-based research by POS theorists distinguish POS and Job Satisfaction; Shore and Tetrick (1991) illustrate that while POS has been conceived as a descriptive belief about the organization and relates to the “humane” aspect of the organization in long-term perspective, job satisfaction is understood to be an affective-laden attitude. They argue that overall job satisfaction is more subject to recent changes in job conditions than POS which has a more long-term perception and not purely based on conditions of the job wherein organization may have little control. To illustrate this with an example, (Eisenberger, Cummings, Armeli and Lynch, 1997) outline that if a pay raise happens due to some legal regulation (wherein organization has no control) it may increase overall job satisfaction and vice-versa if pay is reduced by organization due to financial difficulties, it may reduce overall job satisfaction but it will not impact POS to a great extent as employees’ understand that organization has limited control over market financial conditions hence while they may not be too satisfied with their job they may still be committed to the organization due to positive perception of organizational support. At best they feel more obliged to the organization not retrenching them during hard times and adjusting with some pay cuts in the long run.
2.12 Employee Behavioral Outcomes: Turnover Intention

Literature in the area of understanding Employee Turnover and its associated causes, outline that actual turnover is different from ‘Turnover Intent or Intention’; reason being that Intentions are basically statements about specific behavior of interest which means an individual thinks or desires to proceed on a specific line of action but may not actually do so based on availability of alternatives in the final decision process. Turnover intent is defined as the reflection of, “the (subjective) probability that an individual will change his or her job within a certain time period” (Sousa-Poza and Henneberger, 2002) and is an immediate precursor to actual turnover. Although research has looked at understanding both actual turnover and turnover intention in separate studies, it has been found that the factor of actual turnover is influenced by turnover intention and as turnover intention increases, actual turnover also increases. Studies related to turnover intention have focused on both economical and psychological factors that affect this intention in employees, however the focus from the psychological school of research has been found to stronger with aspects of Job satisfaction, Organizational Commitment, Psychological contract having impact on employees’ perceptual process in turn increasing or decreasing his or her intention to either leave or continue participation in the organization. Early study by Mobley (1977) found that job satisfaction seemed to have the highest relationship to turnover intention, wherein he argued that dissatisfied employees have the highest chances of leaving the organization.

Research regarding organizational commitment and its relationship to withdrawal behaviors like tardiness, absenteeism, turnover and turnover intention suggests that there exists a negative correlation between these factors with organizational commitment. That is if an individual or employee is committed to his or her organization and identifies with the values or goals of the organization, then there are lesser chances for the individual or employee to display withdrawal behaviors. Consistent reviews found a negative relationship to exist between organizational commitment and turnover or turnover intention (Allen and Meyer, 1996; Mathieu and Zajac, 1990; Tett and Meyer, 1993). Taking this further and to understand which among the two, organizational commitment or job satisfaction has more influence on employees’ intention to leave; Tett and Meyer (1993) conducted a path analysis based on meta-analytic findings to understand the contributions of these two factors. Tett and Meyer’s test of competing models showed that job satisfaction and organizational commitment have independent effects on intention to leave. In this integrative model, the two work attitudes are
conceptualized as having reciprocal influence on each other, while also having direct, independent effects on intention to quit. Tett and Meyer’s meta-analysis also found that intention to leave was predicted more strongly by job satisfaction than organizational commitment and that intention to leave mediated the linkages between these attitudes and actual turnover.

Social exchange theory (Blau, 1964) and organizational support theory (Eisenberger et al., 1986) outline that employees who receive high levels of support from the organization are inclined to repay the organization. One essential way to reciprocate the organization’s favorable treatment is through continued participation (Allen, Shore, and Griffeth, 2003; Wayne et al., 1997). POS research provides some evidence in support of this proposition. The negative relationship between POS and turnover intention was also evident in some other studies (e.g., Wayne et al., 1997; Eisenberger et al., 2001). Rhoades and Eisenberger (2002) concluded that desire to remain with an organization had a large, positive relationship with POS.

This chapter thus attempts to provide an overview of the seminal work that has been done in the context of psychological constructs like Work Values, Perceived Organizational Support, Affective Commitment, Felt Obligation, Job Satisfaction and Turnover Intention. This is to give an understanding of extensive research carried out by eminent researchers on these Constructs and the debates pertaining to the same. Attempt has also been made to give a better understanding of the construct termed perceived Organizational Support and its antecedents and consequences as this specific construct form the base of this research study. Lot of debate has raged in trying to separate this construct from Job Satisfaction and a factual understanding to the same has been provided above for better clarity.
CONTENT NOTES

i Refer Armstrong, 2006:ibid
ii This section has been published by the author both as a WZB Discussion Paper and Book chapter by Logos Verlag Germany. For more details refer to Rai.S (2012), HRM in India

iv http://hinduism.iskcon.com/lifestyle/901.htm, accessed on 13th April 2011 at 3.30 pm
viii Refer Generational Differences Chart in Annexure (Table 1.4). Accessed on 24th July 2012, at 4.10 pm from: http://www.wmfc.org/GenerationalDifferencesChart.pdf
x http://legalcareers.about.com/od/practicetips/a/Traditionalists.htm
xi http://en.wikipedia.org/wiki/Baby_boomer U.S. Census Bureau
xiv Parts of the portion on Generation Y and Indian Gen Y employees have been published by the author as research articles in reputed journals. For more details refer to Rai.,S., (2011) and Rai., S., (2012) on Engaging Gen Y employees.
xv Refer Annexure (Table 1.1)
xvi http://www.census.gov/population/international/data/idb/worldpop.php
xvii Refer Annexure Table 1.3
xix Refer (Brown, 2002, pp. 469-470).