A generational perspective on working in travel industry:

Managing a Multigenerational Workforce

Shira Godfried
Saxion University for Applied Sciences
Deventer, The Netherlands
s.r.godfried@saxion.nl

Xander Lub
Saxion University for Applied Sciences
Deventer, The Netherlands
x.d.lub@saxion.nl

and

Frank Radstake
ANVR (Dutch Federation of Travel Associations)
Baarn, The Netherlands
FRadstake@travel.nl

ABSTRACT

High actual turnover rates in Dutch travel industry in combination with demographic changes in the workforce, may have consequences for economic sustainability for Dutch travel companies. A previous study has shown significant differences in the psychological contract of generations in the workplace in travel industry. This study was aimed at providing insights for creating generation-sensitive HR management. The research design included a qualitative in-depth study exploring meanings, beliefs and experiences of HR managers with three generations in the workplace. These HR managers experience differences in attitudes, values and expectations of generations and find the lower commitment and higher turnover intention of Generation Y especially problematic. Managing three generations essentially entails a differentiated style of management, taking into account generational differences.

Keywords: generations, psychological contract, turnover intention, commitment, HR management

1. Introduction

Travel industry in the Netherlands is experiencing levels of actual staff turnover as high as 25% per year (Reiswerk, 2010). While this turnover has strong financial consequences for organizations, it also leads to great loss of human capital, which may have consequences for long-term innovation capacities of organizations (Taplin & Winterton, 2007). According to human capital theorists, organizational functioning is determined by valuable human capital. Human capital is the primary determinant of an organizations' productivity and, as turnover erodes the extent of human capital, it also diminishes productivity (Dess & Shaw, 2001). In travel business the predominance of the organisations' transactions involve either direct or indirect employee–customer interactions (Solnet & Hood, 2008). Therefore, human capital is essential for the innovative and creative capacities of organizations in travel industry to distinguish themselves from competitors with less focus on human capital in the industry (Ivankovic & Jerman, 2010). Moreover, organizational differences in profitability are often due to the internal capabilities. Especially its human capital is more likely to produce real competitive advantages, for engaged and committed employees are difficult for competitors to equal (Solnet & Hood, 2008).

As large demographic shifts are expected in the labor force over the coming years, organizations in travel industry will have to adapt their HR policies in order to create economic sustainability (Capelli, 2003; Dona, 2009; Jackson & Alvarez, 1992). In particular, companies will have to come up with a solution to better retain the newest generation of workers. This new generation of workers not only will be needed to replace

retiring workers, but will also be needed to provide new and fresh insights that will help adapt business models to a new client-base and new uses of technology.

A study by Lub, Godfried, Radstake & Blomme (2010) indicated that the youngest generation of workers in Dutch travel industry, also known as Generation Y, has different and higher expectations of their employers. In particular, differences between generations were found regarding the extent they attach value to organizational policies and working in an environment where employees can give meaning to their lives and fulfil their moral ideals (Bal & Vink, 2010). Surprisingly, results showed that the youngest generation of workers feel significantly stronger obligations to perform beyond specified role requirements (Somech & Drach-Zahavy, 2000). Furthermore, fulfillment of expectations by agents of the organization has been found to be a good predictor of commitment and turnover intention for employees (Lub et al, 2010). Finally results from this study showed a steady decline of commitment among generations currently working in travel industry. Also, Generation Y showed a significantly higher intention to leave their employer than previous generations (Lub et al 2010). These results can be considered worrisome for HR professionals in travel industry who aim to engage and retain Generation Y. Furthermore, generational thinking is important for managers as generational differences in the workplace can create an increase in tension between co-workers, while at the same time job satisfaction and productivity decreases (Kupperschmidt, 2000).

Given the relationship between fulfillment of expectations and commitment and turnover intention found in previous research (Lub et al, 2010); a study was set up to explore work expectations of Generation Y in travel industry in-depth. Determining the best fit for employment strategies regarding the motivational, training and development needs of Gen Y employees entails the human resources challenge for the hospitality industry - including tourism - of the future (Solnet & Hood, 2008). Therefore, the central research question is:

How can different generations – and in particular Generation Y – be engaged and retained in the workplace?

Ultimately, the aim is to develop a "generation-sensitive" approach to the workforce, which can help increase organizational commitment and thus reduce levels of staff turnover.

2. Literature review

A previous study by Lub et al (2010) indicated that generational differences in the working place do exist; especially Generation Y has different expectations of employers than previous generations. Travel industry, like other service-oriented industries, traditionally has a relatively young workforce (Solnet & Hood, 2008) and is therefore likely to experience the effects of Generation Y with its new set of work values in the workforce sooner than some other industries. It is therefore imperative we further explore the concept of managing different generations with different expectations in the workplace.

In this literature review, an overview of the most important concepts will be provided. The concepts together form the theoretical framework for this study. We will explore workers' expectations through the construct of psychological contract (Rousseau, 1989). This construct is founded in Social Exchange Theory, which will be elaborated on in the next paragraph. Then, psychological contract theory will be explored, which will be used to explore generational differences. Finally, literature in relation to managing a multigenerational work force will be presented.

2.1 Social and economic exchange

Before the 1980's, most employees were likely to experience a relatively stable relationship with their employers, where in return an employee's loyalty job security and promotions were offered (Anderson & Schalk, 1998). Since then, organizations have increasingly had to deal with changing markets and competition. This resulted in flexible organizations, with employers replacing employees' life time employment for support in employees' employability (Herriot & Pemberton, 1996; Hiltrop, 1996; Meister 1998). This significantly influences the dynamics of the relationship between employer and employee.

This relationship between employer and employee has already been described in the mid 20th century in the form of *social exchange theory* (SET) (Cropanzano & Mitchell, 2005). Blau (1964) claims that *"social exchange entails unspecified obligations"* (p.93), on top of the economic exchange between employer and employee. While economic exchange includes the financial and more tangible aspects of the exchange relationship, social exchange relates to socio-emotional aspects of the employment relationship – such as obligation and trust (Shore, Lynch, Tetrick & Barksdale, 2006). Additionally, successful social exchange can lead to commitment from one individual to another, indirectly giving a positive impetus to the relationship (Blau 1964).

The obligations mentioned by Blau - embedded in the context of social and economic exchange- constitute the psychological contract, in terms of transactional and relational contracts. Transactional contracts are associated with economic exchange; in this contract exchanges are clearly defined and specific, such as pay for performance and notice before resignation. Relational contracts on the other hand *"involve open-ended, less specific agreements that establish and maintain a relationship"* and include training development and long-term career opportunities in the organisation (Robinson, Kraatz & Rousseau, 1994, p. 139). In the next paragraphs psychological contract theory will be discussed further.

2.2 Psychological contract

In this study, the psychological contract is used to provide further insight into what different generations of workers expect from their employers. The concept of psychological contract is often based on and in fact originates in literature on work values and job satisfaction (Kotter, 1973; Lofquist & Dawis, 1969). Morrison and Robinson (1997, p.229) define the psychological contract as *"an employee's beliefs about the reciprocal obligation between that employee and his or her organization, where these obligations are based on perceived promises and not necessarily recognized by agents of the organization."* In practice, this means that employees have certain expectations about what an employer should offer (employer obligations) and what he or she should offer in return (employee obligations). Furthermore, the psychological contract theory is a well-researched antecedent to staff turnover in the light of employer-employee relations (Rousseau, 1989; Ten Brink, 2004; Tekleab & Taylor, 2003).

According to Thompson and Bunderson (2003), these expectations may move beyond the psychological contract towards including an *ideological contract*. In this ideological contract employee's norms and values concerning a higher cause versus those of the organization are compared and evaluated. As previous research has shown significant differences in this ideological contract between generations, further research is needed (Lub et al, 2010; Bal & Vink, 2010).

Failure to meet the implicit obligations in a psychological contract can lead to perceived breach of contract (also referred to as violation of psychological contract), leading to lowered organizational commitment and lowered performance of workers (Conway & Briner, 2002; Morrisson & Robinson, 1997; Robinson & Rousseau, 1994). A related construct, psychological contract fulfilment, should lead to an increase in organizational commitment and lower turnover intention (Conway & Briner, 2005; Lub et al 2010; Rousseau 1989). Robinson and Rousseau already indicated in 1994 that breach of psychological contract can lead to an increase in employee turnover; the study by Lub et al (2010) confirmed this finding.

2.3 Commitment and turnover intention

Several scholars have discussed the relationship between psychological contract and commitment (Coyle-Shapiro et al., 2004; Morrison & Robinson, 1997; Robinson & Rousseau, 1994; Ten Brink, 2004). Commitment can be described as the psychological state that characterizes the attachment between employee and organisation and has implications for the turnover intention of the employee (Meyer & Allen, 1991). In their "Three-Component Model" Meyer & Allen (1991) propose three distinctions of commitment: affective, normative and continuance. Affective commitment denotes the employee's emotional attachment to, identification with, and involvement in the organization, normative commitment refers to a feeling of obligation with the organization and finally, continuance commitment is defined as an awareness of the costs associated with discontinuing working at the organization (Allen & Meyer, 1990).[1]Especially affective commitment - continuance commitment to a lesser extent – correlates strongly with turnover intention (Meyer, Stanley, Herscovitch & Topolnytsky, 2002; Lub et al, 2010), but also impacts job performance and actual turnover (Jaros, 1997; McElroy, 2001; Meyer & Herscovitch, 2001).

2.4 Generational perspective

In the 20th century, Mannheim (1972) founded modern Generation Theory. According to Mannheim, a generation can be described as *"a group of people in a similar social location experiencing similar social events"*. Within this "group" similar experiences are shared, specifically forming a value set during a formative phase of their lives between the ages of 16-25. These values become distinct for the specific generation for the rest of their lives and determine an individual's personal beliefs regarding how one 'should' or 'ought' to behave in social environments (Meglino & Ravlin, 1998). As the workplace forms a great part of a person's social environment, value sets automatically influence their work values and expectations of their employers (Chen & Choi, 2008).

---

[1] Normative commitment strongly correlates with affective commitment, also the latter seems to be more strongly related to a range of outcome measures (McElroy, 2001; Meyer & Herscovitch, 2001; Meyer et al., 2002), and therefore normative commitment was excluded from this study.

On a further note, Mannheim (1972) proposes that if more critical life events take place, or if generations grow up in a very dynamic environment, greater differences can be observed in relation to other generations. Furthermore, during a dynamic period, older generations have difficulties adapting to change, while generations who are still in their formative phase can adapt more easily to changes.

Many scholars have contributed to the debate regarding the phenomenon of generations. Although some opponents attribute differences in generations to the interdependence between age and life stage effects as well as tenure or experience (Giancola, 2006; De Meuse et al., 2001; Macky, Gardner & Forsyth, 2008), other scholars emphasize differences between generations do exist (Lancaster & Stillman, 2005; Howe & Strauss, 1991, 2007; Bontekoning, 2007; Dries, Pepermans, & de Kerpel, 2008). While Howe and Strauss (1991, 2007) have suggested that early established values and expectations can change as people move into a new life-stage, they also demonstrate that each generation would adapt to new life-stages in a unique way. Additionally, Kupperschmidt (2000) claims that generations have *"relatively enduring values"* and that they develop generational characteristics within their cohort, apart from individual differences that may exist.

Currently, three generations are active in the workplace. While the exact start and end dates each generational cohort does vary to some degree in the literature, a commonly used division distinguishes the following three generations: Baby Boomers (born between1945-1964), Generation X (born between 1965-1980) and Generation Y (born between 1980-1995) (Eisner, 2005). A short description of all three generations will be provided, before elaborating on characteristics of Gen Y.

Baby Boomers (born 1945-1964)

Currently, Baby Boomers, raised in a period of economic expansion, form the generation with the largest representation in the overall workforce. Current literature (Smola and Sutton, 2002; Eisner, 2005, Lancaster & Stillman, 2005; Kupperschmidt, 2000) suggests that Baby Boomers seek job security and a stable work environment. What they lack in technical skills, they make up in social ones (Johns, 2003). Other descriptions of this generation include loyalty to an organization, idealism, political involvement and ambition. They are also described as focused on consensus building and mentoring. Lastly, they are suggested to be very sensitive to status (Kupperschmidt, 2000; Robert Half, n.d.).

Generation X (born 1965-1980)

People belonging to Generation X are generally were raised in a multiform society and during a period of economic crisis in their formative years. They are characterized as cynical, pessimistic and individualist (Smola & Sutton, 2002; Kupperschmidt, 2000; Eisner 2005). However, they embrace change, have technical abilities, are considered entrepreneurial, less loyal to an organization and focused on output. Furthermore, X'ers are pioneers in the independent workforce, and more likely to leave a job in search of more challenging options and higher salaries (de Meuse, Bergmann & Lester 2001; Tulgan 1995; Eisner, 2005). They are said to have issues with respecting authority (Howe and Strauss, 2007; Kupperschmidt, 2000) and a strong focus on, work-life balance, whilst also having troubles dealing with it (Kupperschmidt, 2000; Eisner, 2005).

Generation Y (born >1980)

Generation Y grew up in a period of economic prosperity (Eisner, 2005). This generation is described as being very comfortable with change and less attached to job security (Tulgan, 2003; Eisner, 2005). Generation Y is further typified as valuing education, skill development and enjoying challenging work (Martin & Tulgan, 2001). Also, they are viewed as enjoying collective action and working in teams (Martin, 2005). They are also considered to be technological savvy and to be creative, optimistic, driven, goal oriented and demanding of the work environment (Boschma & Groen, 2007; Smola & Sutton, 2002; Sheahan, 2005; Robert Half, n.d.). However, they also value a good work life balance and a strong sense of morality. Y'ers "want it all, and they want it now" (Ng, Schweizer &Lyons, 2010; Yeaton 2008).

2.7 Managing a multi generational work force

While in the past multiple generations have been working together in the work place, the differences between them in terms of values have never been so diverse (Zemke, Raines & Filipczak, 2000). First of all, managing Baby Boomers should be aimed at preventing burn outs amongst this generation, so managers should acknowledge their need for balance (Lancaster, 2003). Furthermore, Baby Boomers accept the chain of command and moreover expect their managers to give them direction towards organizational goals (Yu, 2005; Raths, 1999).

Managing X'ers means providing them freedom and flexible schedules (Lancaster & Stillman, 2002 (Furthermore, their approach to authority is more casual, can have difficulties with formal hierarchical structures and dislike direct supervision (Zemke, Raines & Filipczak, 1999; Corbo, 1997). Additionally, they want to be involved in decision-making in the organization and want assurance the organization is committed to helping them learn and develop (Thielfoldt & Scheef, 2004).). X'ers also want the trust of their managers to get the job done and are in search of mentors within the organization (Appelbaum, Serena & Shapiro, 2004).

As HR manager, one should take into account that Generation Y workers have high expectations of themselves and of their employers. They want to keep learning and thrive on challenges. They want to make their mark and take their responsibility, while at the same time being goal oriented. They are savvy with technology, which results in high expectations of what an employer can offer (Martin & Tulgan, 2001; Martin, 2005).

As generation Y is highly independent, managers often feel that the new generation does not do as they are told, while the new generation of workers in fact does respond well to a directive style of leadership - provided that they get the freedom and flexibility to do the task their own way and are included on the job. They can adapt easily and are looking for change – also in the work place. These character traits lead to a generation who is highly flexible. For managers, this means providing ongoing education, socialisation and creativity, otherwise Generation Y will find it elsewhere (Martin, 2005; Barron, Maxwell, Broadbridge & Ogden, 2007; Lancaster & Stillman, 2005; Raines, 2002). Moreover, Generation Y values non-work time, and while they want to enjoy their work, they do not want it to dominate their lives; rather they see it as means to support their lifestyle (Morton, 2002; Kerslake, 2005). Taking all this in account, a manager has to commit to high-maintenance management in order to bind and captivate Generation Y in the working place.

3. Method

3.1 Research Design

The research design is qualitative, as the goal of this study is to explore beliefs, meanings and experiences of 3 generations in the workplace as perceived by HR managers in travel industry. The research method that was applied in this study comprises of a case study focusing on exploring differences in generations in the workplace of travel industry; and which solutions managers have at hand for this problem. The case consists of in-depth study, aimed at generating explanatory insights regarding the dynamics of managing three generations in the workplace, during a time period of eight months in 2010-2011.

The specific sample of cases includes 8 of the 10 leading companies in Dutch travel industry. The main rationale for this sample is that these organizations can be considered representative and prominent for the entire branch (Eisenhardt, 1989; Merriam, 1998; Babbie, 2003) Participation in this study was voluntary, confidentiality of both the respondent (by naming them R1 to R10) and the company (by naming them C1 to C8) were guaranteed and the organizations supported the participation of their managers (see also: Kandasamy & Ancheri, 2009).

3.2 Data collection

The data collection took place in the form of 10 in-depth interviews with HR-managers of the previously mentioned 8 leading companies in Dutch travel industry. These interviews can be considered as expert-interviews to inquire into the employer perspective of managing three generations in the workplace. HR managers are the representatives of the employer in this study, as they are most involved in managing staff. Of the respondents, 6 were female and 4 were male. The interviews lasted approximately 1, 5 hours and took place on site. Furthermore, during these interviews, the researcher attempted to establish a real conversation, while pursuing specific topics (Creswell, 2003; Babbie, 2003).

These specific topics were incorporated in the semi-structured method of interviewing, using an interview protocol as a guiding principle. These topics included the following: psychological contract including organizational policies, social atmosphere, job content, rewards, career development, work-life balance and in-role and ex-role employee obligations (Freese, Schalk, & Croon 2008); commitment (Ten Brink, 2004); and turnover intention (Ten Brink, 2004). The general question with regards to these topics was: *"How do you experience generational differences in the working place as a manager(in relation to these topics); and which solutions are already at hand for generational issues?"*. During the process of data collection, the flexible and iterative nature of qualitative interviewing was taken into account, by adjusting the interview guide if necessary and using previously gained knowledge in other interviews (Rubin & Rubin, 1995). To ensure that sufficient

data was collected, the process of data collection continued until theoretical saturation took place (Strauss and Corbin, 1998).

3.3 Analysis

Interviews were recorded and concurrently field notes were taken by the researcher, in order to create an impression of the interaction – aside from the verbatim response of the participant in the interview. Secondly, the process of reflective journalizing immediately after the interview took place, to ensure reflections remain fresh. Thirdly, the researcher listened to the recordings and subsequently – if necessary – field notes were amended (Halcomb & Davidson, 2006).

The objective of the data analysis was to find explanatory patterns, including frequencies, magnitudes, structures, processes, causes and consequences, regarding the dynamics of managing three generations in the work place (Lofland & Lofland, 1995). These patterns were sought after by means of a content analysis, to eventually make inferences on the basis of objective and systematic coding (Krippendorff, 2004). Open coding took place by naming and categorizing the phenomena through close examination of the data using software program ATLAS TI version 6.2 (Strauss & Corbin, 1990). The strategy used to make a cross-case analysis was based on a variable-oriented analysis, describing generational differences in the work place (Huberman & Miles, 1994; Babbie, 2003). Through this strategy, the process of axial coding took place, which was based on the dimensions of psychological contract, commitment and turnover intention.

4. Results

The results of this study are described per generation from the perception of HR managers, starting with the oldest generation in the workforce and ending with the youngest generation in the workforce. The perception of HR managers is described on the basis of dimensions of psychological, commitment levels and turnover intention of different generations. The results are based on axial coding of the interviews and should be seen as an overview of the most important findings of the field research. On the basis of these results conclusions and managerial implications can be provided.

4.1 Baby Boomers

According to HR managers, employees of the Baby Boom generation working in travel industry can be described as hard working, as experts within their profession and as having lots of tacit knowledge, also because of their experience in the field (R1, R4, R5, R7, R8). Within the organization they either have positions in high management or board functions (R2, R3, R4, R5, R7, R9, R10), or have always worked in frontline functions (R6). Within management functions, Baby Boomers employ a directive leadership style (R1, R2, R3, R4, R5, R7, R9), which is sometimes problematic with the needs of employees of younger generations (R1, R2, R3, R4, R5, R7)[2]. HR managers believe that Baby Boomers value direct contact with their managers and being involved in and clear organizational policies. Furthermore, they value hierarchy and have high levels of trust in management (R6 R7, R9, R10).

Moreover, HR managers think that Baby Boomers are very loyal and committed employees; especially towards the organization, but also with regards to their colleagues. In terms of loyalty, Baby Boomers feel both emotionally attached towards the organization (R1, R6, R7, R9,), and are aware of the costs and risks if they leave the organization (R4, R5, R9). Furthermore, R9 thinks that *"Their work is their life"* (7:11). As a consequence, turnover intention amongst Baby Boomers is low (R1, R4, R5, R6, R9, R10); *"Baby Boomers are employees for life at C4"* (R6, 4:9).

Furthermore, according to the HR managers Baby Boomers value the social dimension of work very highly (R1, R4, R5, R6, R7, R9). Additionally, some managers see that for Baby Boomers their social contacts are intertwined with their contacts in the work place (R1, R4, R5, R7, R9). In terms of rewards, HR managers feel that for Baby Boomers salary is not a trigger as a mean of retention (R1, R7); instead, they want job security and are looking for content (R6, R7). Problematic for Baby Boomers is keeping up with the pace of technological changes (R1, R6, R10) and dimensions of New Ways of Working (translation: *het nieuwe werken*), because of their proclivity for directive and control style of management (R2, R3).

---

[2] Although one manager feels that the youngest generation actually does thrive under a directive leadership style (R8, 2010).

4.2 Generation X

Generation X'ers are described by managers in travel industry as employees looking for freedom, responsibility and independence and as results-oriented in their work, although they have trouble defining what they want in their careers and seem to struggle with creating a good work-life balance (R1, R2, R3, R4, R5, R8, R9). Therefore, New Ways of Working - including flexible work hours and working at home - appeal to this generation (R1, R2, R3, R8, R7). In general, this generation applies for more senior jobs (R4, R5, R7). As leaders, HR managers experience that Generation X adopts the directive leadership course set out for them by their predecessors, the Baby Boomers (R1, R4, R5, R8). Furthermore, they demand to be involved in organizational policies and they respond negatively if policies are poorly communicated (R1, R4, R5, R7, R8, R10).

HR managers experience a distinction of two types of employees amongst generation X: on the one hand, there are working moms, who work part-time looking for a pleasant job, as opposed to an ambitious career (R1, R4, R5, R6, R7, R10). On the other hand, among generation X there are real careerists, who are ambitious to grow within the organization, work full-time, but are at the same time more burn out-prone – especially if there are problems in their private life (R1, R6, R7, R10). Moreover, high rates of absenteeism can be found in both groups among X'ers, as conflicts between high pressure in their work and demands in their personal situation often lead to psychological problems (R4, R5, R6, R10).

HR managers indicate that with regards to career development, X'ers who want to make a career often move up to higher positions, although some employees are more prone to stay within their current function (R1, R7, R10). Besides this, X'ers aspire to become experts in their field, while at the same time, they are in search of a broad vision[3], (R8, R6, R10). Meanwhile, the latter is difficult, as the trend in travel industry is to create narrow functions (R7, R8, R10).Furthermore, HR managers suggest that while Generation X is willing to continue studying to increase their employability (R9), they only want to in the boss' time (R1, R8, R10).

Experience shows that while generation X is more inclined than the Baby Boomers to voluntarily leave the organization if *"the grass is greener on the other side"*[4] (R1, 107:107, R4, R5), HR managers still describe this generation as willing to commit to an organization (R6, R7, R10). HR managers think that the key to retain Generation X – and thus *"retain knowledge"* (R7, 11:11) - as employees, is to keep challenging them within their current job, or/and offering them broad career development opportunities within the organization (R1, R2, R3, R7, R8).

4.3 Generation Y

HR managers in travel industry describe the youngest generation of workers as self-conscious, ambitious, confident and eager to develop themselves and learn. Generation Y likes to work independently and has high expectations of their employers. However, they also overestimate their own (practical) knowledge and competences, are impatient regarding promotions and overall very demanding, especially regarding rewards (R1, R2, R3,R4, R5, R6, R8). Generation Y *"works to live and their lives cost money. They shamelessly ask for high salary during job interviews"* (R10, 8:49), as they know through the internet what they can earn. HR Managers experienced that the level of salaries form the main reason why generation Y resigns, after which they look for employment in a different industry (R1, R2, R3, R4, R5, R6, R7, R8, R9, R10). However, the managers find the value of social atmosphere for Generation Y is difficult to define and the results remain rather ambiguous. While some managers feel that the youngest generation looks for social contacts in the work place (R6, R7, R8, R10), social activities organized by the company outside work hours do not appear to appeal to them (R4, R5, R6, R8)[5]. Compared to the literature, the results do not clearly indicate a need of generation to express moral values in their work, as there is no clear consensus among HR managers regarding this subject (R1, R2, R3, R4, R5, R6, R7, R8, R9, R10).

Instead, HR managers believe that Generation Y is very much focused on their future career and their possibilities within the organization (R1, R2, R3, R6, R7, R10). Additionally, this generation is experienced to be very eager to learn and is therefore looking for training and further education, to improve their career possibilities within the organization, as well as overall increase their employability (R1, R8, R6, R7, R10).

---

[3] Again, Generation X seems to face difficulties in making choices regarding their career.

[4] Which often includes salary or a better work-life balance (R1, R4, R5)

[5] Although R8 states that the youngest generation specifically wants to work at C5, because of their social activities calendar.

Learning on the job is also highly valued by this generation according to managers, as it helps them to *"become part of the* [travel] *world"* (R7, 5:56; R8). However, their attitude towards the company is differently experienced: they look at *"what can an organization offer me"* (R6, 4:11), instead of what they can attribute to the company. Furthermore, if the career possibilities are not up to their standards, HR managers see that they are inclined to go job-hopping (R1, R6, R7, R9, 2011).

In corollary with the literature, HR managers find Generation Y in the work place is very apt with technology. However, constantly relying on computerized systems can lead to a lack of depth in their work and decrease in knowledge (R1, R4, R5, R7). Social media seems to play a big part in their lives, and leads to a great intertwining of their private life in their work (R2, R3, R4, R5, R6, R7, R10). Work-life balance is experienced to be incredibly important for the youngest generation. HR managers believe that work is a means to an end for them; their work needs to fit in their lives (R2, R3, R8, R4, R5, R7, R10). Because of their desire for a good work-life balance – and their earlier described character traits – HR managers think that New Ways of Working also very much appeals to this generation, especially aspects such as flexible work hours and managing on output (R2, R3, R6, R7, R8, R10).

In the experience of HR managers, Generation Y faces difficulties with a directive, controlling style of managing (R1, R2, R3, R6, R7, R10). Rather, HR managers think they want to be controlled *"as little as possible. They want independence, many responsibilities and feedback"* (R6, 4:70). Besides this, HR managers experience that the youngest generation does acknowledge hierarchical structures within the organization, which is experienced by other employees as a lack of respect (R1, R7, R8). Apart from one manager (R6), HR managers do not feel Gen Y particularly values to be involved in organizational policies (R1, R4, R5, R7, R8, R10).

Nevertheless, HR managers have most difficulties with this generation Y's lower levels of commitment coupled with higher turnover intention. In their experience in extreme situations, Generation Y is prepared to make an extra effort for their employer (R6, R7, R10): *"…during the ash cloud, it was clear that everyone contributed"* (R10, 8:31). However, in general in travel industry, HR managers see that it is difficult to tie Generation Y to the organization since they are not loyal to one specific employer. Moreover, HR managers believe Generation Y needs clear prospects regarding their career possibilities; otherwise, they will leave (R1, R6, R7, R9, R8, R10).

The results of the interviews can be summarized in the following table:

Table 1: Summary of results

	Generation BB	Generation X	Generation Y
Leadership style	Directive	Directive	Need for coaching
Work-life balance	Work is their life	Constant struggle	Very important
Social atmosphere	Social contacts at work	Not very important	In the workplace itself
Organizational policies	Direct involvement	Involvement and communication important	Hierarchical structures are not acknowledged
Job content	Expert-role and tacit knowledge	Expert-role and / or broad vision	Competence based and need for challenges
Career development	Higher management or front line functions	Broad career development and challenges	Quick steps and clear prospects
Rewards	Job security	Can be a trigger	Very highly valued
Employee obligations	Keeping pace with new developments difficult	Continue studying for increasing employability	Learning on the job and for future career possibilities
Ideological contract	-	-	No need to express moral values in work
Commitment	Emotional and financial attachment high	If challenged, high	Low attachment to employer

Turnover (intention)	Low	If the grass is greener	High

5. Conclusions, practical implications and further research

Overall, HR managers perceive different expectations and attitudes of the three generations in the work place as being different from each other. Therefore, HR managers do see differences in the psychological contract of the three generations currently working in travel industry. Furthermore, the current leadership style prominent in organizations in travel industry as employed by Baby Boomers and X'ers, does not match the method of working of the youngest generation. Additionally, Generation Y, and to some extent Generation X, has a greater and more rapid need for challenges within the organization, and within their current job description. Furthermore, work-life balance is important for both Generation X and Y. Additionally, level of pay remains an important factor for turnover for both Generation Y and Generation X. Finally, because Generation Y has different expectations of work, it appears that HR-managers, especially experienced problems in lower levels commitment and higher turnover levels of Generation Y.

Regarding the research question, "*How can different generations – and in particular Generation Y – be engaged and retained in the workplace?*", HR managers in travel industry suggested several solutions for managing three generations in the workplace that are better compatible with expectations of work. Essentially, a differentiated style of management should be considered that takes into account generational differences in work expectations and their competences. Furthermore, although organizations in travel industry are aware of the need for a differentiated HR policy towards their employees and often employ this as well, it does not yet include generational diversity in their approach. This differentiated style of managing presents itself on the one hand by adjusting current HR policies; and on the other hand by introducing different working methods within organizations.

Regarding HR policies, as Baby Boomers often face difficulties in keeping up with the pace; extra vacation days would give them time to recuperate and would prevent absenteeism. For both Generation X and Generation Y career development trajectories within the organization could appeal, including for Generation X challenging work, while Generation Y is rather motivated by quick career steps.

Furthermore, New Ways of Working could prove a solution for managing three generations on the work place. First of all, the needs of would be met Generation X regarding better work-life balance, while at the same time, New Ways of Working can create a combination of structure, flexibility and autonomy, which is valued by Generation Y. Finally, this would relieve some work pressure for the oldest generation, leaving them to manage on output, as opposed to having to perform directive control management. By means of implementing these management methods and HR policies, employers could meet the wishes and needs of different generations working in travel industry, thereby enhancing the levels of commitment and at the same time lowering the extent of turnover intention.

Finally, managing three generations could prove to be valuable for organizations in travel industry, as hypothetically a very productive synergy of strengths of different generations is quite conceivable on the basis of the results from this study (see also Bontekoning, 2007). The Baby Boomers are considered experts who have the most experience and knowledge; generation X could control processes, being results oriented; and the Y-errs have the technological savvy to do the operational work. The complementary fit of three generations in the working place can create added value in terms of innovative capacities. Therefore, further research should focus on methods to implement this complementary mix of three generations working in travel industry. Furthermore, while managing generation Y can be difficult; retaining them within the organization may form the biggest challenge for organizations in travel industry.

6. Discussion and Limitations

Overall, the findings in this study were consistent with expectations based on literature and the previous study of Lub et al (2010). Still, the results show some striking outcomes in relation to literature and previous findings. The previous study showed no significant results for the "thirties-dilemma" of balancing work and private life not significant. This could be explained by the large proportion of part-timers amongst the Generation X employees in travel industry. However, HR managers did feel that this generation struggles with their private life and their career, sometimes leading to psychological complaints and absenteeism. Also, the results regarding the need for social atmosphere of Generation Y remain rather ambiguous, as on the one hand they are looking for social contacts in the work place but seem the be uninterested in social activities provided by the employer. It

would be interesting to inquire into the meaning of "social atmosphere" for them. Furthermore, the definition of commitment of HR managers is still unclear. Therefore, the image regarding generations in the workplace is not be complete until interviews have been completed with employees of different generations regarding their expectations, commitment and turnover intention.

This study has some important limitations that should be discussed. Firstly, we only interviewed a small number of respondents representing the most prominent companies in Dutch travel industry; in retrospect it would have been better to interview multiple representatives of these organizations. Secondly, qualitative interviews can be difficult to replicate as they are of a personal nature. However the interview guide should enhance the extent of replication of the study in the future, by attributing to the objectivity of the measurements. Furthermore, a second observer has a positive impact on the reliability of the interviews. Thirdly, regarding reliability, qualitative field research measurements and analysis do have some extent of subjectivity, as interpretation of the data is done by the researcher and therefore may be colored. However, by basing the systematic coding on dimensions of psychological contract, commitment and turnover; multiple observers and independent raters this problem has to some extent been counterbalanced. Fourthly, the characterization of generations is based on perceived experiences, meanings and beliefs, by others (HR managers) which means the results could be colored by their bias regarding other generations. Nevertheless, this study has generated important insights involving experiences of HR managers with managing, engaging and retaining three generations in the work place and provides input for further study and development of strategies in travel industry to better manage a multigenerational workforce and thereby reduce staff turnover levels.

Bibliography

Anderson, N., & Schalk, R. (1998). The psychological contract in retrospect and prospect. *Journal of Organisational Behaviour, 19*, 637-647.

Appelbaum, S.H., Serena, M., & Shapiro, B.T. (2004). Generation X and the Boomers: Organizational Myths and Literary Realities. *Management Research News*, 27 (11/12), 1-28

Babbie, E. (2003). *The Practice of Social Research.* Belmont: Wadsworth/ Thompson Learning

Bal, P.M., & Vink, R.C. (2010). Ideological currency in psychological contracts: the role of team relationships in a reciprocity perspective. *The International Journal of Human Resource Management,* in press.

Barron, P., Maxwell, G., Broadbridge, A. & Ogden, S. (2007). Careers in Hospitality Management: Generation Y's Experiences and Perceptions. *Journal of Hospitality and Tourism Management*, 14 (2), 119-128

Blau, P.M. (1964). *Exchange and power in social life*. New York: John Wiley

Boschma, J., & Groen, I. (2007). *Generatie Einstein. Slimmer, sneller en socialer. Communiceren met jongeren van de 21e eeuw.* Amsterdam: Pearson

Bontekoning, A. (2007). *Generaties in organisaties.* PhD Dissertation. http://www.aartbontekoning.com/nieuwsenart/nieuwsenart.htm [Accessed 28 October 2009, 21.30h].

Capelli, P. (2003). Will There Really Be a Labor Shortage? *Organizational Dynamics*, 32, 221-233.

Chen, P-J., & Choi, Y. (2008). Generational differences in work values: a study of hospitality management. *International Journal for contemporary hospitality management*, Vol. 20, Nr. 6 , pp. 595-615.

Conway, N. & Briner, R.B. (2002). Full-Time versus Part-Time Employees: Understanding the Links between Work Status, the Psychological Contract, and Attitudes. *Journal of Vocational Behavior*, 61, 279-301

Conway, N., & Briner, R.B. (2005). *Understanding Psychological Contracts at Work. A Critical Evaluation of Theory and Research*. Oxford: Oxford University Press.

Creswell, J.W. (2003). *Research Design: Qualitative, Quantitative and Mixed Methods Approaches*. Thousand Oaks, CA: Sage, second ed.

Coyle-Shapiro, J. A-M., Shore, L.M., Taylor, M.S., & Tetrick, L.E. (2004). *The Employment Relationship. Examining Psychological and Contextual Perspectives*. New York: Oxford University Press

Cropanzano, R. & Mitchell, M.S. (2005). Social Exchange Theory: An Interdisciplinary Review, *Journal of Management*, 31 (6), 874-900

Corbo, S. A. (1997). The X-er Files. *Hospitals & Health Networks*, 71(7), 58-6

de Meuse, K.P., Bergmann, T.J. & Lester, S.W. (2001). An investigation of the relational component of the psychological contract across time, generation, and employment status. *Journal ofManagerial Issues* Vol.13, pp. 102-118

Dess, G.C. & Shaw, J.D. (2001). Voluntary turnover, social capital and organizational performance. *Academy of Management Review*, 26 (3), 446-456

Dona, P. (2009). HRM als Businesspartner. *Overheidsmanagement*, 4, 32-35.

Dries, N., Pepermans, R., & de Kerpel, E., (2008). Exploring four generations' beliefs about career. Is "satisfied" the new "successful"? *Journal of Managerial Psychology*, *23(8),* 907-928

Eisner, S.P. (2005). Managing generation Y. *SAM Advanced Management Journal*, *70 (4),* 4-15

Eisenhardt, K.M. (1989). Building Theories from Case Study Research. *The Academy of Management Review*, 14 (4), 532-550.

Freese, C., Schalk, R., & Croon, M. (2008). De Tilburgse Psychologisch Contract Vragenlijst. *Gedrag en Organisatie,* 21(3), 278-294.

Halcomb, E.J. & Davidson, P.M. (2006). Is verbatim transcription of interview data always necessary?. *Applied Nursing Research*, 19, 38-42

Herriot, P., & Pemberton, C. (1996). 'Contracting careers', *Human Relations*, *549,* 757-790.

Hiltrop, J. M. (1996) 'Het veranderde psychologisch contract: HR-functie staat voor grote uitdaging', *HRM-Select, 8*, 31-47

Huberman, M.A. & Miles, M.B. (1994). "Data Management and Analysis Methods.", 428-444. In: *Handbook of Qualitative Research,* edited by Denzin, N.K. & Lincoln, Y.S. (1994). Thousand Oaks, CA: Sage

Ivankovic, G. & Jerman, M. (2010). Human capital as the critical success factor: A comparative analysis of the Slovene Hotel Industry. *Tourism & Hospitality Management 2010*, 388-400.

Jackson, S.E., & Alvarez, E.B. (1992). Working Through Diversity as a Strategic imperative. In: *Diversity in the Workplace: human resources initiatives*. (pp. 13-29). New York: The Guildford Press.

Johns, K. (2003, April 11). Managing generational diversity in the workforce. *Trends & Tidbits.* http://www.workindex.com [Accessed March 28, 14.10].

Kandasamy, I. & Ancheri, S. (2009). Hotel employees' expectations of QWL: A qualitative study. *International Journal of Hospitality Management*, 28, 328-337

Kerslake P. (2005). Words from the Ys,' *Management*, May, 44-46.

Kotter, J.P. (1973). The psychological contract. *California Management Review,* 15*,* 91-99.

Krippendorff, K., (2004). *Content Analysis: An Introduction to Its Methodology. 2nd Edition.* Thousand Oaks, CA: Sage.

Kupperschmidt, B. R. (2000). Multigenerational employees: Strategies for Effective Management. *Health care manager,* 19(1), 65-76

Lancaster, L. (2003). The Click and Clash of Generations. *Library Journal*, October 15, 36-39

Lancaster L. & Stillman D. (2005). *When Generations Collide*. New York: HarperCollins

Lofland, J. & Lofland, L.H. (1995). *Analyzing Social Settings: A Guide to Qualitative Observation and Analysis. 3rd Edition*. Belmont, CA: Wadsworth

Lofquist, L. & Dawis, R. (1969). *Adjustment to work: A psychological view of man's problems in a work-oriented society.* New York: Appleton-Century-Crofts.

Lub, X.D., Godfried, S., Radstake, F., Blomme, R. (2010). *Working in the travel industry: Differences in work expectations of three generations*. Paper presented at the EuroChrie conference, Amsterdam, the Netherlands.

Martin, C. (2005). From high maintenance to high productivity : What managers need to know about Generation Y. *Industrial and Commercial Training*, 37 (1), 39-44.

Mannheim, K. (1972). *The problem of generations.* In Altbach, P.G., Laufer, R.S. (Eds), *The new pilgrims: Youth protest in transition.* New York: David Mc Kay, pp. 101-138

Martin, C. (2005). From High Maintenance to High Productivity: What Managers Need to Know about Generation Y. *Industrial and Commercial Training*, 37 (1), 39-44.

Martin, C.A. & Tulgan, B. (2001). *Managing Generation Y: Global citizens born in the late seventies and early eighties*. Amherst, Mass.: HRD Press

McElroy, J. C. (2001). Managing workplace commitment by putting people first. *Human Resource Management Review, 11, 327-335.*

Meglino, B.M., Ravlin, E.C. (1998). Individual values in organizations: Concepts, controversies, and research. *Journal of Management, 24, 351-389*

Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment *Human Resource Management Review*, 1, 61-98

Meyer, J. P., Allen, N. J., & Smith, C. A. (1993). Commitment to organizations and occupations: Extension and test of a three component conceptualization. *Journal of Applied Psychology,* Vol.78, pp. 538-551.

Meyer, J. P., & Herscovitch, L. (2001). Commitment in the workplace: Toward a general model. *Human Resource Management Review, 11, 299-326*

Meyer, J. P., Stanley, D. J., Herscovitch, L., & Topolnytsky, L. (2002). Affective, continuance, and normative commitment: A meta-analysis of antecedents, correlates, and consequences. *Journal of Vocational Behavior, 61, 20-52*

McCrindle, M. (2006). *New generations at work : Attracting, recruiting, retaining and training generation Y* : McCrindle Research.

McLean Parks, J. M. (1992, April). *The role of incomplete contracts and their governance in delinquency, in-role, and extra-role behaviors.* Paper presented at the meeting of the Society for Industrial and Organizational Psychology, Montreal.

Meister, J. (1998). The quest for lifetime employability. *Journal of Business Strategy*, 19 (3), 25-29.

Merriam, S.B. (1998). *Qualitative Research and Case Study Applications in Education. Revised and Expanded from "Case Study Research in Education.".* San Francisco: Jossey-Bass Publishers

Meyer, J.P., Stanley, D.J., Herscovitch, L. & Topolnytsky, L. (2002). Affective, Continuance, and Normative Commitment to the Organization: A Meta-analysis of Antecedents, Correlates, and Consequences. *Journal of Vocational Behavior*, 61, 20–52

Morton L.P. (2002). Targeting Generation Y, *Public Relations Quarterly*, Summer, 46-48.

Morrison, E. W., & Robinson, S. L. (1997). When employees feel betrayed: a model of how psychological contract violation develops. *Academy of Management Review,* 22, 226-256.

Ng, E. S. W., Schweizer, L. & Lyons, S.T. (2010). New Generation, Great Expectations: A Field Study of the Millennial Generation. *Journal of Business Psychology*, 25, 281-292

Raines, C. (2002). *Managing Millennials*. Generations at Work Web Site: www.generationsatwork.com/articles/millenials.htm [Retrieved March 16 2011 14.43]

Raths, D. (1999). Bridging the generation gap. *InfoWorld*, 21 (45), 84.

Taplin, I.M., Winterton, J. (2007). The importance of management style in labour retention. *International Journal of Sociology and Social Policy,* 27, 5-18.

Reiswerk (2010). *Arbeidsmarktmonitor Reisbranche: Resultaten Meting over 2009*. Zoetermeer. http://www.reiswerk.nl/Arbeidsmarktmonitor.aspx [accessed 26st January 2011, 10.46].

Robert Half, (n.d.). *Working with different generations*. http://www.roberthalf.nl/EMEA/Netherlands/Rich%20Content/Publication%20Library/documents/WerkenMetVerschillendeGeneraties.pdf [Retrieved March 28 2011 15.52]

Robinson, S.L. & Rousseau, D.M. (1994). Violating the psychological contract: not the exception hut the norm. *Journal of Organisational behaviour*, 15, 245-259

Robinson, S. L., Kraatz, M. S., & Rousseau, D. M. (1994). Changing Obligations and the Psychological Contract: A Longitudinal Study. *The Academy of Management Journal*, 37(1), 137-152

Rousseau, D. M. (1989). Psychological and implied contracts in organizations. *Employee Rights and Responsibilities Journal*, 2, 121-139.

Rousseau, D. M., & McLean Parks, J. M. (1993). The contracts of individuals and organizations. *Research in Organizational Behavior*, 15, 1-43.

Rubin, H.J. & Rubin, R.S. (1995), *Qualitative Interviewing: The Art of Hearing Data*. Thousand Oaks, CA: Sage

Sheahan, P. (2005). *Generation Y: Thriving and Surviving with Generation Y at Work*. Prahran, Victoria: Hardie Grant

Shore, L.M., Lynch, P., Tetrick, L.E. & Barksdale, K. (2006). Social and Economic Exchange: Construct Development and Validation. *Journal of Applied Social Psychology*, 36 (4), 837-867

Smola, K.W., Sutton, C.D. (2002). Generational differences: revisiting work values for the new millennium. *Journal of Organizational Behaviour,* 23*,* 363-382

Solnet, D. & Hood, A. (2008). Generation Y as Hospitality Employees: Framing a Research Agenda. *Journal of Hospitality and Tourism Management,* 15, 59–68

Somech, A. & Drach-Zahavy, A. (2000). Understanding extra-role behavior in schools: the relationships between job satisfaction, sense of efficacy, and teachers' extra-role behavior. *Teaching and Teacher Education.* 16 (6), 49-659

Strauss, A. & Corbin, J.M. (1990). *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*. Thousand Oaks, CA: Sage

Strauss, A., & Corbin, J.M. (1998). *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*. Thousand Oaks, CA: Sage

Tekleab, A. G., & Taylor, M. S. (2003). *Easing the pain: Determinants and effects of psychological contract violation.* Paper presented at the annual conference of the Academy of Management, Toronto.

Ten Brink, B.E.H. (2004). *Psychological Contract: A useful concept?*. Enschede: Print Partners

Thielfoldt, D. and Scheef, D. (2005*). Generation X and the millennials: what you need to know about mentoring the new generations*. Law Practice Today. http://web.mac.com/storiesofourown/Encouraging_Works/Resources_for_Counselors_files/Generation%20X%20and%20Millenials.pdf [Retrieved April 29 2011, 10.29]

Thompson, J.A., & Bunderson, J.S. (2003). Violations of principle: ideological currency in the psychological contract. *Academy of Management Review,* 28 (4), 571-586.

Tulgan, B. (1995). *Managing Generation X: How to Bring Out the Best in Young Talent.* Nolo Press: New York.

Yeaton, K. (2008). Recruiting and managing the 'why?' Generation: Gen Y. *The CPA Journal ,* 78 (4), 68-72

Yu, H. & Miller, P. (2005). Leadership style - The X Generation and Baby Boomers compared in different cultural contexts. *Leadership and Organization Development Journal*, 26 (1), 35-50

Zemke, R., Raines, C., Filipczak, B. (2000). *Managing the Clash of Veterans, Boomers, Xers and Nexters in your workplace*. AMA Publications: New York