

# Chapter 12

## Mapping Antecedents of the Psychological Contract for Digital Natives: A Review and Future Research Agenda



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**Abstract** The concept of the psychological contract (PC) refers to an individual's perception regarding the expectations and obligations of a reciprocal exchange agreement between the individual and the organisation. This chapter will undertake a narrative review of psychological contract research, focusing on former conceptualisations and empirical results specifically focusing on the expectations and obligations of different generational cohorts as aspects of their thriving. The synthesis of previous results lays the foundation for mapping the expectations and obligations of the emerging digital natives in terms of their psychological contract. This discussion is focused around employees' expectations and obligations against the backdrop of the Fourth Industrial Revolution in order to ensure that they thrive in the new digitised workplace. The findings of this review can be used to provide directions for future research in the psychological contract, generational diversity and Industry 4.0 by proposing a research agenda.

**Keywords** Psychological contract · Industry 4.0 · Generational cohorts · Baby boomers · Generation X · Millennials · Digital natives

### 12.1 Introduction

The contemporary workplace has experienced tremendous change in recent times (Chernyak-Hai & Rabenu, 2018). These changes include advancement in digitalisation of technologies including the Internet of People, Things and Services (IoPTS) (Simmers & Anandarajan, 2018), robotics, data analytics and cloud computing (Sung, 2018), which is commonly referred to as the fourth stage of the industrialisation process, Industry 4.0 (Schneider, 2018; Working Group Industrie 4.0 2013) or the Smart Industry (Habraken & Bondarouk, 2018).

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The concept of Industry 4.0 has been extensively explored from a technical perspective; however, researchers and academics from the field of human resource management (HRM) has not yet focused much attention on the impact of Industry 4.0 on the workplace and its people (Habraken & Bondarouk, 2018; Schneider, 2018).

## 12.2 Chapter Objective

The objective of this chapter is to stimulate and guide human resource management (HRM)-related research by specifically focusing on the psychological contract of diverse generational cohorts in this digital era. Previous researchers have viewed the psychological contract as a valuable concept in understanding changes to the employment relationship as a result of changing economical and organisational conditions (Agarwal & Gupta, 2018; Anderson & Schalk, 1998; Guest, 2004).

Farnese, Livi, Barbieri and Schalk (2018) postulate that the accumulation of uncertain environmental conditions, labour market mobility and the continuing changes in organisational structures and processes, impact the employee–employer relationship and human thriving in general. Lub, Bal, Blomme and Schalk (2016) also suggest that these organisational and societal changes have a significant bearing on HRM and the manner in which employers should manage a diverse generational workforce, characterised by different perceptions on the employment relationship and the psychological contract.

Though research on the topic of generational differences has been widely explored, very few papers address the emergence and impact of the youngest generation, Generation Z (digital natives), entering the workforce (Christensen, Wilson, & Edelman, 2018). There is also a dearth of research focusing on generational cohorts from a psychological contract perspective (Lub et al., 2016). This chapter therefore critically examines the present literature to briefly assess the psychological contract of the generational cohorts currently in the workforce, namely the Baby Boomers, Generation X, the Millennials as well as the emerging digital natives cohort.

The chapter contributes to the literature by responding to calls on more research in terms of the emerging digital natives cohort (Nichols & Wright, 2018) by specifically focussing on the antecedents of the psychological contract of this generational cohort. The distinctive characteristics of the digital natives cohort raise many theoretical questions for the field of HRM and specifically psychological contract theorists and HRM practitioners. Linking the psychological contract theory to the various generational cohorts will allow us to determine the content and characteristics of each of the various cohorts and specifically the emerging digital natives cohort. The next section provides a conceptualisation of the psychological contract theory.

### 12.3 The Psychological Contract

The psychological contract theory has customarily been understood in light of the Social Exchange Theory (SET) (Blau, 1964) as conceptual basis (Coyle-Shapiro, Costa, Doden, & Chang, 2018). The main assumption of the SET is that bilateral exchanges are made between two parties, where the parties will adjust their contributions made in order to maintain a balanced relationship (Barbieri, Farnese, Sulis, Dal Corso, & De Carlo, 2018; Blau, 1964). Expanding on the SET (Blau, 1964), Adams (1965) developed the Equity Theory (ET), proposing that parties to an exchange relationship are ruled by inputs and outcomes. Inputs refer to the qualities that an individual contribute to an exchange relationship, whereas outcomes refers to the recompenses received by an individual in return for their inputs (Gray, 2018). Adopting both the SET (Blau, 1964) and ET (Adams, 1965), the psychological contract can consequently be referred to as a social exchange process where both parties to the exchange relationship modify their inputs or contributions in return for reciprocal outcomes in order to maintain a balanced working relationship and a mutually understood psychological contract. Positive reciprocal outcomes allude to human thriving for both employees and employers (Barbieri et al., 2018; Cooper-Thomas, Van Vianen, & Anderson, 2004; De Vos, 2002).

In contrast with the formal contract of employment, the psychological contract is subjective (Joeng, Kurnia, Samson, & Cullen, 2018; Rousseau, 1989) and dynamic (Person & Wasieleski, 2015) in nature as it is concerned with an individual's subjective perceptions in terms of the reciprocal inputs and outcomes of the exchange relationship (Coyle-Shapiro et al., 2018; McGrath, Millward, & Banks, 2015) and constantly changing and evolving due to the changing perceptions and experiences of individuals (Person and Wasieleski, 2015). This subjective and dynamic nature of the psychological contract therefore results in parties to an exchange relationship having different perspectives relating to the terms of the psychological contract (Obushenkova, Plester, & Haworth, 2018), and consequently also have an impact on the formation of the psychological contract (Karagonlar, Eisenberger, & Aselage, 2016). An individual's psychological contract is formed on the basis of information collected from numerous sources (Bordia et al., 2015; Dick, 2006; Rousseau, 1995) including, for example, discussions with recruiting agents, supervisors, fellow employees or managers of the organisation (Coyle-Shapiro et al., 2018; Rousseau, 1995). Ultimately, the formation of the psychological contract may already start before the onset of employment on the basis of an individual's professional norms and societal beliefs (Rousseau, 2001).

Though there is an unlimited range of psychological contract types, most psychological contracts can be clustered in terms of transactional and relational contracts (Griep, Wingate, & Brys, 2017; Lub et al., 2016; Rousseau, 1990). Agarwal and Gupta (2018) refers to a transactional contract as a short-term agreement that includes explicit beneficial outcomes that are greatly economic or monetary in nature. In contrast, the relational contract is a long-term agreement comprising open-ended agreements such as socio-emotional and financial outcomes; however, it excludes

explicit performance-reward agreements (Agarwal & Gupta, 2018). These two types of contracts (see Table 12.1) can be differentiated based on their time frame, stability, scope, focus and tangibility (Coyle-Shapiro et al., 2018; Coyle-Shapiro & Parzefall, 2008). Table 12.1 illustrates how the two types of psychological contracts can further be differentiated (Deas, 2017; O’Donohue, Martin, & Torugsa, 2015; Rousseau, 1995):

Griep et al. (2017) has argued that the legitimacy of the transactional psychological contract is based on legal, rational and or reasonable principles; whereas the relational psychological contract is normally socio-normative and based on moral legitimacy. In transactional psychological contracts, specific tasks are required in return for specific tangible or financial rewards (Jeong et al., 2018) and hence, trust, commitment and attachment are concerns that are not present in transactional contracts (Seopa, Wöcke, & Leeds, 2015).

Relational psychological contracts are characterised by elements of loyalty and sustainability of long-term relationships (Manxhari, 2015). The main objective of a relational psychological contract is to build a lasting relationship that is mutually beneficial for both parties to the exchange agreement (Gardner et al., 2015) and therefore the elements of trust, commitment and attachment are present in relational contracts (Agarwal, 2015). According to Rousseau (1989), the psychological contract should be viewed on the basis of a continuum where transactional and relationship contracts are at opposite ends of the continuum. Therefore, the more transactional a psychological contract is, the less relational the psychological contract is, and vice versa (Coyle-Shapiro et al., 2018; Millward & Hopkins, 1998).

**Table 12.1** Interpretive framework for psychological contracts

Contract type	Transactional PC	Relational PC
Salient beneficiary	Self	Joint (self and organisational community)
Content focus	Economic, material, such as pay in exchange for hours worked	Socio-emotional, non-material, such as job security in exchange for loyalty
Organisation’s obligations	Provide continued work, safe working environment, fair compensation	Provide training, career development, promotion opportunities, job security
Individual’s obligations	Fulfil specified requirements	Fulfil generalised requirements, loyalty, commitment, organisational citizenship behaviour
Scope and tangibility	Narrow, specific, observable, non-flexible reciprocity	Pervasive, less specific, subjective, flexible reciprocity
Stability and duration	Static, close-ended, specific time frame	Dynamic, open-ended indefinite time frame

Source Author’s own work

Individuals develop a mental schema based on different sources such as pre-employment and professional norms as well as societal influences (Rousseau, 2001). Previous researchers have focused on the significance of individual differences in the development of this mental schema; however, limited attempts have focused on a conceptual model that connects the psychological contract with individual differences (Griep et al., 2017). Lub et al. (2016) postulates that employees from different generational cohorts have different mental schemas in terms of the environments that they work and live in. The different mental schemas of the various generational cohorts can subsequently have an influence on the individual psychological contract of each generational cohort through the development of generation-specific employer outcomes (Lub et al., 2016). Therefore, grounded in Equity theory (Adams, 1965), the focus of this chapter centres on how different generational cohorts are likely to differ in terms of the inputs and outcomes of the psychological contract. Sakdiyakorn and Wattanacharoensil (2018) posits that generational cohorts are grouped together based on their historical and sociocultural contexts. Subsequently, this chapter will briefly review the antecedents of the psychological contract of the three generational cohorts (Baby Boomers, Generation X, and Millennials) currently in the workforce by referring to the societal beliefs of the different generational cohorts. The antecedents of the psychological contract of the new emerging digital natives cohort will then be mapped by reviewing the literature on the societal beliefs of this specific generational cohort.

## 12.4 Generational Cohorts

Christensen et al. (2018) posits that the concept of generational cohorts are not a new topic; however, the subject of exploring generational differences is currently a popular debate involving economic and political interest (Pyöriä, Ojala, Saari, & Järvinen, 2017). The concept of generational cohorts was originally defined by Mannheim (1952) as individuals who share common understandings and uniqueness in terms of their reactions (Ignatius & Hechanova, 2014). A generation furthermore refers to individuals, born in the same time period and sharing mutual formative events during their developmental years, and as a result, share values, perceptions and attitudes that are alike (Naim & Lenka, 2018; Kupperschmidt, 2000). Consequently, individuals from one generational cohort will differ from another generational cohort in terms of how they act and respond (Deas, 2017; Gursoy, Maier, & Chi, 2008). A generational cohort is normally 15–25 years of a specific time period (Christensen et al., 2018; Eastman & Lui, 2012; Schewe, Meredith, & Noble, 2000); however, the start and end birth years are fluid in nature (Nichols & Wright, 2018) and may therefore fluctuate as a result of the external events that define it. Table 12.2 below illustrates the relative birth years for each generational cohort currently in the workforce (Nichols & Wright, 2018).

**Table 12.2** Birth years of each generational cohort

Generation	Birth years
Baby Boomers	1944–1964
Generation X	1965–1980
Millennials	1981–1995
Digital natives	1996–present

*Source* Author's own work

### 12.4.1 *Baby Boomers*

This generational cohort originated from the period after World War II (Nichols & Wright, 2018) with war veterans thankful to be alive and focused on creating live as an alternative to taking it away (Christensen et al., 2018). Baby Boomers were raised in a relative positive era characterised by opportunities for growth and development (Kleinhans, Chakradhar, Muller, & Waddill, 2015). Raised by wartime parents, who had experienced civil injustices, Baby Boomers were encouraged to embrace their hard-fought freedom and to think as individuals, expressing themselves and to be the change that they want to see in the world (Christensen et al., 2018; Sherman, 2006).

A significant characteristic of this generational cohort is that they recognise work as an extension to their self-worth and contributing financially to their abundant lifestyle (Jones, Murray, & Tapp, 2018). Consequently, Baby Boomers divorced easily and they redefined the family structure to non-traditional households (Hicks, Riedy, & Waltz, 2018; Lowe, Levitt, & Wilson, 2008). Baby Boomers experienced a lot of societal changes (Hicks et al., 2018) including assassinations, riots, wars, protests and conflict (Christensen et al., 2018). Previous researchers have characterised Baby Boomers as loyal, hardworking employees, team players who keep their individualism, ambitious, orientated towards achievement and competitive in nature (Hayes, Pars, McNeilly, & Johnson, 2018). They are also seen as committed employees portraying a strong work ethic (Nichols & Wright, 2018).

### 12.4.2 *Generation X*

Generation Xers are the smallest generation up to date who witnessed their workaholic Baby Boomer parents being downsized (Hoole & Bonnema, 2015; Lowe et al., 2008). Their childhood was characterised by a changing society with increasing divorce rates as well as working mothers and therefore they were nicknamed the latchkey generation—a generation deprived of continuous adult supervision (Hicks et al., 2018; Jones et al., 2018; Salahuddin, 2010). Christensen et al. (2018) postulate that the 1970s and 1980s encompassed rising oil prices and large scale layoffs, resulting in most of the Generation Xers raised in poverty.

Generation Xers saw the collapse of the Soviet Union, epidemic outbreaks such as HIV/Aids and the introduction of technology such as mobile phones and television and the first personal computers (Christensen et al., 2018; Jones et al., 2018). This generation has been referred to in both a positive and negative manner in terms of their culture, values and morals (Hicks et al., 2018). With their parents being absent, Generation Xers had to survive on their own, making them brutally independent, pragmatic, and prone to takings risks (Christensen et al., 2018; Sherman, 2008). Kleinhans et al. (2015) allude that this generation is highly distrustful of big corporate organisations. Authority is not something that intimidate them much and they are more focused on their own career development than on organisational success (Jones et al., 2018; Lyons, 2004). Generation Xers value a balance between their work and personal lives (Christensen et al., 2018; Jones et al., 2018; Salahuddin, 2010) and they introduced the concept of non-traditional working hours (Jones et al., 2018).

### 12.4.3 Millennials

Millennials were born between the 1980s and early 1990s (Pyöriä et al., 2017) and have seen the rise of the internet, environmental consciousness, acceptance of social media, economic freedom and an upsurge in terrorism (Naim & Lenka, 2018). They are known as the Millennials as they were born and raised in the digitalised era which are regarded as a symbol of the imminent millennium (Nichols & Wright, 2018). Millennials were raised and safeguarded through hardships by over-protective parents who provided structure and guidance to their day-to-day activities (Cahill & Sedrak, 2012; Christensen et al., 2018). As a result, their core values include to be optimistic, achievement-orientated, focused on their civic duty (Jones et al., 2018; Salahuddin, 2010), carefree, fun-loving and risk takers (Naim & Lenka, 2018).

Members of this generation are highly educated, more than previous generations, and extremely competent in the use of information and communication technologies and the environment of social media (Pyöriä et al., 2017). They are the most diverse in terms of race and ethnicity (Jones et al., 2018; Mitchell, 1998) and are consequently particularly socially conscious and eco-cognisant (Eastman & Lui, 2012). Previous researchers have also found that members from this generational cohort value family life and leisure time higher than that of paid employment (Pyöriä et al., 2017; Twenge, Campbell, Hoffman, & Lance, 2010). It is reported that Millennials require immediate feedback and constant recognition of their inputs (Hurst & Good, 2009; Naim & Lenka, 2018). Millennials are also not as committed to a single employer and are more focused on personal development and advancement than on life time employment (Broadbridge, Maxwell, & Ogden, 2007; Pyöriä et al., 2017). Previous studies have indicated that Millennials are characterised by their need to work in teams, flexible career paths and communication with supervisors that is open (Hayes et al., 2018; Myers & Sadaghiani, 2010).

### 12.4.4 *Digital Natives*

Research concerning the Digital natives is still embryonic (Chicca & Shellenbarger, 2018; Twenge, 2017). Although some scholars still disagree on the specific dates defining this generational cohort, in general, it includes those born from the beginning of 1995 (Chicca & Shellenbarger, 2018; Chillakuri & Mahanandia, 2018; Lanier, 2017). Events impacting on their social values include 9/11 and its aftermath, public protests, heightened unemployment, economic downturn and the world at war (Chicca & Shellenbarger, 2018; Twenge, 2017). These events, together with their cynical Generation X parents, have developed a new cautious generation (Chicca & Shellenbarger, 2018). Uncertainties in terms of politics, economics and society throughout their childhood, resulted in a generation concerned with emotional, physical and financial wellbeing (Chicca & Shellenbarger, 2018). Consequently, members of this generational cohort are financially conservative and focused on collective security rather than individual rights and liberties (Carter, 2018).

The Digital natives are predisposed to technological events, including the unrestricted use of the World Wide Web, the use of smartphones, and cyber bullying and attacks (Chicca & Shellenbarger, 2018; Christensen et al., 2018). Members of this generational cohort are enthusiastic users of technology and require the digital world to function (Chicca & Shellenbarger, 2018; Gho & Lee, 2018; Ozkan & Solmaz, 2015). The digital natives are the only generational cohort brought up exclusively with technological influences and therefore they are extremely comfortable to interact, every so often on their own, in the digital world (Chicca & Shellenbarger, 2018). Schwieger and Ladwig (2018) postulate that this generational cohort have never been unable to immediately connect and be able to communicate and receive information at the press of a button, and subsequently, they are the only generational cohort who cannot identify with a world without the Internet (Chicca & Shellenbarger, 2018; Cho, Bonn, & Han, 2018; Christensen et al., 2018; Grow & Yang, 2018). Members of the digital natives cohort would rather socialise digitally as to face-to-face (Schwieger & Ladwig, 2018). The downside to this is that they are immature in terms of their social and relationship abilities and consequently at an increased risk to feel lonely, insecure, anxious and depressed (Chicca & Shellenbarger, 2018).

Members of this generational cohort have a restricted attention span and get easily bored with monotonous and repetitive work (Chicca & Shellenbarger, 2018); however, they are more intelligent than any generation before them (Christensen et al., 2018). They are pragmatic and cynical (Grow & Yang, 2018) and value aspects that are convenient and immediate (Berkup, 2014; Chicca & Shellenbarger, 2018; Christensen et al., 2018). Digital technology are utilised to answer questions immediately, thus less direction from parents or supervisors are needed (Christensen et al., 2018). According to Carter (2018), the family structure of the digital natives are the most diverse in terms of ethnicity and they place a high value on tradition. Chicca and Shellenbarger (2018) further posit that while digital natives are diverse in terms of race and ethnicity, and they are liberal, they are not actively involved in social issues but rather engage in sedentary activism. This generation is also ambitious in terms



of achieving the goals that they set for themselves and they believe that education is important in realising these goals (Chillakuri & Mahanandia, 2018).

In investigating existing literature on the digital natives, a number of themes became apparent in terms of the specific characteristics of this generational cohort. Table 12.3 provides a list of these characteristics:

Previous researchers have found that although digital natives are fond of organisational offices, they prefer flexibility (Goh & Lee, 2018; Ozkan & Solmaz, 2015). They expect their workplace to be convenient, transferable and according to their pace and timetable (Christensen et al., 2018; Wiedmer, 2015). They expect to be trusted by their employers to know what is expected of them, and subsequently, see no reason why they cannot work from home (Chillakuri & Mahanandia, 2018). Digital natives prefer face-to-face communication; however they also expect their organisations to adopt social media as a method of communication (Goh & Lee, 2018; Ozkan & Solmaz, 2015). Emails and presentations should include more interactive elements to capture their attention (Christensen et al., 2018; Shatto & Erwin, 2016), as they have a short attention span (Chicca & Shellenbarger, 2018). Therefore, communication efforts may be extended further than the traditional conference rooms and email discussions to new technologically integrated methods of training, reporting, and creative inventions (Nichols & Wright, 2018). They are career-driven and expect to be able to work in multiple countries throughout their career (Goh & Lee, 2018; Ozkan & Solmaz, 2015). Consequently, they are more socially liberal and will expect multi-cultural workplaces and open-minded attitudes (Nichols & Wright, 2018).

Members from this generational cohort have a preference for regular feedback instead of a yearly performance evaluation (Goh & Lee, 2018; Ozkan & Solmaz, 2015). As they have an intense desire to differentiate themselves, they prefer individualised evaluations (Nichols & Wright, 2018). They value honest, reliable (Goh & Lee, 2018; Ozkan & Solmaz, 2015), direct (Christensen et al., 2018), and fair supervisors (Schwieger & Ladwig, 2018). They appreciate hard work; however should be rewarded appropriately (Schwieger & Ladwig, 2018). Digital natives may not always be content with their work and may easily become bored of repetitive work (Chillakuri & Mahanandia, 2018). Their supervisors should therefore focus on their strengths and afford them opportunities to play to these strengths in order to keep them motivated in the workplace (Chillakuri & Mahanandia, 2018).

## 12.5 The Psychological Contract and the Digital Natives

In light of Table 12.3 and the aforementioned discussion in terms of the digital natives, this section offers a mapping of the antecedents of the psychological contract of the digital natives. Based on the SET (Blau, 1964) and ET (Adams, 1965), Table 12.4 provides the proposed inputs from the digital natives as well as the expected outcomes from their employers:

**Table 12.3** Characteristics of the Digital Natives

Characteristic	Literature
Career-driven	Goh and Lee (2018)
Creative	Schwieger and Ladwig (2018)
Diverse	Carter (2018), Chicca and Shellenbarger (2018), Cho et al. (2018), Nichols and Wright (2018)
Entrepreneurial	Carter (2018), Chillakuri and Mahanandia (2018), Hicks et al. (2018), Nichols and Wright (2018), Schwieger and Ladwig (2018)
Face-to-face, interactive communication	Carter (2018), Chillakuri and Mahanandia (2018), Christensen et al (2018), Goh and Lee (2018)
Financially conservative	Carter (2018), Nichols and Wright (2018)
Flexibility	Chillakuri and Mahanandia (2018), Goh and Lee (2018)
Future-orientated	Cho et al. (2018), Goh and Lee (2018), Schwieger and Ladwig (2018)
Independent, self-reliant and sophisticated	Carter (2018), Chillakuri and Mahanandia (2018), Christensen et al., (2018), Grow and Yang (2018), Hicks et al. (2018), Schweiger and Ladwig (2018)
Individualistic	Chicca and Shellenbarger (2018), Chillakuri and Mahanandia (2018)
Impatient, seek immediate feedback	Chicca and Shellenbarger (2018), Christensen et al. (2018), Goh and Lee (2018)
Private and reserved	Carter (2018), Cho et al. (2018), Christensen et al. (2018), Grow and Young (2018)
Realist, pragmatic, practical	Chicca and Shellenbarger (2018), Cho et al. (2018), Christensen et al. (2018), Grow and Yang (2018), Nichols and Wright (2018), Schwieger and Ladwig (2018)
Social activist	Chicca and Shellenbarger (2018), Grow and Yang (2018)
Socially connected	Chillakuri & Mahanandia (2018), Cho et al. (2018), Hicks et al. (2018), Schwieger and Ladwig (2018)
Team players	Goh and Lee (2018), Nichols and Wright (2018)
Technological savvy	Chicca and Shellenbarger (2018), Chillakuri and Mahanandia (2018), Chirstensen et al. (2018), Hicks et al. (2018)

Source Author’s own work

**Table 12.4** Inputs and outcomes of the psychological contract for digital natives

Inputs	Outcomes
Diverse in terms of race, ethnicity	Provide a multi-cultural workforce Open-minded supervisors
Individualistic	Provide personalised feedback Flexible work schedule Work/life balance Face-to-face communication
Impatient and seek immediate feedback	Regular feedback on performance
Independent, self-reliant	Provide autonomous work
Social activists	Provide purposeful work where they can make a difference
Socially connected	Provide communication through social media
Team player	Provide team work
Technologically savvy	Provide technological and digital devices; interactive communication
Career-driven	Career opportunities
Financially conservative	Fair compensation

Source Author’s own work

## 12.6 Future Research Directions

The advent of Industry 4.0 on our doorstep and the emergence of the digital natives into the workplace poses a strong motivation for innovative and fresh research ideas, specifically in terms of human resource management and industrial and organisational psychology. Nichols and Wright (2018) suggest that techniques should be discovered to embrace the digital natives’ different beliefs, values and attitudes relating to work in order to unearth their unique competencies. This can result in a competitive advantage for future-orientated employers prepared to revolutionise their traditional views on the workplace (Nichols & Wright, 2018).

The purpose of this chapter was to map the possible antecedents of the psychological contract of the digital natives. Based on the ET (Adams, 1965), Table 12.4 provides the possible inputs and outcomes of the psychological contract for digital natives. This offers an array of consequences for psychological contract and generational diversity research. Recognising its significance (Lub et al., 2016), further research is required to understand the influence of generational cohorts on the psychological contract. More specifically, it is encouraged to determine how the societal beliefs and values of the different generational cohorts influence the formation of individual psychological contracts. In addition, future research should explore the

impact of Industry 4.0 on the workplace and its people (Habraken & Bondarouk, 2018; Schneider, 2018) by specifically focussing on the psychological contract and generational diversity. Finally, this chapter calls for further research into the emerging digital natives generational cohort as literature on this generation is still scanty (Chillakuri & Mahanandia, 2018) as there is no empirical evidence defining the digital natives apart from practitioner definitions (Nichols & Wright, 2018).

## 12.7 Implications for Thriving in Industry 4.0 Theory and Practice

The concept of thriving refers to an individual's psychological state in terms of both a sense of vitality and a sense of learning at work (Boyd, 2015; Spreitzer et al., 2005; Wu et al., 2018). Vitality denotes to an individual's experience of passion and excitement with regard to their work, whereas learning refers to the attainment of information and skills, which aid in the development of individual and professional developmental goals (Boyd, 2015). Mapping the possible antecedents of the psychological contract of digital natives could be a doorstep to assist researchers to determine what makes this new generation thrive in Industry 4.0. Future research should determine the relationship between psychological contract fulfilment and thriving. Research focussing on thriving at work in relation to organisational behaviour and management concepts such as the psychological contract, would be a response to the call for future research by Boyd (2015).

## 12.8 Chapter Summary

This chapter reflected on some of the existing literature on the psychological contract and the generational cohorts currently in the workplace. More specifically, this chapter focused on the societal values and beliefs of the emerging digital natives generational cohort in order to map the antecedents of the psychological contract for this generational cohort. This chapter concluded by providing future research directions in the field of human resource management and industrial and organisational psychology.

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