

Chapter 14

Millennial and Psychological Contract: Social Constructivist Approach



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Abstract The psychological contract as a manifestation of employment relationship needs to touch the motivational aspect of employees in line with the increasingly intense competition in recruiting and maintaining the talented worker, especially the millennial generation that currently occupies the largest portion of the workforce. Work characteristics and values of the millennial generation affect the dynamics of psychological contract management that has become more focused on flexibility and employability skill development. Millennial workers—motivated to develop professional competence—tend to like collaborative work environments. Based on the social constructivist paradigm, organizations can facilitate learning process of millennial workers through social interaction. The process of sharing knowledge becomes the focus of millennial workers in order to improve decision-making ability, problem solving and communication building. The social constructivist approach becomes relevant in managing psychological contracts in the context of millennial workers, especially in encouraging their participation and contribution as a form of self-esteem fulfillment and self-actualization. This chapter presents practical implications of millennial worker collective activity in developing millennial worker knowledge, especially related to the organizational efforts in building learning culture. In addition, human resource practitioners are expected to be able to gain a valuable guidance in devising strategies to maintain millennial workers by focusing on building professional and social competence. There are also mentoring guidelines for career development based on millennial worker characteristics.

Keywords Millennial workers • Psychological contract • Retention
Employment relationship • Learning culture • HR practices • Career development
Social constructivism

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Introduction

Research in the field of employment relationship emphasizes that human resource management does not just stop at the practical adoption of HR management practices without considering the dynamics of aspirations and employee expectations. Therefore, some written agreements and HR management practices require supporting components to be well internalized and achieve their primary goal of directing employee attitudes and behaviors in a harmonious atmosphere. The latest developments in the field of employment relationship concludes that successful organization building competitive advantage through human resources have a tendency to follow up the agreements and the written policies in the form of psychological contract (Hughes 2008).

Psychological contract is also an important concern for the organization as the competition gets deeper in recruiting and retaining talented employees. In the competition for high-skilled employees, psychological contracts are used as an employer branding that can provide a foundation for talented employees in interpreting employee value proposition (O'Donohue 2009). To build employer branding, the management of psychological contract needs to consider improving and developing talented employees who can add value to the organization (Rosethorn 2009).

There is a substantial change in the management of employment relationships. In the past, companies emphasized more on providing assurance to employees to work until retirement in the company. Past employee relationships were also identical with the rewards that tend to be based on equity, and incremental benefit adjustment (Chambel and Fotinha 2009). But this strategy creates problems especially when the company plans to expand and move massively to achieve more optimal performance and competitiveness. These rewards and benefits cause serious problems because employees are not motivated to build competence within the organization (Bittner and Schipper 2014). This condition causes the organization and employees tend to move in different directions so that at a certain point, the company does not have competent human resources to run its business. This strategy is also potentially incompatible with the demographic characteristics of the labor force that comes with different expectations. Certainly, it is really different to the previous generation. If the previous generations were more motivated on working guarantees to retirement, the characteristics of the current millennials generation tend to be more mobile and they are very unique in terms of the combination of orientation toward high career achievement as a form of self actualization and the necessities of work in the environment conducive work (Moore et al. 2015).

Psychological contract as a strategy for retaining employees needs to consider the generation change component. (Strauss and Howe 1991). Today, the millennials occupy the largest proportion of the global workforce. This generation needs special attention because their expectations and needs are very different to the previous one (Deloitte 2014). The characteristics of the millennial generation that consider themselves as a privileged resource within the organization raises expectations.

They expect that the organization need to treat them differently (Lancaster and Stillman 2010). The millennial generations have a high self-esteem because the social environment and family believe that these generations will achieve success. It needs to understand that the characteristics of millennial generation in the workplace also aim to build an effective communication. This generation is team-oriented because they grow up with peers, through collaborative learning in group learning systems. The dominant characteristic of these generations is high achievers because they process with high educational standards (Ferri-Reed 2013).

The millennials are also the generation of technology users and they are fast response in following the development of technology and social media (Taylor 2014; Winograd and Hais 2011). As this generation is very close to technology, they believe that working with social media can boost the work productivity, especially for speeding up the work processes, becoming more organized as well as building more active working relationships.

Developing Millenials Careers Through Psychological Contract

In the context of talented employee management, psychological contract plays a role in encouraging employees to develop sustainable knowledge-sharing capabilities (O'Neill and Adya 2007). Employees who are committed to their personal career development, tend to be proactive in sharing knowledge to improve the work professionalism. Chen (2014) affirmed that the importance of building a psychological contract can provide space for career development and employee retention. In line with that, Dhanpat and Parumasur's research (2014) concluded that the effectiveness of psychological contract is determined by its strategic components. This becomes relevant that the organization needs to design the factors that can grab the millennials' interest. This generation has an expectation that their workplace provides an opportunity to contribute to the success of the organization, to have a quality training and education program, harmonious superior-subordinate relationships, challenging work experience and open communication (Lynch 2008). So, the strategic components developed by organization in managing the millennials need to focus on the massive use of technology, the development of work-to-live mentality, regular feedback, the development of collaborative activities in daily routines and the opportunities to engage in community at the work place (Vincent 2012).

Psychological contract has wide scope covering throughout the process of recruitment to career development for the employees within the organization. The career development programs are run and socialized by the organization fairly and transparently in the perception by employees to build positive employees relationships. Furthermore, the flexible work programs organized by organization in the perception by employees as an organization's effort provide a conducive working

environment for employees so that they can balance the time between work and personal life (Vos and Freese 2011). It becomes so important because the millennials seek a workplace that is challenging, solid leadership, non-traditional work schedules and friendly organizational culture (Raines 2002). It deals with the study results of Pyoria et al. (2017) on the work orientation of millennials, it can be concluded that this generation puts family life and pleasure as a priority. It means that in the effort to manage millennials in the workplace, it is necessary to consider the work-life balance components. This study also discusses the work commitments of millennials. The results conclude that this generation is committed to the work that they are interested in. The characteristics of this generation have a tendency to switch jobs, but still in same work fields for the purpose of gaining the work experience in the field of interest.

Psychological contract is an approach used by the organization to maintain the spirit, commitment and performance of employees in the face of increasingly dynamic business demands. Intensive socialization is an organizational effort to prepare and assist employees to face the process of organizational transformation (Vos and Freese 2011). Socialization is also considered by new employees as a proactive effort of the organization in creating a conducive working environment (Tomprou and Nikolau 2011). In the context of change, the millennials would like to work in the environments that encourage collaboration rather than competition (Gutfreund 2014). This generation also has a goal of working on innovative activities and the achievement of social missions (Walsh 2015). Therefore, the process of organizational change is interpreted by the millennials as an opportunity to build a collaboration which aims to harmonize the dynamics of organizational motion that demands creativity and personal goals that want to contribute to a better social life.

Psychological contract is an employees' belief about the organization's proactive efforts in understanding and facilitating the needs and expectations of employees. Expectations become the basis for employees in contributing and otherwise the organization need to manage employee expectations through a fair exchange mechanism. Employees will work effectively when there is fairness between what the organization will give and what employees should give to the organization. For that reason, a psychological relationship should be capable of creating emotions that lead to the attitudes and positive behavior of employees. This relationship can harmonize the relationship between the employees and the organization (Armstrong 2009). This relationship helps the organization in predicting the output that employees can provide. In the context of millennial generation management, it should be a major concern as this generation has the belief that their opinions are worth listening to. This generation also has high confidence that they are able to achieve success (Vanmeter et al. 2013). The millennials seek flexibility in the workplace. They are an independent generation and prioritize moral responsibility to make a difference in the workplace. They are also a generation that puts forward smart and fast working patterns, tends to be multitasking and wants clear direction and standards (Caraher 2015).

The results of Freese et al. (2011) concluded that the effectiveness of the psychological contract is determined by the competence development and the

employees' development within the organization. This condition makes employees feel that the organization they work with, can fulfill their expectations for talent development. The employees are motivated to develop themselves when the demands of work require them to maximize all their capabilities. Herriot et al. (1997) argued that the components of work can motivate employees to master and develop their skills. The research conducted by Corder and Ronnie (2017) concluded that psychological contract affects employee motivation, especially on the aspects that involve support, flexibility and direction. The study has found that employees have expectations about openness in communication and involvement in decision making. The psychological contract components that are considered important by employees also relate to the opportunities to improve professionalism through training. A various and challenging work design can encourage employees to master new skills to meet job demands. It deals with the expectations of the millennial generation that wants flexible working time and professionalism development (Sujansky and Ferri-Reed 2010; Lancaster and Stillman 2010; Riccardi et al. 2014).

Career Development Approach as the Strategy of the Millenials Retention

One of the career theories is the Self Concept Theory of Career Development by (Super 1980) based on the dynamic interaction between mental development, experience, environmental characteristics and stimulation in shaping career development. This theory was developed further by Savickas (2002) and he argued that career development is strongly influenced by the social environment and relationships affect each other between the individuals and their environment. In order to develop a career, the individuals need to work to meet the existing standards in the environment and be accepted by their social environment (Leung and Chen 2007).

Career is interpreted as the series of behaviors and habits related to the work of a person throughout his life (Hall 1996). To develop a career, one needs the ability and knowledge to respond to work challenges and constantly learn to improve the personal qualities, be able to adapt to the environmental changes and remain focused in achieving superior performance to achieve the organizational goals (Collard et al. 1996). The ability to adapt and grow in a dynamic work environment embodies career development. It is built by a career management process and it involves an interaction between the individual and the work environment by engaging the risk-taking with the wisest consideration and can be built by every employee (London 1983).

Career development studies began to develop in the late 1990s as concluded by Bernard (1996) that everyone can develop a career by increasing optimism and opening up to sharing possibilities. The concept of career resilience is a new paradigm in the study of employment relationships. In the old paradigm,

organization provides a clear work. It is a status as a member of the organization and long-term employment guarantees. In return, employees are required to work hard, be loyal and perform well. Nevertheless, the view has quite radically changed along with the phenomenon of free trade, the process of industrial engineering, downsizing and the development of information technology. The employees are no longer to focus on long-term job security, but the ability of the organization to provide career development for the employees. So, the employees' competency and skills can always keep up with the demands of the labor market (Kristof-Brown 1996).

There is a supporting literature revealed by Latack (1984) who divided the dimensions of career resilience into six dimensions: adaptability, individual assessment toward the outcomes, individual beliefs toward his ability, independence, risk-taking and tolerance to uncertainty and workplace pressures. The ideas of Luthar et al. (2000) interpreted the career resilience as a dynamic development process of individual, not just personal characteristics so that anyone can master the ability.

Concerning the concept of career resilience, the existence of millennials in the workplace poses some challenges but also positively impacts the organization. The millennials are the generation that has a high tolerance for changes. The career development programs of millennials need to be designed to optimize their capabilities and engagement in changing situations and ensure that their best contribution impacts on improving their careers. This is because these generations want a work environment that values their self-development and gives them the opportunities to learn new things (Gilbert 2011). The millennials look for workplaces that are able to provide challenges in employment and professional development skills. These necessities should be addressed by the organization with a focus on providing feedback toward the achievement of performance as the millennials retaining strategy (Park and Gursoy 2012). Specifically, it is necessary to include the management initiatives of knowledge and the teamwork in the millennials' planning careers to increase their involvement. The implementation of this strategy requires a leadership role as a partner in the millennium planning process. The process of meeting the employees' expectations and the organization occurs in this process. The organization needs to provide a clear guidance in helping the millennials to design their career paths. Thompson and Gregory (2012) asserted that millennials will be loyal to the organization if they are given the opportunities to develop their abilities and relationships with other members of the organization.

London and Mone (1987) concluded that individual who has career resilience, is able to control the situations, to take risks under the uncertainty conditions, to tolerate in confusing situations, to have confidence that they are capable of achieving goals, to be independent, to be adaptable in environmental changes, and able to work together with other organization members. Furthermore, Collard et al. (1996) developed the concept of career resilience to six characteristics including the ability to understand the personal potentials, to orientate adding values to the work, to focus on the future, to dedicate themselves engaging in learning process, to be flexible and able to build cooperation network in organization.

One's career resilience is determined by two aspects: the personal aspect and the aspect of the work environment. In the context of work environment, career resilience is obtained through the organizational support in the form of constructive feedback and the opportunities to work autonomously. Career resilience also becomes a practical study in counseling programs in various organizations. This concept is used in the career development process so that the organization builds the work environments and the relationships that are able to encourage the employees' career resilience. Generally, the organization has adopted a career resilience model in four stages. First, the organization actively explains this concept in the form of employee professionalism development policy. Second, the organization determines a career counseling process to build employees' understanding of the personal value and expectations of employees in the workplace. Third, the organization helps employees to identify and face challenges in achieving the desired career through an understanding of employee intrinsic motivation. Fourth, the organization builds communities for employees so they can develop themselves together (Rickwood 2002).

The application of career development theory in organization does not only rely on the individual independence in building career. Byster (1988) concluded that although the individual is the primary architect in building his career, the individual also needs a help to find the personal value and the expectations in the work. The organization also needs to provide supports so that the employees can meet changes in the organization. It deals with Kerka (1993) who believes that a clear and real information about the concerned work is a major component that can encourage employees to be more capable to do the job.

London (1983) built the dimensions of career resilience into three domains: self-manageability, risk-taking and connectivity. Self-managing ability is divided into sub domains. They are self-esteem ability, ability to work autonomously, adaptability, self-control, desire to get achievement, initiative, creative, have personal work standard and progress orientation. Furthermore, courage to risk-taking is divided into sub domains. They include the ability to tolerate the uncertainty. Connectivity components include the ability to establish relationships for career development and the necessity of acceptance by colleagues and leaders.

King (2003) explained that there are seven aspects about career resilience. They are not easily giving up in the face of difficult situations, persistent in pursuing career goals, able to control the situation, remain responsible for completing work in uncertain conditions, taking risks, responsible for career planning personally, avoid to get more boss' attention for self-advantage.

The concept of career resilience evolves as the business environment changes. The processes, patterns and technologies adopted by the organization give a new perspective on career concepts (Bridges 1995; Cascio 1995; Kotter 1995). In addition, the increasingly flat organizational structure and design and organizational tendencies to delegate non-core business creates new challenges and opportunities for the employees to develop their careers (Hammer and Champy 1994; Meyer 1996; Handy 1988). These changes have an impact on human resource management so that the organization needs to focus more on identifying the intellectual and

learning needs within the organization (Kiechel 1993; Birchall and Lyons 1995). Starting from the understanding of the changes above, Fourie and Vuuren (1998) elaborates the concept of career resilience into three dimensions: self-belief, independence and willingness to accept a change.

Based on the changes in the business environment, Bryant (1995) thought about the needs for organization to focus on building the employee resilience. The organization needs to direct the positive behavior of the employees so that they can be optimistic and able to interact with the work environment quickly and efficiently. This opinion confirms an expert opinion, Conner (1992). He concluded that the individual who has career resilience, can assimilate to the new working conditions.

Millennials are the generation that seeks to find the organization that is able to meet their expectations. This generation is known to be very career-oriented and has high career ambitions. (Kong et al. 2015). This generation also has a strong work ethic and high learning skills so it requires a work environment that can provide a consistent feedback and support. To retain the millennials, the organization needs to encourage them to determine career paths clearly and find some ways to develop the millennial employee skills toward the top performers. The main concern of the millennials is the rapid development of performance even in an environment of rapidly organizational change. The millennials require challenges of work. It deals with the expectations of millennials who tend to love the career progress that comes from acquiring new professional skills. It deals with Bannon's et al. (2011) explanation that the millennials presence at work—with its uniqueness, talents and abilities—are capable of significantly changing the work environment. Maxwell (2013) asserted that if the organization commits to retaining millennial employees, the organization needs to build the millennials to be ready for jobs that can drive and guide them to maximize their skill sets.

Building Career Resilience Through Learning: A Social Constructivist Approach

The constructivist existence in the learning process begins with criticism of the rigid behavior and focuses only on the intrapersonal aspect (Mayer 1996). Individual acquires knowledge and learning not exclusively but through the role of active learner and interaction with the social environment (Vygotsky 1978). Thus, learning in a constructivist view emphasizes the social interaction aspect as a stimulus for individual cognitive development. Social constructivist is a realistic approach that emphasizes learning activities in a highly contextual and specific community (Woolfolk 2004). Learning in a social constructivist view involves a process of personal and social development that performs a function as a whole community. Thus, knowledge is a new understanding formed by the situation in the community. There is a collective subjectivity derived from the participation and contribution of each member of the community that is real and original (Davydov and Kerr 1995).

In constructivist paradigms, individual builds knowledge through interaction and interpretation of the social environment. It is seen from the socio-cultural context, the practice and value that exist in a community directly or indirectly guides the individual to establish a cognitive system (Vygotsky 1978). The learning process in the organization involves individual and groups to do planning, discussing and solving problems (Sawchuk 2003). Planning, negotiating and building status in a working relationship reflect the real experiences and they just happen. The learning process also occurs when the employees internalize the values of the organization and identify themselves both individually and socially. This situation is called flying and grounding (Fenwick 2008) which deal with the concept of situational learning. In this process, the employees do not learn about the technical aspects of the work but they give more focus actively influencing each other's existing knowledge and values through a participatory process (Billet 2004).

The millennials are also accustomed to the situational learning to find the real experiences and problems in their work. Roehling et al. (2011) suggested that the participatory learning of the millennials aims to make the learning process more active, resulting in a deeper understanding of the learned material and encourages the sharing of perspectives. The concept of situational learning was firstly introduced by Resnick (1987) who tried to bridge the theoretical learning knowledge into the real world. The situational learning firstly was developed in the literature on adult education and subsequently adopted by Marsick and Watkins (1999) in the organizational context by formulating two types of learning: informal and incidental. A research conducted by Enos et al. (2003), the learning process in organization mostly occurs in informal situations and it is a part of daily work activities. This type of informal learning occurs through the interaction among the members of the organization in the most obvious conditions. This is what distinguishes from formal organizational learning. Roehling et al. (2011) suggested that the participatory learning tends to be warmer and more informal, thus encouraging the millennials to improve self-efficacy. This method of learning also encourages the millennials to explore ideas, risks and creativity to understand the decision choices (Blashki et al. 2007). This generation is interested in displaying learning outcomes in practical aspects especially when they face new roles (Broadbridge et al. 2007).

In the perspective of learning as an effort to develop ideas and knowledge, Sawchuk (2003) concluded that learning is a series of analysis of an object to understand the actual conditions and possibilities that can be developed to produce new knowledge or solutions and then it can be applied in a system. This process does not occur linearly, but simultaneously it involves the individual goals, abilities and perspectives (Engstrom 2001). Wright's research (2003) on software development companies concluded that the process of interaction and employee engagement enable the development of new skills. Employees involvement involves two things: procedural involvement related to work and conceptual engagement related to value and organization expectations (Gott 1989).

In a socio-cultural perspective, the real experience allows an individual to gain new skills through social interaction with the other members of the organization and participate in collective activities (Lave and Wenger 1991). The research conducted

by Cahoon (1995) concluded that most of the learning processes in organization occurs in daily work practices and social interaction contributes more to the development of new employee skills than formal job training. Furthermore (Billet 1995) concluded that the participation of an individual with other members of the organization through the authentic experiences provides an opportunity for the employees to understand the organizational goals, develop skills and have a constructive connectivities to the job they have.

Billet's research (2001) on companies with various industry backgrounds such as mining, transportation, distribution, services, manufacturing and the public sector concluded that situational learning can be applied in all areas of industry. Job activities involve a set of practices and learning processes that can strengthen, improve and develop new knowledge when employees participate in the work (Billet 2004). This confirms the opinion of Eraut (2004) which explained that the development of cognitive and reflective skills of employees is obtained through the problem solving in the work. In the context of applying new knowledge, the situational learning processes help millennials to interpret a big-picture into an applicative knowledge. This process allows the millennials to gain hands-on experience in solving a problem. It deals with the opinion of Weiler (2005) that the millennials want the process of obtaining efficient information for subsequent application in the work.

In the context of human capital management, intellectuality, information and knowledge are important aspects in driving business success in an era of knowledge-based economic progress. For that, the learning process becomes an important aspect in achieving the organizational goals (Mezirow 1991). Designing long-term vision and strategy requires an understanding of the learning objectives in the organization and how learners (employees) can improve career resilience to add value to the work relationships. Neesham (2007) argued that there are five competencies that can be mastered by employees in the learning process. First is the personal ability that has been attached to the individual before joining and playing its role in the organization. This competency is obtained through single competence learning experience. The second competence is the ability to run the various roles in the organization obtained through the multiple competences learning experience. The third competence is flexibility and adaptability. The next competence is the ability to transform personal knowledge into the organizational knowledge capital and it is built through the interactive and collective experiences. The last competence is the ability to combine individual and group learning objectives with the organizational learning goals to achieve the business success and it is gained through the innovative-progressive experiences.

Single competence learning experience is special and the competence of the employees is technically appropriate in the field of expertise and job qualification. Furthermore, the competencies gained through multiple competence learning experience do not only focus on the job description but they are relevant to the organization's long-term needs. The situational-adaptive learning experience aims to build employee competencies to adapt and keep performing optimally in a

business competition environment by focusing on a strong vision and risk-taking courage.

The social constructivist approach emphasizes new ways of thinking in dealing with old problems through coordination processes (Hosking and Bass 2001). In relation to the presence of generations in the workplace, social constructivist-based learning becomes relevant. This is why the millennials love learning through a group work, team projects and collaborations that aim at sharing knowledge and ideas (Murphy 2012). This generation loves a learning experience that can contribute to career enhancement. The learning experience makes the learning process more active which is proved by a deeper understanding of the learning materials being worked on and encouraging the development process of sharing perspectives (Roehling et al. 2011). The interactive-participative learning process encourages the millennials to generate the conclusions independently. This process encourages the exploration of ideas, consideration of risk and creativity in an informal and warm atmosphere (Blashki et al. 2007). The characteristics of millennial generation in the workplace are demonstrated by the use of communication methods and information-based social media search (Young and Hinesly 2014). However, the typical millennial characteristics that work multitasking and want to display their best performance requires a casual work environment and minimal bureaucracy. The millennials are determined to be able to contribute more to the organization and prefer doing the challenging work to working the rigid work environment. This generation tends to desire a career in a work environment that implies flexibility and makes rooms for them to perform the philanthropic and voluntary activities (Taylor 2014).

Implications: Mentoring the Millennials for Retention

Rousseau and Schalk (2000) concluded that psychological contract affects the improvement of employees' ability. In this study it is explained that the organization needs to focus on efforts to understand and meet the needs of employees in terms of career development within the organization. The career development programs designed by the organization need to be based on the specific skills that employees need to build in order to maintain the work quality and the performance improvements. This opinion deals with the conclusion of Stevens and Campion's (1994) research that organization needs to adopt new paradigms in human resource management from the attributes related to employee personalities to the attributes related to employee knowledge, skill and abilities. The current working environment demands employees' ability to work together and collaborate so that employee career development program must include the development of interpersonal competencies such as team-ability and negotiation skills (Mannering 2002; Tractenberg et al. 2002).

A research conducted by Aichinger and Barnes (2010) on employee expectations concluded that the reason of employees choose to work in an institution is due to fulfill their expectations to improve the ability to work together and collaborate in a

team. This finding deals with Diplari and Dimou's (2010) study which concluded that psychological contract of the employees' development in the form of experimental learning enhance the employees' managerial skills including time management, team-building skills and leadership. The results of this study deal with the findings of Callaghan et al. (2010) which concluded that psychological contract focus on a fair employee development program and it enhances the ability of employees to work together. In the context of millennial generation management in the workplace, this becomes relevant. The millennials are individuals who need guidance, direction, certainty and feedback in performing the task. They also expect appreciation, passion and access in return for their success (Hershatter and Epstein 2010). This generation tends to be multitasking, has a high curiosity, a desire to be unique and authentic, independent thinking and freedom in making choices. The millennials love the work atmosphere that can provide an intellectual stimulation and work together in a team (Smith 2000). For that, the organization needs to provide the challenging assignments and opportunities to collaborate.

The findings of Busby and Gibson (2010) also showed evidence that career development program has an effect toward the development of teamwork skills. Confirming the previous findings on the relationship between career development and employee positive behavior, the results of Osibanjo et al. (2014) concluded that career development contributes to the improvement of employees' critical skills that can add a value to the organization. The psychological contract relates to the organizational efforts to prepare employees for any changes that occur within the organization. If it is not properly managed, the changes will cause a resistance. However, if it is managed and anticipated well, the changes in the organization will have an opportunity to improve the employees' critical skills (Harigopal 2006). The psychological contract plays a role in giving assurance to employees that the process of the organizational transformation in order to meet the needs and the expectations of both parties. They are the organization and the employees that grow together, along with the business growth. Therefore, in the process of the organizational transformation, the role of psychological contract becomes important in describing and socializing the organizational change programs, so that the implementation of change is same with the achieved objectives.

In an increasingly dynamic business environment, change is an aspect that continually needs to be adapted by employees. Cope (2009) stated that organizational transformation shapes the knowledge and strategic capabilities of employees. The organizational transformation also encourages employees to get out of the comfort zone and work to develop the creativity of employees so that they can adapt in the dynamics of the work environment (Chocqueel-Mangan 2011). The employees who understand that change positively impact both themselves and organization tends to see and follow up on opportunities to collaborate and work together in team to stay in the flow of change (Miller 2011).

Related to the organizational change, the millennials are the generation that has optimism and high expectations about the future of the organization (Hershatter and Epstein 2010). These generations tend to be willing to follow rules, respect the values of organizational social responsibility, have high social awareness, and

expect that the organization has high ethical and moral standards (Sonier 2012). It causes that the millennials have a concern and interest to be involved in achieving the mission and the goals of the organization (Hershatler and Epstein 2010). The organization can retain the millennials by considering these characteristics. Establishing the value conformity between the organization and the employees can encourage the millennials to move in changing situations. The organization that is able to create the value conformity will be able to move the employees to contribute more in achieving the success of the organization.

As part of the efforts to build the harmonious employment relationships, psychological contracts needs to give the employees confidence that the organization where they work with are able to create a conducive working environment to enhance their knowledge and skills. The opinion supports Schwepker and Good (2007) research which concluded that a conducive work environment encourages employees to be more proactive and add value to the organization. For that reason, the millennial retention strategies need to focus on encouraging them to design the career goals, to plan the career success and to provide the feedback for achieving the subsequent career goals (Seibert et al. 2013). In the early stages, the organization needs to design challenging positions and jobs to be achieved by the millennials. Such achievements require a mastery of technical, social and managerial knowledge to improve job satisfaction (O'Shea et al. 2014). Organization can also increase the millennials involvement by rewarding achievements when they are able to build teams and through training as a process of organizing the organization (Mayfield and Mayfield 2014). The millennials will feel more appreciated if they are given the opportunity to improve their skills and be given more challenging responsibilities (Ruys 2013). They will also be satisfied with their work if their completion of duties can facilitate their need for the achievement of personal work goals with the organizational support (Hakanen and Schaufeli 2012).

In addition to building a conducive working environment and productive working relationships, the organization also need to build a climate that can encourage an effective communication. The current phenomenon shows that the position of managers is largely dominated by baby boomers generation. For the current middle managers positions are dominated by the employees of X generation, while the demographic characteristics of employees who occupy the position of new entry are dominated by the millennial generation. The differences of these characteristics affect the pattern of communication. The organization can do some programs that can bridge the pattern of inter-generational communication for example routinely sharing experience in informal and fun discussion. The organization needs to foster a stronger relationship and information sharing within the organization. Practically, the organization can build a climate that can encourage cooperation by optimizing the process of transfer of knowledge through the workshop activities and the optimization of social media system.

The millennials love the work environments that provide mentorship, rewarding for innovative activities and teamwork (Gilbert 2011). This generation also enjoys the work environment that gives them the authority to complete work, provides opportunities in job rotation and assignments that allow them to collaborate with

others outside the organization (Lyons and Kuron 2013). In terms of building employment relationships, the organization can increase the level of engagement of the millennials through a reverse mentoring program that allows the young employees to train the senior managers in technology and social media. Instead, the senior managers can train the millennials about organizational experience and knowledge (Mayfield and Mayfield 2014). This program is not only a bridge in building intergenerational communication and building social capital, but also helping the millennials to grow as leaders.

The organization needs to focus on encouraging the employees especially their involvement in providing innovative advices for the organizational progress. In the era of talent war, the organization needs to find lots of breakthrough in order to maintain the knowledge worker through clear talent development programs as a strong employee value proposition base. The implemented talent development programs need to emphasize to ideal positions that directly relate to business development. The development programs are no longer done similarly and yet they increasingly lead to the needs of each employee. The organization needs to seriously focus on developing talents that support the employees to achieve the capabilities they need including the technical capabilities, professional managerial and leadership. The organization can adopt the blended learning methods that combine the classical learning-based and online learning (Budiharseno 2017). To achieve an optimal learning outcome, it is necessary to set up a learning team that serves to design and organize some training for the employees.

In order to encourage the employees' involvement to provide innovative suggestions, the organization needs to provide the decision-making opportunities. The organization (HR department) needs to design policies that facilitate the employees to be more flexible in making decisions regarding the implementation of operational roles and managerial roles, starting from designing step to execution. The organization also needs to encourage the employees' productivity through the performance assessment based on information technology. It is used as a basis for office automation and employee self-service development. The employees' productivity can also be enhanced by achievement awards, considering the employee expectations especially to the aspects of recognition and self-actualization. The millennials are the generation that wants treatments that can make them feel appreciated and supported. Related to the mentoring programs, the organization needs to focus on non-traditional approaches and based on the use of technology. The mentoring can start by involving the millennials in solving problems and implementing the worthy opinions to do. This method is able to evoke feelings as part of the organization and create a sense of informality (Zemke et al. 2013).

Summary

This chapter presents the development of research in the field of psychological contract as a strategy in managing millennial generation, reviewed from the perspective of social constructivist. This section describes the typical characteristics of millennial generations that need to be considered in designing the effective psychological contracts. One of the strategic aspects of the psychological contracts implementation is related to an understanding of millennial expectations on career development within organizations. Career development is the basis for building the capabilities and resilience of millennial employees in order to give their best contribution to the organization. It can be built by adopting a social constructivist perspective that focuses on aspects of social interaction in the learning process that are capable of encouraging the increasing knowledge, abilities and employee participation of millennials. At the end of this chapter discusses about the mentoring programs that need to be included in the psychological contracts implementation as an effort to retain millennial employees.

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