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## A 'Schema theory' analysis of the psychological contract formation process using repertory grid technique

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**UNIVERSITY of LIMERICK**  
OLLSCOIL LUIMNIGH

**A 'Schema Theory' Analysis of the Psychological Contract Formation Process using  
Repertory Grid Technique**

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**Thesis submitted for Doctoral Degree by Research**

**Supervised by Professor Michael Morley**

**'Submitted to the University of Limerick, November 2012'.**

## Abstract

This study examines the content of the psychological contract at its formation stage. Three individual antecedents were identified that were expected to influence these content dimensions (careerism, type of exchange (social/economic), level of experience). The study proceeds in two separate but overlapping stages. Firstly, in Stage A, the relationship between these individual factors and the content dimensions is investigated. Secondly, in Stage B, the effect of the three antecedents on the content dimensions across seven features ('Realistic'; 'Contingent'; 'Fair'; 'Important'; 'Expected'; 'Familiar'; 'Uniqueness') is also examined in an effort to better understand both the employee and employer obligations. We adopted a mixed methodology in our study. The three antecedents were measured using questionnaires. Fifty interviews were conducted to elicit both employer and employee obligations and this data was analysed using the repertory grid technique. Results for Stage A indicate that level of careerism is associated with obligations concerning *Loyalty*. A social exchange is associated with certain obligations reflecting a broad investment with the organisation (e.g. *Development*). An economic exchange is associated with certain obligations reflecting a narrow investment with the organisation (e.g. *Pay & Benefits*). Our study also found that novices are more likely than veterans to explicate obligations to the organisation concerning *Teamwork*. These results confirm that the three factors are, to varying degrees, viable antecedents of the psychological contract. Results for Stage B indicate that both 'type of exchange' and 'level of experience' affect certain dimensions across a number of features (e.g. 'Important/Not Important', 'Familiar/Novel' etc.). However, the features assessed in our study are of limited value in explaining the dynamics of the formation process. Taken together, both stages in our study make an incremental contribution to understanding the schematic nature of the psychological contract.

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## **Chapter 1: Introduction to Study**

### **1.1 Introduction**

This thesis is concerned with the formation of the psychological contract. Psychological contract formation refers to the sensemaking process of an amalgam of promises exchanged by the newcomer and the organizational insiders, as experienced by the focal individual during her first days at work (Tomprou & Nikolaou, 2011). Despite the significant amount of research conducted on the psychological contract, little is known about how the psychological contract is actually created and experienced. The majority of research on psychological contract theory has been concerned with the aftermath of psychological contract formation and its associated responses (e.g. breach, violation, willingness to change etc.), (e.g. Robinson, 1996; Herriot *et al.*, 1997; Rousseau & Tijoriwala, 1999; Coyle Shapiro & Kessler, 2000; Stoner & Gallagher, 2010). However, fully understanding the dynamics of the psychological contract in employment is difficult without research into its formation. The antecedents of the psychological contract have received relatively little attention from organizational researchers (with the notable exception of Robinson *et al.*, 1994; Rousseau, 1990, 1995, 2001; Shore & Tetrick, 1994; Thomas & Anderson, 1998; Purvis *et al.*, 2003; De Vos, 2003, 2005, 2009; Tomprou & Nikolaou, 2011). A closer examination of the building blocks of the psychological contract will facilitate a better understanding of how it should be effectively managed and developed. In view of the economic and human costs associated with the premature departure of new hires, obtaining more insight into how the psychological contract is formed is not only interesting from a scientific point of view, but also highly relevant from a practical standpoint (De Vos *et al.*, 2005).

### **1.2 Background to the Research**

In the last twenty years, psychological contract theory has emerged as a valuable analytic tool in employment relations research. During this time, the viability of traditional employment relations has been challenged by a number of different factors such as different work patterns, increasing flexibility and fragmentation of the workforce and greater variety of forms of employment contract (Stoner & Gallagher, 2010; Guest, 2004; Rousseau, 1995). In light of these changing circumstances, there was, and is, a need for different interpretive frameworks. Taylor & Tekleab (2004) argue that the extant research on psychological

contracts appears to offer a way forward for addressing the challenges currently being experienced by many organizations as a result of these changing circumstances. For academics, the psychological contract presents another opportunity to re-examine the fundamental aspect of organizational life, the employee-employer relationship (Coyle Shapiro *et al.*, 2000). The psychological contract is resilient in the face of the great changes that have occurred in the working environment and it continues to play a central role in organizational behaviour by better specifying the dynamics of the employment relationship (Schalk, 2004).

As has been outlined, there are a select number of studies that examine the initial stages of the psychological contract and they serve as important landmarks in psychological contract formation research. These studies have provided insights relating to antecedents of the contract itself, newcomer socialisation and multiple insights into employee's understanding of the obligations of both parties. Firstly, as regards the antecedents of the psychological contract, researchers largely agree that the psychological contract is influenced by both organisational and individual factors (e.g. Shore & Tetrick, 1994; Anderson & Thomas, 1996 etc.). Indeed, an analysis of both these forces is central to our understanding of how the psychological contract is constructed. The organisation is proposed to influence employees' psychological contracts through messages conveyed by multiple agents, organisational actions, and expressions of organisational policy (e.g. through handbooks, compensation systems or other personnel-related structures) (Rousseau, 1995). Of course, the organisation itself will be the chief source of information for the new recruit. A number of studies have illustrated the role human resource practices play in shaping the psychological contract (e.g. Guzzo & Noonan, 1994; Guest *et al.*, 1999 etc.). The psychological contract is perceptual, unwritten, and hence not necessarily shared by the other party to the exchange relationship (Rousseau, 1995). Consequently, employers and employees may hold different views on their psychological contract and part of these differences could be explained by individual factors. However, the individual antecedents have received modest attention from researchers. For example, 'careerism' has been investigated in a number of seminal studies on psychological contract formation. Employees differ in their intentions to pursue employment with different organisations. While some employees prefer a traditional job with the same company- the idea of 'a job for life', others prefer to change employers more regularly (Driver, 1994). This is what Rousseau (1990) has termed 'careerism'. It is defined as a '*preference for changing employers frequently during a career*' (Rousseau, 1990).

Rousseau (1990) found that careerism was positively related with a preference for a transactional psychological contract and negatively related with a preference for a relational psychological contract. Similarly, De Vos *et al.*, (2009) found that careerism was associated with a higher level of employer obligations relating to career development and financial rewards and a higher level of employee obligations related to flexibility and employability. Both of these studies illustrate how level of careerism affects the contract formation process which, in turn, adds to the idea of careerism as a viable antecedent of the psychological contract. A number of other individual factors have been cited as antecedents of the psychological contract. For example, ‘cognitive biases’ have been mentioned as a possible influence (e.g. Rousseau, 1995; Robinson *et al.*, 1994), ‘work values’ (e.g. De Vos *et al.*, 2005), ‘personality traits’ (e.g. Raja *et al.*, 2004; De Vos *et al.*, 2005), ‘emotions’ (e.g. Tombrou & Nikolaou, 2011), ‘goal- oriented motivations’ (e.g. Shore & Tetrick, 1994; Rousseau, 1990). All of these studies lend support to the belief that the psychological contract is affected by individual factors.

In relation to newcomer socialisation, Rousseau (1995, 2001) asserts that the formation process is episodic rather than continuous in that people are only open to contract-related information at certain points in time. De Vos *et al.*, (2009) have studied the psychological contract at a specific juncture in the formation process: the pre- employment phase. This ‘anticipatory psychological contract’ (APC) is effectively pre- employment beliefs about forthcoming employment. In contrast, Thomas & Anderson (1998) adopted a longitudinal approach in their study and examined the psychological contract at a number of different stages in the post entry phase of the formation process. Other studies have examined the contract at different stages in the post entry phase (i.e. 3 months, 6 months, 12 months), (e.g. De Vos *et al.*, 2005 etc.). All these studies illustrate how the psychological contract develops over time and highlight the importance of specific junctures in the employment relationship to this development process.

A number of studies within the context of psychological contract formation have provided insights into the obligations of both employees and employers (e.g. Rousseau, 1990, 2000; Herriot *et al.*, 1997; Robinson *et al.*, 1994 etc.). The content of the psychological contract refers to the mutual obligations that characterise the employer/employee relationship. While the range of content dimensions measured differs across studies, employee obligations relating to ‘Loyalty’, ‘Ethical Behaviour’ and ‘Extra Role Behaviour’

and employer obligations relating to ‘Development’ ‘Rewards’ and ‘Work/Life Balance’ are frequently cited. To some extent these studies are useful in that they capture the idiosyncratic nature of the psychological contract. Their true value is in the fact that they have had a profound influence on subsequent psychological contract studies (e.g. Freese & Schalk, 1997, 2008; De Vos *et al.*, 2009; De Hauw & De Vos, 2010 etc.)

### **1.3 The Research Problem**

The studies outlined above have provided us with a modest understanding of the creation of the psychological contract. To date, the literature in the field has largely ignored the formation process. There is a lot we don’t know about how the contract itself is constructed. For example, only limited attempts have been made by psychological contract researchers to investigate the individual antecedents of the psychological contract (e.g. Ho 2000; Raja *et al.*, 2004; Robinson and Morrison 2000, De Vos *et al.*, 2005, 2009 etc.). Due to its idiosyncratic nature, it is likely that the psychological contract is affected by a countless number of individual factors. Certainly, the literature in this area is difficult to classify into clear and distinct avenues of enquiry. Theoretically, there are an infinite number of possible individual antecedents. To date, research into individual antecedents of the psychological contract has seen encouraging conceptual developments in the field that are restricted by a lack of empirical evidence. Certainly, researchers need to expand the range of antecedents examined as part of a psychological contract study.

As regards newcomer socialisation, there is a clear lack of research investigating the psychological contract at the very beginning of employment: the induction period. It is surprising that this episode has largely been ignored by researchers given the significant role it plays in newcomer adjustment. We know from research on the socialization process that the induction period is a crucial juncture in the employment relationship (Louis, 1980). It acts as a useful reference point for the organisational entrant as any ambiguity in relation to their employment can be clarified. The information provided during this phase can play a significant role in determining the new employee’s future actions.

While the content of the psychological contract has received considerable attention in the literature, the majority of this research has examined the different content dimensions of the contract itself while ignoring the dynamic interplay between these dimensions. Indeed,

Conway & Briner (2005) note that the lack of insight into the relationship between these different dimensions is a distinct failure in psychological contract research. Investigating this relationship would allow us to gain a deeper insight into the employee's understanding of their relationship with the organisation. In an effort to assess the relationship between obligations, our study examines the 'features' of the specific content dimensions of the contract.

## **1.4 Justification of the Research**

There is dearth of research on the immediate post- entry stage of the formation process. If the formation process is episodic, then we contend that the post -induction phase is an important 'episode' to investigate. Equipped with the contract-related information that has been relayed to them during their introduction to the organisation (e.g. induction), organisational entrants are in an excellent position to reflect on the reciprocal obligations that comprise their psychological contracts. De Vos *et al.*, (2009) and Thomas & Anderson (1998) suggest it is difficult for new entrants to fully understand their obligations to the employer and the inducements they expect to receive in return, until they have officially commenced their employment. Accordingly, we propose a neologism for the literature in relation to the psychological contract at the post-induction phase of the creation process: the 'preliminary psychological contract'. Our study attempts to address this gap in the research by examining the psychological contract at this particular period.

### **1.4.1 Study: Stage A**

Two basic research questions are guiding our study:

#### Research Question 1

***What is the relationship between newcomers' individual antecedents and the content of their psychological contract at organisational entry?***

Stage A of our study is guided by this research question. In this stage, we examine the effect of three specific individual antecedents on the formation of the psychological contract, namely 'careerism', 'type of exchange relationship' and 'experience'. The role of

organisational antecedents in the formation of the psychological contract is not being examined in our study. Our aim is to gain a better understanding of the influence of individual factors in the creation of the contract. There are a number of reasons why these three specific antecedents are being addressed. Firstly, while ‘*careerism*’ has been studied in a number of important psychological contract formation studies (e.g. Rousseau, 1990, Robinson *et al.*, 1994, De Vos *et al.*, 2009 etc.) we have a limited understanding of its effect on the preliminary psychological contract. For this reason we believe it merits further study. Also, research examining the influence of careerism on the psychological contract has been restricted to assessing a narrow range of content dimensions. Therefore, by expanding the range of content dimensions to be assessed, we can gain a deeper insight into the effect of careerism on the formation of the psychological contract.

Secondly, social exchange theories (e.g. leader- member exchange) constitute a relevant perspective for understanding the dynamics of the psychological contract (Xu *et al.*, 2008). Numerous constructs associated with exchange theories such as exchange ideology (Bunderson, 2001) have been investigated in how they relate to the psychological contract. Yet, there is a dearth of research examining the relationship between the psychological contract and ‘type of exchange’. Specifically, our study considers two types of exchange relationship: *economic exchange* and *social exchange*. An economic exchange between employer and employee is characterised by terms relating to the exchange of pay, reward and work assignments etc. (Milgrom & Roberts, 1992). In contrast, a social exchange between both parties is characterised by unspecified terms or obligations (Blau, 1964). The literature on social exchange cites obligations reflecting a broader relationship between parties (i.e. job security for loyalty, development opportunities for extended stay etc). It seems reasonable to suggest that the type of exchange a new employee has with their organisation would influence the content of their psychological contract. For example, an employee with an economic exchange is likely to have a psychological contract whose content dimensions reflect such an exchange (e.g. pay and benefits etc.). These content dimensions reflect the dominant focus of the exchange. However, this has yet to be validated empirically. Shore *et al.*, (2006) claim the social /economic divide within exchange theory corresponds with the relational/transactional divide within psychological contract theory. The relational/transactional divide has been examined in an array of previous psychological contract studies (e.g. Cavanaugh & Noe, 1999; McDonald & Makin, 2000; De Cuyper *et al.*, 2008 etc.). This, of course, will facilitate comparison with our findings. Accordingly, our

study aims to demonstrate the merit of ‘exchange type’ as a viable antecedent of the psychological contract. At this stage in psychological contract enquiry, we believe it is important to have a better understanding of the relationship between exchange type and the content of the contract itself, given the centrality of theories of exchange in psychological contract research.

Within the literature, *experience* is often quoted as a relevant antecedent of the psychological contract (e.g. Rousseau, 1995, 2001; Taylor & Tekleab, 2004 etc.). It is surprising to learn that experience has never been examined in an empirical psychological contract study. We assume that the psychological contracts of experienced and inexperienced workers are different. As of yet, we do not know *how* they are different. Given this lack of empirical research it follows that our understanding of the role of experience in the formation of the psychological contract is particularly weak. Experience, of course, is a loose term. Experience can be conceptualised in many ways. Theoretically, experience has been categorised as a dichotomy of ‘novice’ and ‘veteran’ in a number of studies (e.g. Rousseau, 2001; Welch Larson, 1994; Fuller & Unwin, 2005). It seems credible that experienced (veteran) and inexperienced employees (novice) would differ in their expectations of their work. For example, Laufer & Glick, (1996) contend that the new worker enters an organisation with a certain degree of uncertainty and insecurity about their new employment and that these feelings may be heightened by a lack of previous experience in the workplace. In the context of the psychological contract the difference between the novice and veteran worker has yet to be empirically explored. In our study, we examine the relationship between experience and the content of the contract. We assume that there is a difference between the novice and the veteran in their understanding of the mutual obligations at the heart of the employment relationship. Therefore, we expect that the content of the psychological contracts of novices will differ from the content of the psychological contracts of veterans. We believe that gaining a better understanding of the specific differences between the psychological contracts of novices and veterans is needed at this point in psychological contract research. From a human resources point of view, there is a value in knowing how the inexperienced worker differs from the experienced worker in their understanding of their new employment, given that both types of worker frequently work together within the organisation. Broadly speaking, our study aims to determine the relevance of experience as an antecedent of the psychological contract.

## 1.4.2 Study: Stage B

### Research Question 2

*What do new workers believe about the content of their psychological contracts at the post-induction phase?*

Stage B of our study is guided by this research question. In this stage, we aim to further our understanding of the formation process by examining the relationship between both parties' obligations across a number of features. We believe that no other study has considered the 'features' of the 'content' as opposed to the features of the 'contract' as a whole. To date, research on the content dimensions has been somewhat limited in that the vast majority of studies only look at contract obligations in isolation. This is a somewhat restrictive approach as it does not capture the reciprocal exchange between employee and employer. Our approach allows us to assess the content of the psychological contract in an innovative way which will lead to a better appreciation of the dynamics of these dimensions. This 'features' approach also enables us to assess the interplay between the different obligations, something which has been lacking in psychological contract research to date (Conway & Briner, 2005). By doing this, we will be able to gain a deeper understanding of the foundations of the psychological contract: the perceived obligations. It will also facilitate a comparison of each obligation along a number of distinctive features. We believe that such a comparison will allow us to gain further insight into this interplay between the dimensions of the contract. As discussed in a previous section, individual factors influence the content of the psychological contract. We expect that the three antecedents being measured in our study will affect participant's understanding of the content dimensions across these features. Again, we firmly believe that this aspect of our study is merited as it will allow us to have a better understanding of both the reciprocal obligations and also the relationship between these content dimensions and the three individual antecedents.

The seven features discussed in this section provide the framework for Study B. Each feature was elicited from a pilot study (see Section 4.2.1). Since these features are not theoretically driven there is a dearth of supporting research in the literature. Therefore, we acknowledge that many of features discussed lack a theoretical basis. This is perhaps an inevitable outcome of adopting an empirical approach to eliciting our psychological contract content features. However, each of the seven features is relevant to psychological contract

theory as they explore its fundamental properties in different ways. The features to be assessed are as follows:

*Feature 1: Realistic/Not Realistic*

We do not know to what extent obligations are considered ‘realistically fulfilled’. For example, Porter & Steers (1973) found that clarification of what is expected of employees and a full understanding of their duties was the key to reduction in turnover. Without discussing the employer’s expectations of him, the new worker begins employment uncertain of his role (Wanous, 1992). However, employees can realistically ‘expect’ the employer to fulfil his side of the agreement due to the inherent sense of ‘reciprocity’ in every psychological contract. Reciprocity deals with the notion that both parties in an exchange are committed to ensuring the balance of the agreement is maintained (Dabos & Rousseau, 2004). The employment relationship is founded on the idea that both parties will fulfil their obligations to the other. Accordingly, the employee can ‘realistically’ expect the fulfilment of specific terms. We argue that the employee will attach different ‘realistic’ levels to certain obligations and that this difference can be explained by individual factors. By examining which obligations are considered realistically fulfilled from the employee’s perspective, we can be more informed of the new hire’s perception of their new job. It is likely that these perceptions will be largely determined by individual factors. For example, it seems reasonable to argue that a ‘careerist’ would have certain expectations of obligations in terms of whether they can be realistically fulfilled (e.g. obligations relating to loyalty etc.). This is a gap in the research that our study attempts to address.

*Feature 2: Contingent/Remote*

Contingency is a key issue in psychological contract theory. Contingency, the extent to which one party believes the fulfilment of an obligation is conditional on the other party fulfilling an obligation, influences behaviour within the context of the employment relationship (Rousseau, 1995). It seems plausible that obligations would differ in their level of contingency. Yet, we do not know to what extent they differ. For example, one might assume that an employee obligation to ‘work extra hours’ is highly contingent on the employer rewarding that behaviour. In contrast, an employee obligation to ‘perform their duties to the best of their ability’ may have a lower level of contingency than an obligation to work extra

hours. We have used the label ‘remote’ to refer to a lower level of contingency. Obligations considered ‘remote’ are perceived to be ‘not contingent’ on the other party fulfilling certain terms of the exchange agreement. This extent to which an obligation is considered contingent or remote may be partly explained by individual factors (e.g. type of exchange etc.). However, to our knowledge, the extent to which obligations are considered contingent has never been investigated in psychological contract research. Similarly, we know very little about the relationship between obligations in the context of contingency. Understanding this relationship would allow us to better predict the behaviour of the new employee. Our study specifically addresses this gap in the research.

### *Feature 3: Same for every employee/Unique to me*

Each psychological contract is highly individualised and idiosyncratic. Accordingly, the content of each contract will be unique to the employee in question. However, previous studies have assumed that some obligations are shared by every individual as is evidenced by the presentation technique of obligations (as opposed to the elicitation technique) characterising the majority of research on the content of the psychological contract. Rousseau (2005) has examined individualised agreements between parties in the form of ‘i-deals’. However, the extent to which an obligation is perceived as being unique to an individual or shared by every employee in the context of the psychological contract is not yet understood. It may be that level of ‘uniqueness’ is affected by individual factors. Knowing which obligations are considered unique to the individual and which are not, would enable a deeper insight into the new employee’s understanding of their role and their interpretation of the employment relationship. Again, this is an issue being addressed in our study.

### *Feature 4: Expected/ Not Expected*

The individual should not be considered as ‘tabula rasa’ when entering the organization, since previous experiences and knowledge have both contributed to the development of certain expectations that would guide individual’s perceptions about the new working environment (Tomprou & Nikolaou, 2011). A sustained period of information seeking has occurred before organisational entry (De Vos *et al.*, 2009). The type of information sought and how that information is processed is dependent on a number of variables (i.e. careerism etc.). Yet, we

are unsure which obligations are considered expected and which are not. For example, a new employee may learn upon organisational entry that she is expected to be available to work extra hours on weekends. If this obligation was not expected by the employee then it could affect her relationship with the organisation. However, it must be acknowledged that our data does not capture pre-employment beliefs (e.g. the anticipatory psychological contract). We acknowledge that it would be more scientifically robust if we compared pre and existing beliefs to determine level of 'expectedness' for each obligation (Montes & Zweig, 2009). However, this research is not investigating psychological contract expectations. Our study is not asking the participant to explicate his *a priori* beliefs and our method is, therefore, a viable approach to adopt in addressing our research question(s). Considering, the economic cost of prematurely losing new hires to the discrepancy between organisational reality and pre- entry expectations, it is important to have a better understanding of which terms of the psychological contract are expected and which are not expected (Rousseau, 2009). This gap is addressed in our study.

#### Feature 5: Familiar/Novel

Similarly, it is important to know which obligations are considered familiar and which are considered novel. It seems plausible that the degree of familiarity would be influenced by the employee's type of experience in previous roles. The degree to which an obligation is considered 'familiar' has not been addressed in the literature to date. For example, if a new employee is compelled to fulfil an obligation with which they are not familiar, this could affect their subsequent behaviour around that obligation. Therefore, we believe assessing the content dimensions in this context is merited. The extent to which obligations are considered familiar is addressed in this study.

#### Feature 6: Fair/ Not Fair

The issue of fairness is a central concern in psychological contract theory. The employee establishes an agreement with the organisation which they believe to be fair. However, an obligation to the employer in relation to working additional hours may be conceived by the employee as being 'not fair'. Such a belief could influence the employee's behaviour in relation to the fulfilment of that obligation. This, of course, would affect the relationship

between both parties. Therefore, there is considerable merit in studying the content of the psychological contract in this context. Again, it is surprising to learn that the extent to which each obligation is considered fair has never been examined in a psychological contract study.

#### Feature 7: Important/ Not Important

In terms of the psychological contract, the obligation to the organisation to which the employee is bound determines their behaviour. It seems credible to assume that each obligation will take on a different level of importance in terms of fulfilment. For example, is it more important for the employer to fulfil obligations relating to training as opposed to obligations relating to work/life balance? However, no study has measured the content of the psychological contract in terms of importance. Similarly, what happens when the employer does not fulfil an obligation considered by the employee to be extremely important to fulfil at organisational entry? It is likely that certain obligations would be considered more important than others as a result of different individual characteristics (e.g. obligations concerning personal development would be important to an employee with a social exchange but be less important to an employee with an economic exchange). In light of the questions above, we believe that an examination of the content of the psychological contract in determining which obligations are considered important to fulfil is warranted as it could help explain the antecedents of contract breach and violation.

### **1.5 Methodology employed in study**

We are adopting a mixed-method approach in our study. Firstly, we are using questionnaires to measure our three antecedents. The content dimensions of the psychological contract are elicited using an interview. Each content dimension is measured across each of the seven features outlined above using the repertory grid technique.

The repertory grid has been established as a psychological technique for over forty years. It is somewhat of a hybrid methodology as it elicits data qualitatively but analyses it quantitatively (Fransella, 2004). As a technique, it focuses on how a single individual understands his/her own world in a particular context. Essentially, if one's actions are determined to a large extent by how they understand and interpret situations, then the

repertory grid can be an excellent means of illustrating such an understanding. In the majority of psychological contract research, the obligations are presented to the participant and they are then asked to respond to each obligation using rating scales etc (e.g. Rousseau, 1990, De Vos *et al.*, 2009 etc.). However, a number of scholars have questioned the merits of this approach (e.g. Freese & Schalk, 2008; Herriot *et al.*, 1997) as it may run counter to dynamics of psychological contract theory. We believe that elicitation rather than presentation of content dimensions (i.e. presenting the dimensions to the participant as opposed to eliciting them from him) is a more methodologically appropriate technique as it captures the subjective and idiosyncratic nature of psychological contracts. We argue that the repertory grid is an effective way of measuring each obligation across the seven features outlined for two reasons. Firstly, each feature is, in itself, a construct as it is bi-polar. A construct is different from a concept in that it always has a specific opposite (Kelly, 1955, Jankowicz, 2003). Certainly, a construct can have different vantage points. For example, ‘uniqueness’ could be operationalised as ‘unique to me’ ‘unique to the organisation’ or ‘unique to coworkers’ etc. The context of each feature (i.e. the opposite) is explicated in the repertory grid used. The repertory grid is specifically designed to measure an element (e.g. employee obligation) in terms of a specific construct (i.e. Fair/ Not Fair). Secondly, the measurement process is clear and efficient and facilitates ease of participation for respondents.

## **1.6 Theoretical Approach**

Our study is adopting a socio-cognitive, specifically ‘schema theory’, approach to understanding the formation of the psychological contract. The antecedents of psychological contracts are activated to a large extent through pre- employment experiences, recruiting practices and in early on the job socialization (Rousseau, 2001). We have also outlined how individual factors also play a crucial role in shaping the landscape of the psychological contract. Drawing on both these perspectives, Rousseau (1995, 2001) has advanced a ‘schema theory’ of psychological contract formation. A ‘schema’ is the cognitive organization or mental model of conceptually related elements. A schema is often referred to as a ‘mental map’ of how a person understands the world (Horowitz, 1988; Stein, 1992). At its outset, new recruits are likely to have limited or incomplete information regarding the nature of their employment relationship. The concept of schema helps us understand how psychological contracts can form and function when incomplete information exists regarding

the other party's intentions or expectations (Crocker *et al.*, 1984). Schemata are likely to provide important cues for new hires regarding how to deal with lack of detailed information related to their role and their broader relationship with the employer. Considering psychological contracts are a form of schema, research on schema or mental models can provide a general framework to advance our understanding of contract formation (Rousseau, 2001).

Within the context of the psychological contract, schema theory has been incorporated into a limited number of empirical studies (e.g. De Vos *et al.*, 2009). Indeed, Hodgkinson & Healey (2008) assert that the schematic properties of the psychological contract have yet to be validated empirically. Our study uses schema theory to explain the formation of the psychological contract. As has been outlined, individual factors influence schema development. The three individual antecedents explained above (careerism, exchange type and experience) are presumed to influence the participants' respective schemata by impacting on how contract-related information is sought and interpreted. For example, the schema of novices is expected to be different to those of veterans. The effect that these three factors have on the schema itself will be illustrated in the contrasting content dimensions elicited from the participants and also how the relationship between these obligations is understood across a number of different features. Rousseau (2001) argues that the lack of empirical research on the psychological contract from a schema theory perspective is an area that needs to be addressed considering the prominence of the socio-cognitive approach in the literature. Thus, our study attempts to explore in more detail the relationship between psychological contract and schema.

## **1.7 Summary**

This research investigates the formation of the psychological contract. To date, the literature in this field has largely ignored the formation process. However, recent efforts have attempted to address this imbalance (e.g. De Vos *et al.*, 2009; Tomprou & Nikolaou, 2011 etc.). Our study aims to add to the growing body of research on contract creation. Firstly, our study examines the psychological contract at the post-induction episode. We believe this is the first study to specifically assess the contract at this stage in the creation process. Following the induction, the organisational entrant has gained a more realistic understanding of their new job. We argue that this episode of the formation process merits further study as

the newcomer is now well positioned to reflect on his upcoming employment relationship. The induction period is a crucial phase for the new employee (Louis, 1980) and within the context of the psychological contract we believe it plays an important role in the formation process.

The study proceeds in two distinct, but overlapping stages. Stage A examines the relationship between three individual factors (i.e. careerism, type of exchange, experience) and the content of the psychological contract. These three antecedents are believed to influence the content dimensions of the contract itself. While ‘careerism’ has been investigated in previous psychological contract studies (e.g. Rousseau, 1990; De Vos *et al.*, 2009) ‘type of exchange’ and ‘experience’ are not commonplace in empirical psychological contract research. We believe it is important to broaden the range of individual antecedents considered relevant to the psychological contract given the idiosyncratic and subjective nature of the concept itself. We contend that these antecedents have significant explanatory power in understanding the formation of the contract. The fact that the content dimensions in our study are elicited from the participant is somewhat of a departure from previous studies where the presentation technique appears to be the preferred method of choice. This will allow for a comparison between our study and previous research and will also facilitate a discussion on the merits of both techniques.

Stage B examines the content of the psychological contract in more detail along the seven features outlined above. To date, research on the content dimensions has been somewhat limited in that the vast majority of studies only examine contract obligations in a very restrictive way. To our knowledge, this approach has not been previously employed. This technique is to be welcomed as it allows us to assess the content of the psychological contract in an innovative way which will lead to a better appreciation of the dynamics of these dimensions. This approach also enables us to evaluate the interplay between the different obligations, something which has been lacking in psychological contract research to date (Conway & Briner, 2005). Again, we firmly believe that this aspect of our study is merited as it will allow us to have a better understanding of the reciprocal obligations at the heart of the employment relationship.

At this juncture in psychological contract research, there is a need for better integration of theory and method. To date, the schematic properties of the psychological contract have received limited attention from researchers. As has been noted, they have yet to

be empirically confirmed. In this research, we conceptualise the psychological contract at the individual level. From our perspective, it exists in the mind of the employee. Therefore, a socio-cognitive approach to our study is merited. We aim to advance our understanding of the ‘psychological contract as schema’ (Rousseau, 2001). While this is a difficult task, we believe that the repertory grid is an effective means of representing this schema, as the grid that the technique elicits can, at one level, be thought of as a cognitive map charting a particular aspect of a person’s world (Easterby- Smith, 1996).

Overall, we believe our research advances our understanding of the psychological contract by assessing the significance of two ‘new’ antecedents in the formation process and by investigating the relationship between the different content dimensions of the contract itself. Considering the limited knowledge we have of both these lines of enquiry, we believe our study is warranted.

## **1.8 Outline of remainder of Thesis**

The remainder of this thesis is presented as follows: Chapter 2 outlines the definitional complexities of the psychological contract. It discusses the key components of psychological contract theory most relevant to our study and also positions the psychological contract within a number of established research traditions: ‘economic perspective’; ‘social perspective’; and ‘socio- cognitive perspective’. The justification for adopting a socio-cognitive perspective is also outlined. Chapter 3 documents the antecedents of the psychological contract. The social and organisational antecedents are discussed but there is a particular focus on antecedents at the individual level. We explain why we are focusing on the three antecedents described above. The ‘features’ of the content dimensions also described above are discussed. The key propositions in our study are also outlined. Chapter 4 describes the methodology we have employed to investigate our research questions. We explain our research design, the measures used and procedure followed. The pilot study from which the features explored in this study were elicited is also outlined. We also defend our analytic choices in relation to the data. Chapter 5 contains the results of our study in respect to both research questions and the propositions relating to these questions. Chapter 6 discusses the results in view of these propositions and within the broader context of the extant literature. Finally, Chapter 7 contains our concluding remarks and the study is assessed in

relation to its theoretical, methodological and practical implications. The limitations of the study and opportunities for future research are also assessed in this chapter.

## **Chapter 2: Defining and Positioning the Psychological Contract**

### **2.1 Introduction**

In this chapter we examine the key definitional and theoretical contributions to our understanding of the psychological contract. Much of this work reveals that the construct has been operationalised and assessed in distinct ways. Therefore, the aim of this chapter is to illustrate how each approach has added to our understanding of the psychological contract itself. There are three sections in this chapter. In the first section, the psychological contract is introduced as a construct relevant for understanding and explaining the employment relationship. A number of major definitions of the psychological contract are discussed and competing operationalisations of the theory are explored. An overview of how the psychological contract is ‘understood’ for this study is outlined. In the second section, we discuss two distinct facets of the psychological contract which we consider to be the most relevant to this study, namely ‘content’ and ‘features’. These features are integral to our comprehension of psychological contract theory (Rousseau & Tijoriwala, 1998). In the third section, we explore the various theoretical perspectives that have been used to advance our understanding of the psychological contract. We discuss the merits of the socio- cognitive approach- specifically ‘schema theory’ to explain the dynamics of the contract in the context of our study.

### **2.2 Section 1**

This section discusses the key literature in relation to the operationalisation of the psychological contract.

#### **2.2.1 Employment Contracts**

Contracts are inherent in every organization. They imply consensus and cooperation, but often engender dispute and disagreement (Rousseau & McLean Parks, 1993). The employment contract is basic to organisational membership in that it constitutes a fundamental characteristic of employment relationships- the establishment of an exchange of promises and contributions between two parties; employer and employee (Millward &

Brewerton, 2000; Rousseau, 1989). In her seminal book, Rousseau (1995; 2-3) defines an employment contract as:

*'an exchange agreement between an employee and an employer. The contract may include written terms, orally communicated terms, as well as other expressions of commitment and future intent'* (Rousseau, 1995).

Each party seeks to satisfy its needs and wants by trading something of value to the other: employers exchange inducements to employees in return for their contributions. The notion of contracts encompasses the salient features of employment relations, including how work is organized, governed, evaluated and rewarded (Kallenberg & Reve, 1996). Within the overarching framework of an employment contract, one must consider the different types of (sub) -contracts that can exist. A 'psychological contract' must not be confused with either an 'implied' contract or a 'normative' contract. Implied contracts are a third party's interpretation of an exchange agreement involving others (Rousseau, 1989). Normative contracts are those in which members of a social unit, such as a department or team, share a common set of psychological contracts with another party, such as a supervisor or a firm, as described by Nicholson and Johns (1985). Of course, the legal contract to which both parties are bound plays an important role in explicating certain terms of the employment relationship (Shore & Tetrick, 1994). This will be further discussed in a later chapter. The qualifying adjective before the term 'contract' must be specified to assure mutuality of understanding (Rousseau, 1998).

Rousseau's (1995) definition of employment contracts indicates that contracts in organisations are fundamentally mixed-level phenomena: constructions created of individual cognitions and organisational context (Rousseau & McLean Parks, 1993). Contracts can both create the contexts of work and be shaped by them. Certainly, the organisational context in which the contract exists will have a profound impact on its dynamics (Rousseau & McLean Parks, 1993). Whilst the employment contract can be viewed from many perspectives (e.g. economic, organizational, legal etc) none of these provide a full understanding of the complexities of work agreements (Millward & Brewerton, 2000). In this study, we focus on what has been termed the organisational, social and psychological meaning of contracts (Rousseau, 1995)

### 2.2.2 Overview of Existing Definitions of the Psychological Contract.

As is the case with other concepts in organisational behaviour, diversity in opinions and competing theories and models of the psychological contract exist (Rousseau, 1998, 2009). However, MacNeil (1985) considers all contracts as fundamentally psychological since all agreements between people are subject to interpretation. Subjectivity concerns the way the employment contract is interpreted, understood and enacted on a daily basis as employees interface with their workplace (Millward & Brewerton, 2000). The assumption of subjectivity is central in all definitions of the psychological contract. An examination of these early definitions of the concept illustrates these contrasting conceptualisations.

Argyris (1960) first used the term ‘psychological contract’. Levinson *et al.*, (1962), Schein (1965; 1980) and Rousseau (1989; 1995) have further developed it. Argyris (1960) used the construct of psychological contracts to describe the relationship between employee and organisation and the subsequent effect each party has on the other. He was the first to undertake a practical study of the subjective aspects of contracts. He used the term ‘psychological work contract’ (p.96) in reference to the relationship between factory employees and their foremen:

*‘The psychological work contract simplifies the employee-foreman relationship. Since the foremen realize the employees will produce optimally under passive leadership, and since the employees agree, a relationship may be hypothesized to evolve between the employees and the foremen which might be called the psychological work contract’* (Argyris, 1960).

He characterizes it as an implicit, unwritten understanding between two parties to respect each other’s norms. As Rousseau (2009) notes, the emphasis on informal, high quality relationships reflected the humanistic sensibilities of prominent management thinkers of the era, notably Douglas MacGregor (1960). Consequently, Levinson *et al.*, (1962. p21) developed this idea of a ‘psychological work contract’ by defining it as:

*‘a series of mutual expectations of which the parties to the relationship may not themselves be even dimly aware but which nonetheless govern their relationship to each other’* (Levinson *et al.*, 1962).

They argue that the mutuality of both parties’ expectations must be understood in line with the way the contract is affirmed or changed in the day to day interactions within the

organization. They suggest that these implicit expectations are influenced by both individual (e.g. personality) and organisational variables. Both of these factors will be discussed in the next chapter.

Schein's (1965, 1980) definition of the psychological contract is heavily based on the work of his predecessors, Argyris (1960) and Levinson *et al.*, (1962). His perspective is centred on the mutual expectations individuals and organizations have of each other:

*'The notion of a psychological contract implies that there is a set of expectations operating at all times between every member of an organization and the various managers and others in that organization'* (Schein, 1980: 22).

Schein (1980) focuses on the interaction between the individual and organization and on the importance of matching both parties' expectations. The organization expects the employee to implicitly accept its authority upon joining. However, the employer's failure to uphold their side of their agreement endangers the organization's functioning by undermining employees' willingness to accept the employer's authority (Rousseau, 2009). Schein (1965, 1980) and Kotter (1973) stress the dynamic nature of the psychological contract indicating that the extent to which the contract changes, is determined by both parties willingness to uphold the agreement.

Certainly, the first three decades of psychological contract research saw the concept itself being used as a heuristic (rather than a scientific construct) to describe implicit aspects of the employment exchange (Millward & Brewerton, 2000). However, not all scholars within the psychological contract field universally agree on the concept's definition. Some authors focus more on the dynamic 'interaction' between employee and organisation (Guest, 1998; Herriot *et al.*, 1997) and their definition of the psychological contract is based on this interaction. As we have mentioned, this perspective echoes the outlook shared by the likes of Levinson (1962) and Schein (1965, 1980). For example, Guest (1998a: p.650) argues that

*...(t)he psychological contract is concerned with the interaction between one specific and another nebulous party. The contract resides in the interaction rather than in the individual or in the organization. It cannot be found exclusively either in the subject or in the object of the interaction* (Guest, 1998a).

Indeed Guest (1998a; 1998b) highlights the confusion surrounding definitions of the psychological contract. An examination of the literature reveals how loosely defined the psychological contract appears to be. Table 2.1 (based on the work of Guest, 1998) illustrates some prominent definitions of the construct:

Table 2.1: Overview of Existing Definitions of the Psychological Contract

Author	Definition	Focus
Levinson (1962)	‘a series of mutual expectations of which the parties to the relationship may not themselves be even dimly aware but which nonetheless govern their relationship to each other’.	Expectations
Schein (1978)	‘A set of unwritten reciprocal expectations between an individual employee and the organization’.	Expectations
Kotter (1973)	‘An implicit contract between an individual and his organization which specifies what each expect to give and receive from each other in their relationship’.	Expectations
Herriot & Pemberton (1995b)	‘The perceptions of <u>both</u> parties to the employment relationship, organization and individual, of the obligations implied in the relationship. Psychological contracting is the process whereby these perceptions are arrived at’.	Obligations
Rousseau (1989)	An <u>individual’s</u> belief regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party. A psychological contract emerges when one party believes that a promise of future returns has been made, a contribution has been given and thus, an obligation has been created to provide future benefits’.	Promises; Obligations
Guest (1998a)	‘The psychological contract is concerned with the <u>interaction</u> between one specific and another nebulous party. The contract resides in the interaction rather than in the individual or in the organization. It cannot be found exclusively either in the subject or in the object of the interaction’.	Interaction

If we examine the words underlined in Table 2.1 above it is clear that the psychological contract has been conceptualised in different ways by various authors. Both Schein (1965, 1980), Guest (1998) and Herriott & Pemberton (1995) emphasise the exchange between *both* parties suggesting the psychological contract exists on a shared level between employee and employer. Again, they argue that the psychological contract is found in this *interaction*. However, in the last twenty years there has been a definite shift towards defining the concept at the *individual* level. This change has profoundly affected how the psychological contract is measured and analysed.

### 2.2.3 Rousseau's (1989) Conceptualisation

Since the 1990's, the psychological contract has acquired construct status. This empirical and conceptual transition was initiated by the seminal work of Rousseau (1989; 1995). Rousseau (1989; p.123) introduced a more narrow definition of the psychological contract. She conceptualises the psychological contract at the *individual level* (an individual employee or an agent representing the organization):

*'The psychological contract is an individual's belief in the terms and conditions of a reciprocal exchange agreement between the focal person and another party. A psychological contract emerges when one party believes that a promise of future returns has been made, a contribution has been given and thus, an obligation has been created to provide future benefits'* (Rousseau, 1989).

The definition presumes five basic assumptions (Rousseau, 1989; 1995).

1. The psychological contract is a *subjective perception*. It is a mental model of the employment relationship, consisting of an individual's beliefs in the existence of an exchange agreement. This belief is unilateral, held by a particular individual and it does not constrain those of any other parties to the relationship. Thus, a psychological contract is idiosyncratic and unique to each individual (Ho, 1999; McLean Parks *et al.*, 1998; Robinson, 1996; Rousseau, 1989; 1995; Schalk & Freese, 1997). It is a perceptual cognition.
2. The psychological contract contains an individual's beliefs regarding the *mutual obligations of both parties to the relationship*. However, the agreed terms each party understands do not have to be mutual. Different parties can have different interpretations of terms (emphasising 'subjective perception'). Essential to the existence of a psychological contract, however, is that in each individual's psychological contract there is a perception of reciprocity and mutuality. Real mutuality is not a necessary condition (Coyle-Shapiro & Kessler, 1998; Rousseau, 1995; 2001b).
3. Beliefs entailed in an individual's psychological contract result from *perceived promises*. Beliefs formed in the context of a psychological contract entail a special subset of expectations based on one party conveying a promise to another. The perceiver is conceived as an active constructor of reality. Beliefs become contractual when the individual believes that he or she owes the other party certain contributions (e.g. hard work, loyalty, sacrifices) in return for certain inducements (e.g. high pay, job security, promotion).

4. Certain factors promote the individual's belief that a contract exists: overt promises, written statements, oral discussions, organizational actions, or observation of treatment received by other employees. Rousseau (1995) refers to these as *administrative and human contract makers*. The organization provides the context within which an individual's psychological contract will develop (Rousseau & Greller, 1994).

5. Psychological contracts can be described in terms of their *content, evaluation and features* as well as in terms of the *processes* by which they develop and evolve over time. Researchers agree that the psychological contract is *dynamic* in nature and that it develops within the context of an on-going interaction between the focal individual and his or her employing organization (Conway & Briner, 2002; Herriot *et al.*, 1998; Schein, 1978; Shore & Tetrick, 1994).

Taking these five assumptions together, we can argue that the proposed basis for this construct is one party's belief that a promise has been made and a consideration offered in exchange, binding the parties to some set of reciprocal obligations. Common examples include accepting tuition reimbursement in exchange for a commitment to stay with the employer upon graduation, and accepting a worker's request for promotion with the understanding that his or her hours and workload would increase (Rousseau, 2009).

Following Rousseau's (1989) reconceptualisation, the psychological contract began to be treated as a construct, generating rapid development in theory- building and empirical research (Millward & Brewerton, 1999). Most contemporary literature on the psychological contract (post- 1989) has been based on Rousseau's (1989) definition (e.g. Shore & Tetrick, 1994; Lester *et al.*, 2002; Kickul, 2001a; 2001b; Schalk & Freese, 1997; Coyle-Shapiro & Kessler, 1998; Millward & Hopkins, 1998; Turnley & Feldman, 2000; De Vos *et al.*, 2003, 2005, 2009; Tomprou & Nikolaou (2011 etc.)). The profound influence of Rousseau's reworking of the psychological contract on contemporary research can be accounted for in a number of ways. Firstly, Rousseau's considered differentiation of the psychological contract from related ideas, such as 'equity' or 'expectations', allowed researchers to start investigating what appeared to be a fresh concept in management and related disciplines (Taylor & Tekleab, 2004). Secondly, by remodelling the psychological contract as observable promises or obligations made it quantifiable and readily researchable through traditional research methods (Conway & Briner, 2005). Finally, from a broader perspective, Rousseau's ideas can be seen as a new means of understanding the contemporary employment

relationship. As Roehling (1996) notes, Rousseau's work marked a 'transition' from 'early' to what we now understand as 'contemporary' research on the psychological contract and played a central role in the reinvigoration of the field.

This shift towards conceptualising the psychological contract as an individual level construct called attention to the psychological process (cognitive, emotional, and psychosocial) underlying contract dynamics (Rousseau, 2009). As has been outlined, one benefit of viewing the construct in terms of individual beliefs is that the psychological contract became tractable using established research methods for assessment and analysis in I-O psychology (Rousseau, 2009). However, Schein (1980) argues that to focus on any single party's perspective of the contract, whether employee or organization, is unlikely to lead to a full understanding of its underlying psychodynamics (Taylor & Tekleab, 2004). Further, as Pearce (1998, P.185) noted in reviewing Rousseau's (1995) book,

*'by placing the deal so thoroughly in the employee's mind, she has tended to treat any differences in perceptions between the organization's representatives and the employee as faults of the organization'.*

Other prominent researchers (e.g. Herriot & Pemberton 1997; Guest 1998; Guest & Conway, 2002), have argued that this 'single beholder' definition has led its proponents to say '(little) about the contracting process (Guest & Conway, 2002, P.22). Rousseau (2009) asserts that as individual-level perspectives on the contract have been better understood in the post-1989 era, recently, interest is returning to the contract's bilateral dynamics. For example, Dabos & Rousseau (2004a) examined the interplay of employee-employer obligations in terms of both mutuality (their agreement on one party's obligations) and reciprocity (their agreement on their contingent obligations). This is clearly a return to the concept's origins in the interplay of obligations between worker and employer. Nonetheless, despite some recent attempts to revert to early considerations of the concept, the majority of research in the last twenty years has followed the Rousseau (1989) reconceptualisation. A wave of empirical research has been published on the psychological contract suggesting that we have now reached a more mature phase in the development of the concept (Conway & Briner, 2005)

#### 2.2.4 ‘Obligations’ ‘Promises’ or ‘Expectations’

As has already been mentioned, the definitional confusion is one of the major stumbling blocks in psychological contract research. Table 2.1 focuses on the definitions used in the research of prominent psychological contract scholars. It is clear from this table that the psychological contract may be about ‘expectations’, ‘promises’ or ‘obligations’. As Conway & Briner, (2005) note, obligations, promises and expectations imply different levels of psychological engagement. Similarly, in keeping with the theoretical assumptions proposed by Rousseau (1989, 1995), Robinson (1996) argues that promise-based beliefs entailed in the psychological contract have to be differentiated from mere expectations individuals have regarding the employment relationship. For example, failure to meet expectations is of a rather different order than failure to meet obligations (Guest, 1998a). The differences between these concepts are not widely discussed in the literature on psychological contracts. This perhaps reflects the field’s apparent apathy for definitional clarity and precision. The confusing treatment the concept of a psychological contract and related terms receives suggests the definitional boundaries require reinforcement. As Rousseau (1998) asserts there is a danger that it could become a ‘pop’ concept, used to describe phenomena for which it is wholly unsuitable, thus losing its analytic rigour.

While all definitions of the psychological contract discussed in the previous subsection use the term “beliefs” or “perceptions” to stress the perceptual nature of the construct, there is disagreement as to whether these beliefs refer to promises, obligations or expectations. Taylor & Tekleab (2004) point to a clear distinction in conceptualisation between ‘pre’ and ‘post’ Rousseau (1989) psychological contract research. Early researchers on the psychological contract such as Levinson *et al*, (1962) argued that the psychological contract was based predominantly on ‘expectations’. However, a definite shift towards ‘obligations’ rather than ‘expectations’ characterised Rousseau’s research. ‘Obligations’, actions to which the individual or employer is bound, is a core concept in psychological contract theory and research, with longstanding relevance to exchange and employment research (Blau, 1964). Rousseau (1998) argues that although obligations are a form of expectation, not all expectations held by a person need to be promissory or entail a belief in mutuality or reciprocity. According to Robinson & Rousseau (1994), the psychological contract is different from mere expectations since the psychological contract, unlike expectations, entails a belief in what the employer is obligated to provide, based on perceived promises about reciprocal exchange. By definition, a psychological contract must be founded

upon a belief that a reciprocal exchange exists which is mutually understood. This research has introduced significant changes into the very essence of the psychological contract concept as a foundation for the employment relationship. Rousseau (1995) argues that the ‘obligations’ terminology more clearly conveys that the terms of the contract are not solely shaped by the beliefs, values, imagination, and desires of one party, as typically tends to be the case with one’s expectations, but instead are influenced, at least in part, by the actions-promises- of the other party (Taylor & Tekleab, 2004). Expectations may develop into contract terms, but not all expectations are included in the psychological contract (Rousseau, 2009).

The centrality of the promissory element in psychological contract theory must not be ignored. Upon examination of the five assumptions within psychological contract theory outlined earlier, it is clear that the beliefs entailed within a psychological contract stem from ‘perceived promises’. Rousseau & McLean Parks (1993) stress that while all promises involve expectations, expectations do not necessarily involve a promissory element. This means that only those employee expectations that arise from perceived implicit or explicit promises lie in the conceptualization of the psychological contract. Morrison & Robinson (1997) stress that only those perceived obligations that are accompanied by the belief that a promise has been conveyed fall within the psychological contract. This suggests that measurements of an employee’s expectations about inducements and contributions or an employee’s perceptions of what he or she should receive and contribute, without reference to perceived promises, are not considered as accurate operationalisations of the psychological contract. Thus, only a subset of expectations is likely to constitute part of a worker’s psychological contract.

However, in a study of both the employee and employer sides of the psychological contract in terms of expectations, obligations and promises it was found that obligation correlations were more similar to promise correlations than to correlations involving expectations, suggesting that promises give rise to obligations more often than expectations do (Roehling, 2008). The same study also found that obligation fulfilment explained more variance in satisfaction, trust, and turnover intentions than did expectation measures (Roehling, 2008). Furthermore, ‘Rousseau & Tijoriwala (1998) refer to two studies (Robinson *et al.*, 1994; Robinson, 1996) as providing empirical evidence that the assessment of contract terms as promised-based obligations, yields higher predictability of various attitudinal and behavioural outcomes than does their assessment as expectations’ (Taylor &

Tekleab, 2004, P.316). This suggests that obligations rather than expectations may be the more powerful measure of contract terms.

In general, much progress has been made in psychological contract research in relation to its founding principles. However, the key differences between ‘expectations’, ‘promises’ and ‘obligations’ and how they relate to the psychological contract require further attention. While the results of the Robinson (1994) and Robinson *et al.*, (1996) studies lend compelling evidence to the Rousseau (post 1989) argument of a ‘promise- based obligations’ psychological contract, much more study is needed to determine whether they are the better measure of the concept itself. While we acknowledge the uncertainty surrounding the most effective operationalisation of the psychological contract, our study incorporates the post Rousseau (1989) conceptualisation.

### **2.2.5 Summary**

While the discussion on the conceptualisation of the psychological contract continues within contemporary psychological contract literature, Roehling (2008) argue that both approaches (at the level of the individual and at the level of the interaction) are closely linked because both deal with the subjective nature of the employment relationship. However, Rousseau (2009) notes how a researcher operationalises a construct can impact their findings. While incorporating the ‘interaction’ perspective in a study may capture or represent more ‘objective’ work realities, it remains extremely difficult to investigate empirically (Anderson & Schalk, 1998, Millward & Brewerton, 2000). Accordingly, for this study we will be conceptualising the psychological contract at the level of the individual. In line with the majority of contemporary scholars in the field, we support the argument introduced by Rousseau (1989) that the most significant aspect of the psychological contract is the individual’s perception of the terms of his or her employment relationship. It is the meaning the individual attributes to the employment relationship that is the central focus of the psychological contract (Rousseau, 1995, 2001). Therefore, we conceive the psychological contract as a cognitive-perceptual entity, or a mental model. The idea of the psychological contract as a mental model is discussed in the next section. As to what this model represents, one must examine the literature. As has been discussed, there is considerable debate in relation to what constitutes the central concern of psychological contract theory. Broadly speaking, the promissory element is a crucial component of the psychological contract. As

Morrison & Robinson (1997) assert, only obligations arising from implicit or explicit promises are part of psychological contracts. This supports the Rousseau (1989) conceptualisation of the psychological contract as consisting of promissory-based obligations. This is far more specific than the vague expectation- focused definitions of early research and this departure is what sets her conceptualisation apart (Roehling, 1996).

The working definition we are using in this thesis strongly supports the Rousseau (1989) reworking of the psychological contract. It emphasises the subjective nature of the psychological contract and concerns promise-based obligations:

*‘The term ‘psychological contract’ refers to an individual’s beliefs regarding the promise-based obligations that constitute an exchange agreement between that individual and another party’.*

This definition specifically clarifies our understanding of the psychological contract. In the context of this study, the psychological resides at the individual level, and is a subjective perception of the promised based obligations upon which an agreement with another party has been established. From here on, this definition will serve as the starting point in our research.

## **2.3 Section 2**

Having discussed the key debates surrounding the definition of the psychological contract in thus far, the next section examines the specifics of the ‘content’ and ‘features’ of the psychological contract.

### **2.3.1 Introduction to the Content of the Psychological Contract**

The content of the psychological contract refers to the concrete terms that constitute the perceived exchange relationship (Rousseau & Tijoriwala, 1998). It encompasses an employee’s perception of the contributions he or she feels obligated to make to the organisation and the inducements he or she believes the organization is obligated to provide in return (reciprocity). It is important to note that the content of the psychological contract is not what employees *actually* give them and get from their employer, but rather the content is

*the implicit and explicit promises* around this exchange (Conway & Briner, 2005). The definitions outlined earlier, illustrate the different types of information that can exist within the content of the psychological contract. Firstly, there is the information that relates to ‘what’ is exchanged. Simply put, what specific things does each party to the psychological contract promise to offer the other? Secondly, the information that relates to *how* such an exchange will take place. In essence, what are the precise linkages between what the employee offers and what the organisation offers? The majority of research examining the content of the psychological contract tends to emphasise only the first type of information (Conway & Briner, 2005). Assessing the reciprocal obligations as independent entities without investigating how each group relate to the other has been a significant limitation in empirical studies of the content of the psychological contract to date. We believe our study can help address this shortcoming in the theory by closely examining specific links between both parties’ obligations.

### **2.3.2 The Content of the Psychological Contract**

‘Reciprocity’ refers to the idea of the employee making some kind of contribution to the organisation ‘in return’ for something back. The issue of reciprocity is fundamental because, if the assumption of reciprocity is not valid, it then becomes difficult to continue to regard the psychological contract as a ‘contract’ (Conway & Briner, 2005). In strict accordance with our working definition, employee contributions are part of the content of the psychological contract if and only if the employee believes that such a contribution obligates the organisation to fulfil a promise it has made. Similarly, organisational inducements are part of the content of the psychological contract if and only if they are given in return for an employee contribution. Therefore, any study that exclusively examines the obligations of one party without reference to the obligations of the other party is invalid as it runs counter to this idea of ‘reciprocity’, which, as explained, is a fundamental aspect of psychological contract theory (Freese & Schalk, 2008). While most studies focus on perceived employer inducements, only a very small number of studies also consider perceived employee contributions (e.g. Robinson *et al.*, 1994; Herriot, Manning & Kidd, 1997; Coyle-Shapiro & Kessler, 1998, 2000; De Vos *et al.*, 2009 etc.). As has been explained, this is a recurring flaw in psychological contract research. Our study attempts to address this imbalance by incorporating the obligations of both parties.

Theoretically, the psychological contract could potentially contain thousands of items. Empirically, researchers have restricted their investigations of the content of the psychological contract to a limited subset for which they have developed scales that can be used as more stable, generalisable measures of discrete contract terms across populations or over time (Freese & Schalk, 2008). However, no generally agreed-upon scales have been developed to measure psychological contract content. In general, what we actually know about the content of psychological contracts appears to be highly contingent by the known limitations of the method employed. This issue will be further discussed in a later chapter.

In a seminal study investigating the psychological contract from an empirical perspective, Rousseau (1990) based her selection of employer inducements and employee contributions on interviews with managers about the kinds of commitments they sought from new hires during the selection process and the promises their firms in turn made to these new hires. Employer obligations that emanated from these interviews included 'promotion', 'high pay', 'pay based on current level of performance', 'training', 'long-term job security', 'career development', and 'support with personal problems'. Employee obligations included 'working extra hours', 'loyalty', 'volunteering to do non-required tasks on the job', 'advance notice if taking a job elsewhere', 'willingness to accept a transfer', 'refusal to support the employer's competitors', 'protection of proprietary information', and 'spending a minimum of two years in the organization'. In specifying the range of content elements of the psychological contract, many researchers employ the elements originally outlined by Rousseau (1990). However, most scholars have added items to the original list, or have changed the wording of some items, thereby making comparisons between studies difficult (e.g. Coyle-Shapiro & Kessler, 2000; Freese & Schalk, 1999; Kickul, 2001a, 2001b).

Herriot *et al.* (1997) conducted an extensive study on the content of the psychological contract using the critical incident technique. They explored the perspectives of both employers and employees representing a cross-section of the working population in Britain. Managers were used to represent the employer perspective. They asked both groups of respondents to outline occasions or incidents where they felt the organization or the employee had fallen short of or had exceeded their expectations. This allowed for a richer and fuller elicitation of elements (and thus removing the limitations of responding to set criteria). The incidents reported were clustered together using a thematic content analysis. This analysis resulted in seven categories of employer obligations and twelve categories of employee obligations that were mentioned by both groups of respondents. Unfortunately, the results of

this study have not been used as a basis to develop scales in subsequent studies on psychological contracts. What is important to note about this study, however, is that Herriot *et al.* (1997) focus on perceived deviations from what each party might *reasonably expect* from the other, without reference to promises. Furthermore, Conway (1999) has argued that their study might be assessing the content of violations of the psychological contract, rather than merely the content of the psychological contract. Conway (1999) emphasises the importance of this difference because certain obligations that are considered part of an employee's psychological contract might be overlooked or under-represented because they are infrequently violated or exceeded. While these two studies have made a positive contribution to the literature, there is a great need for more empirical research to assess the content of the psychological contract.

### **2.3.3 Measuring Psychological Contract Content**

Freese & Schalk (2008) in a review of different approaches to psychological contract measurement, decry the fact that in a number of studies it remains unclear as to why certain items were added or omitted from existing measurement tools (i.e. questionnaires). Although there is diversity in the content elements of the psychological contract being measured in empirical studies, based on the review of the literature one can determine a limited number of content areas of psychological contract terms that are prevalent in several studies. Some authors have used these content areas to develop subscales of the psychological contract, thereby creating a multidimensional psychological contract measure (e.g. Coyle-Shapiro & Kessler, 1998; 2000c; Psycones, 2005; Ho, 1999; Kickul, 2001a; Schalk *et al.*, 1995 etc.). Others have collapsed items referring to different content dimensions in to one unidimensional psychological contract measure (e.g. Coyle- Shapiro, 2001a; 2001b; Coyle-Shapiro & Kessler, 2002; Guest & Conway, 2000; Schalk & Huiskamp, 2001; Kickul, 2001b), or have conducted analyses using single items instead of scales (e.g. Robinson *et al.*, 1994; Thomas & Anderson, 1998).

Table 2.2 below outlines content dimensions relating to employer obligations used in existing psychological contract research i.e. (1) *job content*, (2) *career development and training* (3) *social aspects*, (4) *personal support*, and (5) *rewards*. While the list is not exhaustive, it does chart some of the more important studies that have focused on the content of the psychological contract.

Table 2.2: Content Dimensions of the Psychological Contract used in Research: Employer Obligations

<b>DIMENSION</b>	<b>DESCRIPTION</b>	<b>REFERENCES</b>
<b>Job Content</b>	To provide challenging, varied and interesting work	De Vos <i>et al.</i> ,(2009); Coyle-Shapiro (2001a; 2001b); Coyle-Shapiro & Kessler (2002); Freese & Schalk (1996; 1999); Guest & Conway (2002); Herriot <i>et al.</i> (1997); Ho (1999); Schalk & Huiskamp (2001); Kickul (2001a; 2001b); Schalk <i>et al.</i> (1995).
<b>Career Development And Training</b>	To provide opportunities for promotion and development within the organization or field of work	De Vos <i>et al.</i> ,(2009); Coyle-Shapiro (2001a; 2001b); Coyle-Shapiro & Kessler (1998; 2000a; 2000b; 2000c; 2002); Freese & Schalk (1996); Guest & Conway (2002); Herriot <i>et al.</i> (1997); Ho (1999); Schalk & Huiskamp (2001); Kickul (2001a; 2001b); Robinson (1996); Robinson & Morrison (1995); Robinson <i>et al.</i> (1994); Rousseau (1990); Schalk <i>et al.</i> (1995); Shore & Barksdale (1998); Thomas & Anderson (1998).
<b>Social Aspects</b>	To provide a pleasant and cooperative work Environment	De Vos <i>et al.</i> ,(2009); Freese & Schalk (1996); Guest & Conway (2002); Herriot <i>et al.</i> (1997); Schalk & Huiskamp (2001); Schalk <i>et al.</i> (1995); Thomas & Anderson (1998).
<b>Personal Support</b>	To provide support and understanding for the individual's personal needs and situation	De Vos <i>et al.</i> ,(2009); Coyle-Shapiro (2001a; 2001b); Coyle-Shapiro & Kessler (2002); Herriot <i>et al.</i> (1997); Ho (1999); Kickul (2001a; 2001b); Robinson <i>et al.</i> (1994); Rousseau (1990); Shore & Barksdale (1998); Thomas & Anderson (1998).
<b>Rewards</b>	To provide appropriate benefits and financial Rewards	De Vos <i>et al.</i> ,(2009); Coyle-Shapiro (2001a; 2001b); Coyle-Shapiro & Kessler (1998; 2000a; 2000b; 2000c; 2002); Freese & Schalk (1996); Guest & Conway (1997); Herriot <i>et al.</i> (1997); Schalk & Huiskamp (2001); Kickul (2001a; 2001b); Robinson (1996); Robinson & Morrison (1995); Robinson <i>et al.</i> (1994); Rousseau (1990); Schalk <i>et al.</i> (1995); Shore & Barksdale (1998); Thomas & Anderson (1998)

Surprisingly, given the definitional boundaries imposed by the concept itself, the content dimensions of employee obligations have received far less attention within the psychological contract literature. This is quite significant since the perceived reciprocity between employer and employee obligations is a central characteristic in prevailing definitions of the

psychological contract (Rousseau, 1995). Notable studies that have measured both the employer and employee perceived obligations include: De Vos *et al.*, (2009), Coyle-Shapiro (2001a; Coyle-Shapiro & Kessler, 1998; 2000a; 2000b), Freese & Schalk (1996; Schalk *et al.*, 1995), Herriot *et al.* (1997), Schalk & Huiskamp (2001); Robinson *et al.* (1994), Rousseau (1990) and Shore & Barksdale (1998). A minority of authors have only focused on the employee side (e.g. Lewis-McLear & Taylor, 1998; Tinsley & Lee, 1999). Table 2.3 summarizes the major content areas of employee obligations that have been used in existing research, i.e. (1) *job performance*, (2) *extra-role behaviour*; (3) *flexibility*, (4) *loyalty*, and (5) *ethics*.

Table 2.3: Content Dimensions of the Psychological Contract used in Research: Employee Obligations:

<b>DIMENSION</b>	<b>DESCRIPTION</b>	<b>REFERENCES</b>
<b>Job performance</b>	To deliver good work in terms of quality and quantity	De Vos <i>et al.</i> ,(2009); Coyle-Shapiro (2001a); Coyle-Shapiro & Kessler (1998; 2000a; 2000b); Freese & Schalk (1999); Herriot <i>et al.</i> (1997); Schalk & Huiskamp (2001); Tinsley & Lee (1999).
<b>Extra-role behaviour</b>	To be cooperative and to do work exceeding the formal job description	De Vos <i>et al.</i> ,(2009); Coyle-Shapiro (2001a); Coyle-Shapiro & Kessler (1998; 2000a; 2000b); Freese & Schalk (1999); Herriot <i>et al.</i> (1997); Schalk & Huiskamp (2001); Robinson <i>et al.</i> (1994); Rousseau (1990); Shore & Barksdale (1998); Tinsley & Lee (1999).
<b>Flexibility</b>	To be flexible in order to get the job done	De Vos <i>et al.</i> ,(2009); Coyle-Shapiro (2001a); Coyle-Shapiro & Kessler (1998; 2000a; 2000b); Freese & Schalk (1999); Herriot <i>et al.</i> (1997); Schalk & Huiskamp (2001); Tinsley & Lee (1999).
<b>Loyalty</b>	To stay with the organization for a minimum period of time	De Vos <i>et al.</i> ,(2009); Freese & Schalk (1999); Herriot <i>et al.</i> (1997); Robinson <i>et al.</i> (1994); Rousseau (1990); Shore & Barksdale (1998).
<b>Ethics</b>	To protect the organization's image and to deal honestly with resources and properties	De Vos <i>et al.</i> ,(2009); Freese & Schalk (1999); Herriot <i>et al.</i> (1997); Schalk & Huiskamp (2001); Robinson (1996); Robinson <i>et al.</i> (1994); Rousseau (1990).

The almost exclusive focus upon employer inducements rather than on employee contributions could be explained by the fact that most studies focus on the relationship between psychological contract evaluation and outcomes (employee attitudes and behaviours)

(Guest, 2004). This relationship makes more sense when focusing on the fulfilment of employer obligations and is in line with other streams of research studying the relationships between organizational policies and practices and employee outcome variables (e.g. perceived organisational support, leader-member exchange, high commitment human resource practices) (Rousseau, 2005). However, given the central feature of reciprocity in psychological contract definitions, it is important to study the degree to which perceptions of employee obligations are contingent upon perceived fulfilment of employer obligations (while it is important to investigate how these perceptions change over time, this is not an avenue being explored in this thesis) (Arnold, 1996; Coyle-Shapiro, 2000). As Rousseau & Tijoriwala (1998: 692) note: “*central to the workings of psychological contracts is the interplay between employee and employer obligations, their relative magnitude and contingent relations*”. However, much of the focus of this interplay has generally taken only one direction: from the employer to the employee.

Rousseau (1990) has examined psychological contract ‘types’ using canonical correlation analyses between sets of employee obligations and employer obligations. Conway & Briner (2005) assert that this distinction has ‘dominated’ psychological contract research over the past fifteen years. She found two types of psychological contracts: A ‘transactional psychological contract’ (employer obligations of high pay, rapid promotion and performance-based pay and employee obligations of advance notice, accepting transfers, no competitor support and protection of proprietary information) and a ‘relational psychological contract’ (employer obligations of training, long-term job security, career development and personal support and employee obligations of working overtime, loyalty and extra-role behaviour). The transactional-relational categorization has been used in countless numbers of psychological contract studies (e.g. Robinson & Rousseau, 1994; Millward & Hopkins, 1998; De Vos *et al.* 2009 etc.). However, the question still remains whether transactional and relational contracts are generalisable across samples and over time (Ten Brink, 2004). For example, Rousseau (1990) and Rousseau & McLean Parks (1993) argue that relational and transactional contracts are best considered as being opposite poles of a single continuum underlying contractual arrangements. However, in relation to measuring psychological contract content, empirical investigations have shown that content items separate into two independent factors- relational and transactional (Coyle-Shapiro & Kessler, 2000; Rousseau, 1990). This refutes the ‘continuum’ theory and supports the idea that transactional and relational contracts should be considered as relatively independent dimensions. However,

there is recent evidence that suggests the relational/transactional distinction is not clear-cut. Rousseau's Psychological Contract Inventory (PCI) (2000) has superseded previous research in this area. Her measure introduces a third type of psychological contract, referred to as a 'balanced' contract. It contains both transactional and relational content items. Rousseau (2009) suggests that this type of contract broadly reflects a typical employee-employer relationship. There is also empirical evidence to support this tri- contract distinction (Hui *et al*, 2004).

While the distinction between transactional and relational contracts seems reasonable considering the existence of moderate supporting empirical work, there is also significant evidence that this distinction is not so acute. For example, certain content items seem to belong to both transactional and relational contracts, and transactional and relational items can be exchanged. This suggests that the exchange cannot be easily classified into two mutually exclusive types of contract. Existing empirical work also tends to be exploratory, relying heavily on post hoc rationalisation to make sense of findings (Conway & Briner, 2005). The same authors note that while there may be many types or dimensions of psychological contracts, there is a dearth of empirical work exploring this issue.

### **2.3.4 Summary of Psychological Contract Content**

Research on the content of the psychological contract has largely been concerned with describing dimensions of the contract. These dimensions represent the potentially infinite number of items that constitute the contract itself. The primary focus of much of this research concerns employer obligations. As has been mentioned, to strictly accord with the definitional boundaries in place, the researcher must incorporate the obligations of both parties into their measure of psychological contract content. A modest number of researchers have adhered to this stipulation and even fewer have explored the linkages between both sets of items. The content of the psychological contract has been examined in relation to a 'transactional psychological contract' and a 'relational psychological contract'. However, it is quite clear from the literature in this area that considerable doubt exists regarding the distinction between these types of contract. Currently, the ongoing reciprocal nature of the content of the psychological contract is insufficiently conceptualised (Conway & Briner, 2005).

### 2.3.5 Features of the Psychological Contract

In the previous section we discussed the content facet of the psychological contract. The second facet considered by Rousseau & Tijoriwala (1998) is the ‘features’ of the psychological contract. Although it is sometimes difficult to distinguish between psychological contract content and features, conceptually there is a clear distinction between both. As defined by Rousseau & McLean Parks (1993) and Rousseau & Tijoriwala (1998), psychological contract features refer to broad, general characteristics of the employment relationship without involving perceptions of specific employer and employee obligations. The perspective on psychological contract features thus captures the properties that underlie the concrete terms of the contract and which are conceptually independent from the specific contract terms. In this way they differ from the dimensions of inducements and contributions defining the content of the psychological contract. Measures of psychological contract features generally focus upon the characteristics of the psychological contract as they are perceived by employees and/or employers. For example, Cassar & Briner (2009) emphasise the socio-economic context as an influence in shaping psychological contract features. Perhaps the most prominent of all psychological contract features studies is that of Rousseau & McLean Parks (1993). Based upon prior work by MacNeil (1985), they have detailed five dimensions that represent underlying features of the psychological contract: 1) *stability*, 2) *scope*, 3) *tangibility*, 4) *focus*, and 5) *time frame*. Sels *et al.*, (2004) empirically confirmed ‘stability’, ‘scope’, ‘tangibility’ and ‘time-frame’ as features while adding two more features ‘exchange symmetry’ and ‘contract level’. A brief description of each of these dimensions is given in Table 2.4

Table 2.4: Psychological Contract Features (Rousseau & McLean Parks, 1993; Sels *et al.*, 2004):

<b>FEATURE</b>	<b>DESCRIPTION</b>	<b>CONTINUUM</b>
<b>Stability</b>	The degree to which the psychological contract is limited in terms of its ability to evolve and change without an implied renegotiating of the terms.	Static – Dynamic
<b>Scope</b>	The extent to which the boundary between one’s employment relationship and other aspects of one’s life is seen as permeable.	Narrow – Comprehensive
<b>Tangibility</b>	The degree to which the individual perceives the terms of the contract as unambiguously defined and explicitly specified, and clearly observable to third parties.	Publicly observable – Subjectively understood
<b>Focus</b>	The relative emphasis of the psychological contract on socio-emotional versus economic concerns.	Economic – socio-emotional
<b>Time frame: duration</b>	The extent to which the relationship is perceived to be short-term or long-term.	Close ended – open-ended
<b>Time frame: precision</b>	The extent to which the duration of the relationship is seen as finite (defined) or indefinite (undefined).	Specific duration – indefinite duration
<b>Exchange Symmetry</b>	The degree to which the employee perceives the unequal employment relationship as acceptable.	Equal - unequal
<b>Contract Level</b>	The degree to which an employee perceives their contract to be individually or collectively regulated.	Individual - collective

These ‘features’ are another means of distinguishing one psychological contract from another. For example, the ‘stability’ of a transactional psychological contract would be on the ‘static’ end of the continuum while a relational psychological contract would lie on the

‘dynamic’ end (Rousseau, 2000). Similarly, employees might differ in the extent to which they accept the level of ‘symmetry’ in their psychological contract. Assessing the nature of psychological contracts by examining its underlying dimensions offers the potential to study employment relationships across persons and settings. This approach allows us to understand a variety of employment relationships due to formal contract characteristics and HR practices (Sels *et al.*, 2004). Through directly assessing the ways in which psychological contracts are interpreted along certain features, researchers will be more able to compare psychological contracts across settings than through assessing specific terms (Cassar & Briner, 2009). However, we argue that assessing specific terms (content dimensions) across certain features would also facilitate a comparison of psychological contracts across settings. This approach is explored in our study.

The previous section examined the relational/ transactional distinction of the psychological contract as regards psychological contract content. The empirical limitations of this divide were clearly outlined, resulting in the introduction of the ‘balanced’ contract, a contract that has both transactional and relational features (Rousseau, 2000). Freese & Schalk (2008) and Van Den Brande (2002) suggest that the relational/ transactional distinction might be more useful in advancing our understanding of psychological contract features. As some content items are just not applicable to some contexts, there may be a need for overarching dimensions based on features of the contract rather than items. The distinction between transactional and relational contracts is very similar to Blau’s (1964) notion of economic and social exchange within organizations. Table 2.5 summarizes the major features of both psychological contract types:

Table 2.5: Description of two types of psychological contracts (adapted from MacNeil, 1985; Millward & Brewerton, 2000; Rousseau, 1995; Rousseau & McLean Parks, 1993)

<b>TRANSACTIONAL PSYCHOLOGICAL CONTRACTS</b>	<b>RELATIONAL PSYCHOLOGICAL CONTRACTS</b>
Short-term monetizable exchanges	Open-ended relationship and time-frame
Specific economic conditions as primary incentive (wage rate)	Considerable investments by employees and employers
Limited personal involvement in the job	High degree of mutual interdependence and barriers to exit
Specified time frame	Whole-person relations
Commitments limited to well-specified conditions	Dynamic and subject to change
Limited flexibility	Pervasive conditions (affects personal life)
Use of existing skills	Subjective and implicitly understood
Unambiguous terms	

However, some limitations of this approach have already been identified. At an empirical level, it is almost impossible to distinguish the operationalization of psychological contract features from the psychological contract content. Only a few studies have empirically assessed the viability of the transactional – relational distinction using an explicit operationalization of features instead of content terms (e.g. Freese & Schalk, 1996; 1997; Millward & Hopkins, 1998; Schalk *et al.*, 1995; Van den Brande, 2002). This approach is clearly underdeveloped. Also, Guest (1998) argues that the list of features used in the extant literature appears to be intuitive rather than theoretically derived. It is clear that the ‘features’

approach to measuring the psychological contract has largely been ignored by researchers. Much more work is needed in this area if we are to effectively use the features approach to further our understanding of the dynamics of the contract itself.

### **2.3.6 Summary of Psychological Contract Features**

The features approach describes general characteristics of employment relationships. It is a significantly underdeveloped area of research within psychological contract literature. Given the potential of the approach for comparing different types of psychological contracts and employment relationships, it clearly merits further investigation. Theoretically, it sounds feasible to prefer a feature-oriented approach to psychological contracts, since this should enhance comparisons across different subject groups, something which is more difficult when using content measures since some of these, like ‘career development’ for example, are not relevant for certain groups of employees. Feature-oriented measures are more abstract and therefore they should enhance comparability (Rousseau & Tijoriwala, 1998). However, Rousseau & Schalk (2000) suggest that psychological contract features are weighted and interpreted differently across countries. For example, a recent study by Cassar & Briner, (2009) tested this proposition using a Maltese sample. They found that the way in which the general employment relationship is construed in Malta affects the perception and understanding of the reciprocal obligations. Studies like this emphasise the contextual implications to which one should adhere when researching the construct. Nonetheless, we argue that a ‘features’ approach is conducive in measuring the content of the psychological contract across groups. Our study attempts to assess the features of the specific content dimensions of the contract. We are not aware of any other study that has explored the content of the psychological contract in this way. By examining the features of the ‘content’ as opposed to the features of the ‘contract’ itself we aim to shed light on the interplay between both sets of obligations. It would also allow us to compare the psychological contract across different work environments. As has been discussed, this has been a significantly underdeveloped avenue of enquiry in psychological contract research.

## 2.4 Section 3

Having reviewed and examined the debate surrounding the definition of the psychological contract and assessed the operationalisation of the concept in terms of ‘content’ and ‘features’, we now turn our attention to the theoretical perspectives that have advanced our understanding of the concept.

### 2.4.1 Introduction to Theoretical Backgrounds Relevant for Understanding the Psychological Contract

A number of theoretical backgrounds have been adopted in psychological contract studies over the last twenty years. Based on the literature addressing psychological contracts from a theoretical point of view (e.g. Coyle-Shapiro *et al.*, 2004; Millward & Brewerton, 2000; Rousseau, 1995; 2001b; Rousseau & McLean Parks, 1993; Schalk & Freese, 1997; Shore & Tetrick, 1995 etc.), we consider three prominent theoretical perspectives. Each perspective allows us to understand different aspects of the psychological contract. These perspectives are analysed and discussed in turn. The theoretical perspectives we will discuss are:

1. *Economic transaction perspective*, concentrating on the bounded rationality of parties to the employment contract;
2. *Social exchange perspective*, concentrating on the conditions of social exchange;
3. *Social-cognitive perspective*, concentrating on the psychological contract as a mental model of the employment relationship;

While each of these outlooks contributes to our understanding of different aspects of the psychological contract, together they provide a rich framework for a deeper understanding within the broader disciplines of organisational behaviour and human resource management by focusing on key perspectives within these fields. The fact that these perspectives stem from different scientific disciplines (economics, sociology, and psychology) offers us the welcome opportunity to integrate these distinct viewpoints into a fuller understanding of the psychological contract.

## 2.4.2 Economic Transaction Perspective

Economic theories of employment relationships are one of the foundations of psychological contract theory, in that they address the incompleteness and implicit nature of employment contracts. Within economic theory, it is generally acknowledged that the transactions for labour services are mediated by complex contracts that cover longer, often indefinite periods of time. These contracts are incomplete and they involve important implicit elements: *‘Instead of a simple, arm’s-length market transaction between buyer and seller, most employment situations actually represent a complex, long-term relationship between the employer and the employee’* (Milgrom & Roberts, 1992: 329). These implicit contractual terms govern many of the crucial elements of the employment relationship, including pay, work assignments, and employers’ and employees’ duties to one another. Milgrom & Roberts (1992) point out that these implicit contracts are intended to be self-enforcing. They are structured so that the parties have incentives to deliver their part of the contract for fear of the consequences of violating the agreement. For self-enforcement to function effectively, it is imperative that the parties to the contract understand their obligations to one another, that they can observe each other’s behaviour and that each party enjoys positive outcomes from the contract. This conception of subjective understanding being inherent in the employment contract is closely related to the psychological contract. Moreover, it also explains the duration of employment relationships. Since it is the prospect of future gains from maintaining the relationship that provide the incentives under the implicit contract, employment relationships tend to be enduring and long-term (Milgrom & Roberts, 1992; Rousseau, 1995).

Williamson (1985; 1988) developed a model known as the Transaction Cost Economics (TCE) framework to explain how organizational efficiency can be attained through transactions. Two basic assumptions of TCE, namely the existence of ‘bounded rationality’ and the development of ‘trust’, are also prevalent in psychological contract theories. TCE theory also charts the emergence of long-term, relational contracts from shorter-term, transactional contracts. According to Williamson (1985; 1988), bounded rationality and parties’ opportunism can be reduced by the creation of hierarchies, or longer-term contracts. Hierarchies enhance monitoring capabilities and the resulting social ties reduce opportunism, which may engender trust. Trust is assumed to reduce transaction costs associated with monitoring and to increase the efficiency of the exchange. In a hierarchically governed employment relationship, employees typically have a supervisor whom they have

granted legitimate, but limited authority, to direct their actions within the organisation. As long as neither the firm nor the employee engages in activities inconsistent with the implicit psychological contract that underlies their relationship, the relationship continues (Barney & Lawrence, 1989). TCE posits that the proposed existence of longer-term contracts or hierarchies reflects the development of a relational psychological contract as it is described within psychological contract theories. According to TCE, the development of a relational contract is determined by contextual factors such as interdependence, past practices and environmental uncertainty (Rousseau & McLean Parks, 1993). In contrast, where the duties of the job are relatively routine or easily measurable, and when employees have no implicit long-term commitments to the firm, employers manage this employment relationship through “complete contingent contracts”, whereby all employee obligations and compensations are specified a priori. Such relationships cannot be complex. Otherwise, it would be difficult to specify all conditions of the relationship within a contract (Barney & Lawrence, 1989). This relationship aligns with the notion of transactional contracts in psychological contract theories.

#### **2.4.3 Summary of Economic Perspective**

Many commentators within the psychological contract field have argued that the economic changes in the late 1980's and early 1990's renewed interest in the psychological contract as they brought changes to the employment relationship (e.g. Guest, 2004; Schalk, 2004; Coyle-Shapiro & Kessler, 2000). *‘The assumption made by many researchers that the content of the psychological contract was changing sparked renewed interest and focus on the economic underpinnings of the ‘new’ employment relationship’* (Conway & Briner, 2005. P.16).

Anderson & Schalk, (1998) and Schalk (2004) argue that the ‘economic’ factor will remain a relevant variable for consideration when examining the psychological contract. However, the economic perspective is not being incorporated in our study for a number of reasons. Firstly, the economic perspective examines the psychological contract in a very restrictive way. It does not capture the idiosyncratic nature of the contract as it exclusively focuses on the tangible economic exchange between parties. Secondly, it ignores the perceptual nature of the contract and does not concentrate on the subjectivity inherent in every psychological contract. This approach does not really align with our study's definition of a psychological contract as an ‘individual belief’. Therefore, we are eliminating the economic perspective as an explanatory framework for our study.

#### 2.4.4 Social Exchange Perspective

Social exchange theory posits that all social relationships essentially consist of exchanges of both economic (e.g. money, materials) and social resources (e.g. respect, love, support) (Blau, 1964). The social exchange perspective focuses upon the nature and dynamics of social exchange within organizations and on status and power differences created in exchange relationships (Taylor & Tekleab, 2004). Two elements of social exchange – ‘reciprocity’ and ‘balance’ – are also essential elements inherent in psychological contract theory. While the psychological contract can be explained using social exchange theory, several other constructs within the organisational behaviour and human resources literature build on the principles of social exchange theories, e.g. organizational citizenship behaviour (Organ 1988; Organ & Konovsky, 1989; Organ & Ryan, 1995), leader-member exchange (e.g. Xu *et al.*, 2008; Engle & Lord, 1997; Gernstner & Day, 1997; Settoon *et al.*, 1996), and organizational justice (e.g. Masterson *et al.*, 2000). For example, leader-member exchange research has provided strong support for the existence of a social exchange relationship between employees and their immediate managers (e.g. Settoon *et al.*, 1996). In general, a social exchange theory on employment relations assumes that an equitable exchange between what employees invest in their relationship with the organization and what they receive back in return is a key element in the employee-organization relationship (Geurts *et al.*, 1999). As has been previously noted, this idea of reciprocity is a central tenet of psychological contract theory.

Blau (1964), one of the “fathers” of social exchange theory, conceptualised social exchange as “*an exchange of activity, tangible or intangible, and more or less rewarding or costly, between at least two persons*” (Blau, 1964, P.136). The same author stipulates that individuals engage in social exchange behaviours in order to achieve goals that can only be realized through interactions with others. He describes three basic principles underlying the conception of exchange:

1. An individual who supplies rewarding services to another obligates him.
2. To discharge this obligation, the second must furnish benefits to the first in return.
3. If both persons value what they receive from the other, both are prone to supply more of their own services to provide incentives for the other to increase his supply and to avoid becoming indebted to him.

This is in line with the view that the psychological contract is voluntarily entered into by the employee (Rousseau, 1995). We will now discuss the contrasting types of exchange- 'economic' and 'social' as outlined by Blau (1964).

Blau (1964) has described the major differences between social and economic exchange. He notes that social exchanges differ from strictly economic exchanges by entailing 'unspecified' obligations such that the exact nature of how one is to reciprocate an obligation is typically not specified and feelings of trustworthiness develop over time as one party trusts the other to reciprocate a preceding exchange over time and the other establishes his trustworthiness by doing so (Taylor & Tekleab, 2004). The norm of 'reciprocity' is a central element in social exchange theories. According to the reciprocity norm, fulfilment of obligations by one party is conditional on the fulfilment of obligations by the other party. Reciprocity is a key condition of social exchange in that the stability of the exchange relationship will be undermined if the fulfilment of either party's needs is not contingent upon the other party's reactions (Gouldner, 1960). This means that mutuality of fulfilment is a necessary condition for the stability and continuation of an exchange relationship. A review of the literature identified several studies offering indirect support for the social exchange prediction of reciprocity in one party's contract obligations and the other's contract fulfilment/violation over time (e.g. Robinson *et al.*, 1994; Coyle-Shapiro & Kessler, 2002; Robinson, 1996). For example, in a two-measurement longitudinal study, Robinson *et al.*, (1994) found that perceptions of the extent to which their employer violated their psychological contracts two years after the initial measurement were related to the decrease in the graduates' own obligations to the employer from Time 1 and Time 2.

The social exchange literature has focused on what is exchanged between employee and employer (e.g., job security for loyalty in the psychological contracts literature; employer commitment for employee commitment), which has proved quite meaningful. However, other authors have suggested that understanding the impact of the exchange relationship itself may also be important (Shore *et al.*, 2006). Shore and Barksdale (1998) identified four different types of perceived exchange relationships. They assessed four types of psychological contracts which are determined from their position on two different dimensions characterizing psychological contract content: 'degree of balance' and 'level of obligations'. 'Degree of balance' refers to employees' perceptions that the level of employee and employer obligations within the psychological contract is similar. When employees perceive a balanced relationship, they feel obligated to reciprocate what they receive from the organization in

order to maintain such balance in their exchange relationship. Conversely, in an unbalanced relationship, either the employee or the employer is perceived to be substantially more obligated than the other party in the exchange relationship. Perceived 'level of obligations' refers to the perceived level of investment made in the relationship by each party. Obligations can range from high (the employee or employer is perceived as having a strong obligation to fulfil a particular contract term) to low (there is a very limited, or non-existent sense of obligation to fulfil a particular contract term). The combination of both dimensions results in four empirically confirmed psychological contract types: (1) *mutual high obligations type*, consisting of employees with the highest sense of obligation to and from the organization; (2) *mutual low obligations type*, consisting of employees with a weak to moderate sense of obligation to and from the organization; (3) *employee over-obligation type*, consisting of employees with moderate levels of employee obligations and low levels of organizational obligations; and (4) *employee under-obligation type*, consisting of employees with very weak obligations to and high obligations from the organization. Tsui, *et al.*, (1997) examined this exchange relationship from the employer's perspective, focusing on inducements offered and contributions expected of employees. Using inducements and contributions, they created four categories of employment relationships, two balanced (inducements and contributions were both either high or low) and two unbalanced (when inducements were high, contributions were low, or vice versa). They found that when both inducements and contributions were high, the highest performance and most positive attitudes were found among employees.

Both of these studies point to the importance of understanding exchanges between employee and employer. The goal of these authors was to move away from the primary focus in the literature on separate employer and employee contributions to the exchange (i.e., what is exchanged) and to focus on the general form of the exchange relationship. Shore *et al.*, (2006) explored the nature of exchanges between employee and employer. The major purpose of their study was to prepare and test an integrated model of exchange, incorporating commitment, perceptions of economic and social exchanges with the employer, and employee performance. This model of exchange is being used in our study. We support their move away from examining the individual contributions to the exchange and agree with their view that the perceived exchange relationship, as an independent entity, is an important variable to incorporate in a psychological contract study. It seems plausible that the general type of exchange would affect both the formation and dynamics of the contract. This contention is being investigated in our study.

The issue of ‘balance’ is also a significant factor to address in social exchange theories. According to Gouldner (1960), the *amount of return* to be made in reciprocal exchange is “roughly equivalent” to what has been received. He points out that the problem of equivalence is a difficult but important one. Blau (1964) describes the state of balance as the psychological goal for both parties of a social exchange relationship. According to Blau, both parties are motivated to retain the balance between what they provide to the relationship and what they receive from it. When one party perceives the exchange is not in balance, then over time, the individual may ultimately seek to restore the balance by reducing his/her own contributions to the relationship, or by ending the relationship. This pattern is typical in social exchanges over the long run (Blau, 1964). The importance of both reciprocity and balance is also apparent in empirical work on the evaluative facet of the psychological contract (e.g. Robinson, 1996; Robinson & Morrison, 1995; Turnley & Feldman, 1998). The empirical findings of these studies regarding the effect of perceived psychological contract fulfilment on outcome variables suggest that in order to restore balance in the employment relationship employees reciprocate to the organization’s fulfilment of the psychological contract by reducing or increasing their own contributions to the organization.

Equity theory, originally formulated by Adams (1965), explicitly addresses the issue of ‘balance in exchange’ relationships and relates the perception of equity to social comparison processes (Festinger, 1954). Essentially, equity theory states that the perception of balance/imbalance is based on an individual’s comparison of the balance between what he/she gives and receives with the balance of relevant others (Adams, 1965; Leventhal, 1980). Applied to organizations, equity research has examined the impact of perceived equity/inequity on a number of organizational outcome variables, including quantity and quality of work, absenteeism, loyalty, and job satisfaction (e.g. Geurts *et al.*, 1999; Huseman *et al.*, 1987; Aumer-Ryan *et al.*, 2007). Taylor & Tekleab (2004) argue that equity theory is important to understanding psychological contracts. Equity-based expectations derive from environmental cues as well as internal standards of fairness. According to Rousseau (1995), the experience of inequity in the context of a relationship lends a deeper emotional weight. When promises have been exchanged in the context of an employment relationship, the cognitive and emotional experience of inequity is more complex than simply involving a social comparison of balance.

While the role of ‘expectations’ has been discussed above in relation to the conceptualisation of the psychological contract, here we look at how ‘expectations’ mediate

the perception of a social exchange. Blau (1964) attests that individuals have prior expectations regarding the social rewards they will receive from an exchange relationship, which, in turn, influence the individual's evaluation of the benefits received from that relationship. These expectations derive from past social experience of individuals and on the standards they have developed from past rewards. These expectations also stem from learning about the benefits that referent others in comparable situations obtain (Rousseau, 1995). According to Blau (1964), prior attainments influence general expectations of what rewards can realistically be realized and what rewards need to be realized to maintain balance and satisfaction. These expectations affect the significance of future rewards. Reward levels experienced in the past act as a reference point for satisfaction with a future level of reward. The role of expectations as outlined by Blau (1964) is helpful for our understanding of the relationship between psychological contract evaluation and outcomes. As has been described, central to the psychological contract are the 'promissory beliefs' that constitute the frame of reference against which employees make up their evaluations of the inducements they have received from their organization and the contributions they have made (Morrison & Robinson, 1997). These promissory beliefs function in the same way as the expectations in Blau's (1964) theory of social exchange. However, as outlined by Rousseau (1995), it is these promissory beliefs that make up the distinctive nature of the psychological contract compared with other constructs like mere 'expectations' and 'perceived entitlements' where the promissory element is absent in their respective conceptualizations.

#### **2.4.5 Summary of Social Exchange Theory**

Like the contract itself, social exchange theory deals with the exchange of resources. As has been outlined, it has frequently been referenced as a conceptual foundation for the psychological contract. The majority of research adopting this perspective has examined individual and separate contributions to the exchange. While we are not examining the formation of the psychological contract from a 'social exchange' perspective, the type of exchange the employee perceives to have with the organisation is being explored. The exchange itself is an important variable to consider in relation to psychological contracts. The Shore *et al.*, (2006) study illustrates the importance of perceived exchanges between employee and employer and their model is being used in our study. Rather than examining the individual resources exchanged between the parties we assess how the 'type' of exchange

an employee has with the organisation affects their psychological contract. Specifically, we aim to discover how a social exchange independently affects the content of the contract but also how an economic exchange independently influences these dimensions.

#### **2.4.6 Social-Cognitive Perspective**

The social-cognitive perspective provides more insight in the subjective and idiosyncratic nature of the psychological contract. It explains how the psychological contract can be conceived of as a *mental model* about the employment relationship, guiding individuals' perceptions of promises and evaluations of promise fulfilment (Rousseau, 1995, 2001). Core elements are the mental schemas individuals develop about the employment relationship, the role of information seeking and subsequent information-processing. In general, the theories discussed in this section elaborate on the central role of meaning individuals attribute to their environment and its impact on their behaviour (James & James, 1989).

The organization will be the chief source of job-related information for the employee. Often the organization will be a noisy and complex environment and the information provided about work tasks and other employees etc may be difficult to integrate with their own thoughts, ideas and beliefs. To manage these multiple information-processing demands, employees tend to rely on highly structured, pre-existing knowledge systems called '*schemas*', to interpret their organizational world and generate appropriate behaviours (Lord & Foti, 1986, P.14):

*'A schema is a cognitive structure that represents organized knowledge about a given stimulus – a person or situation – as well as rules that direct information processing'.*

Schemas provide individuals with a knowledge base that serves as a guide for the interpretation of information, actions, and expectations, thereby simplifying the process by which people make sense of events and situations (Bartlett, 1932; Fiske & Taylor, 1984; Rousseau, 2001; Isenberg, 1986; James & James, 1989; Lord & Foti, 1986). Although a schema is an abstract mental construct, it can be considered a sort of coherent network of thoughts about something that might be important to an individual. Schemas consist of higher order levels (i.e. broad, abstract elements of information) and lower order levels (i.e. more specific, complexly arranged elements of information that stem from and remain connected to the higher level) (Stein, 1992). Evidence exists that all individuals use schemas to some

significant degree to cognitively organize their experiences (Hodgkinson, 2007; Gioia & Sims, 1986). Schemas typically affect the perception of incoming information, the retrieval of stored information, and inferences based on that information (Lord & Foti, 1986). Four types of schemas are considered in social schema research (Fiske & Taylor, 1984; Lord & Foti, 1986):

1. Self-schemas. This type of schema contains information about one's own personality, appearance, and behaviour (Fiske & Taylor, 1984). It consists of cognitive generalizations about the self that are derived from past experience. For example, a person may identify themselves as 'religious'. Their self schema about that aspect of their self concept would contain information (e.g. general beliefs about faith etc) used to determine their identification as 'religious'. Self-schemas represent the way the self has been differentiated and articulated in memory. Having a self-schema for a particular dimension of their self-concept allows a person to quickly filter incoming information about that dimension in social situations. Self schemas also help individuals to remember relevant information.

2. Person-schemas. This type of schema is related to categorization processes. It focuses on trait and behaviour information common to certain groups or types of people. Individuals 'sort' other human beings into groups, types, or other categories according to similarities in their essential features. For example, a person may have a person schema for a 'mother-type figure'. They may categorise certain people using this 'mother schema' as they all share motherly qualities (e.g. warmth, kindness etc.) (Horowitz, 1988). Categories are represented cognitively by prototypes, an abstract set of features commonly associated with the members of a category.

3. Scripts or event schemas consist of knowledge relating to the typical sequence of events in a given situation. This type of schema corresponds with Louis' (1980) notion of a 'cognitive script', defined as a coherent sequence of events expected by the individual. For example, one would expect to see the 'blowing out the candles' event at a birthday party (Rousseau, 2001). This event schema tells them that they are now expected to applaud the event. A script provides knowledge about expected sequences of events and then guides an individual's behaviour so that it is appropriate to the given situation (Gioia & Sims, 1986). One type of script or event schemas that individuals hold relates to employment relationships. It can be thought of as an individual's belief structure of what is expected to happen or occur in the organization and what is expected of him or her (Louis, 1990). This schema helps an

individual to define what constitutes a typical employment relationship and it guides his or her interpretation and recollection of the promises that exist within the employment relationship. For example, how an employee interprets information about further training within his or her organization will depend on whether training is part of his or her schema for employee-organization relationships in general (Rousseau, 1995; 2001b; Shore & Tetrick, 1994). Our study aims to capture individual beliefs about their future relationship with their employer. Accordingly, 'event schema' is the specific type of schema that is most relevant to our research as it relates to how someone understands a specific situation (i.e. employment relationship). A comparison of the different types of schema a new employee may hold about their future employment relationship is not an avenue being explored in this thesis. For this reason we will use the general term 'schema' to refer to an individual's 'event schema'.

4. The final type of schema is a person-in-situation schema, which contains information about people and behaviour typically found in social situations. It combines aspects of the person, self and event schemas (Lord & Foti, 1986). Fiske & Taylor (1984) refer to this type of schema as role schema. For example, we tend to categorise how meetings and encounters should proceed and conclude based on past experience.

Rousseau (1995, 2001, 2003) proposed a cognitive basis for the psychological contract that is grounded in the concept of prototypical mental models or schema (Taylor & Tekleab, 2004). Psychological contracts are characterized as schemas shaped by multilevel factors, which affect the creation of meaning around promises and commitments workers and employers make to each other, the interpretations of the scope of their obligations, and the degree of mutuality and reciprocity the parties manifest (Dabos & Rousseau, 2004). Schemas gradually develop from past experience and develop slowly over time with the accumulation of additional information about the work setting (Taylor & Tekleab, 2004). Thus 'pre-employment schemas' are acquired and developed through previous employment (as well as societal or occupational socialization), but also as a result of gathering work-related information. Several properties of schemas are likely to change with increasing experience. For instance, the schemas of experts contain more characteristics than do the schemas of novices, and mature schemas also become more organized (Rousseau, 2001). Through experience, associations among related components are strengthened until the entire schema can be activated (Fiske & Taylor, 1984). Experts also process relevant information more efficiently than novices (Fiske, 1992). Lord & Foti (1986) conclude that schema development progresses along a knowledge continuum from novice to expert level, with experience

strengthening the links among related components. Thus, from a researcher's perspective it is also consistent with psychological contract theory to assume that experienced employees will hold more elaborated pre-employment schemas, thus enabling us to predict heightened insight into their own expectations as well as those of their prospective employers (Rousseau, 2001).

Schemas develop through discontinuous processing of information. Applying this to psychological contracts, it means that contract-related information is sought and processed only at certain times. Therefore, as Rousseau (1995, 2001b) argues, schema development is episodic rather than continuous. The mental model of the employment relationship tends to endure until a noticeable signal conveys a break or interruption (Rousseau, 1995). Controlled information processing is used in novel situations where the individual encounters the unfamiliar there is little prior experience to rely upon. Information is actively sought and carefully processed to make a high-quality decision (Lord & Foti, 1986). As experiences with a particular situation accumulate, a mental model or schema about that situation develops upon which individuals tend to rely. This leads to automatic processing of information, which demands less attention and which can be applied to several activities simultaneously.

Automatic information processing is difficult to alter or ignore once learned, as the information is being processed unconsciously. Once a schema is formed, there is less review of new facts and circumstances and more reliance on what is already known through automatic information processing. Reliance on schemas simplifies processing, but it also makes a schema resistant to change. This resistance is called 'perseverance' and it represents a major feature of schemas: they often persist even in the face of contrary evidence (Fiske & Taylor, 1984). Research on cognitive consistency has shown that people act in ways that preserve their established knowledge structures, perceptions, schemata, and memories (Greenwald, 1980). Cognitive consistency is maintained through selective perception, by seeking out, attending to, and interpreting one's environment in ways that reinforce one's prior knowledge, beliefs and attitudes (Fiske, 1993; Fiske & Taylor, 1984). Fiske (1993) has called this the expectancy bias. One aspect of selective perception is selective attention. People tend to seek out and focus on information that confirms prior cognition represented in their schemas, and they tend to avoid or ignore information that disconfirms them. However, when there is a discrepancy between predicted and actual outcomes, the individual feels compelled to search for explanations for why the actual outcomes occurred and why the predicted outcomes did not (Fiske, 1993). Louis (1980) has called the process through which

these retrospective explanations are made ‘sense making’. Indeed, De Vos *et al.*, (2003) investigated newcomer sense-making in relation to changes in their psychological contracts. They found that changes in newcomers’ perceptions of employer promises were affected by their perceptions of employer inducements received. In general, socialization research has shown that during this period sense-making plays an important role in the adjustment of the newcomer to the organization, especially during the first months after entry (Morrison, 1993a, 1993b; Saks & Ashforth, 1997a; 1997b).

Some elements of a schema will be commonly shared by people in the same organization or context, while every schema has elements that may be idiosyncratic or highly personal or context specific because experience is an individual and subjective concept (Shajahan, 2007). This implies that two individuals party to an employment relationship (e.g. an employee and his/her supervisor) may possess very different schemata for what their employment relationship should imply. Individuals can hold incongruent beliefs about the nature of a promise, or about its fulfilment (Morrison & Robinson, 1997). Heath *et al.*, (1993) argue that people are cognitively and motivationally predisposed to form positive views of the content and stability of the employment contract, which leads them to expect their outcomes to be unrealistically positive. This study uses insights from psychological theories on belief formation to explain the perception of over-entitlement. Firstly, there is a tendency for people to overestimate their contributions in an exchange, thereby leading them to expect a great deal from the other party exactly at the same time that the other party is expecting a great deal from them. Moreover, in the absence of concrete information to the contrary, people tend to assume that others see things like they do and that others value the same things as they do. These tendencies may lead employees to overestimate the amount of motivation and knowledge they share with the other party in a relationship. Secondly, they argue that due to limited information affecting their processing ability, people will generally not anticipate all the unusual situations that may arise in the course of a relationship (Heath *et al.*, 1993). Entitlements may also be overly systematic because people may assume too much consistency in the actions of others or the environment. Perceived entitlements may also be too systematic because limited information processing may prevent people from recognizing exceptional situations when they occur.

James & James (1989) refer to the notion of schemas to describe how individuals come to interpret (i.e. make sense of) work environment attributes. They differentiate between two types of meaning. First, ‘descriptive meaning’ centres on perceptions of the

presence or absence of features and structures of environmental attributes. Second, ‘evaluative meaning’ proceeds beyond this description and includes an evaluation of these attributes. James & James (1989) refer to this evaluation process as valuation. Valuation refers to cognitive appraisals of attributes in terms of schemas derived from values such as importance etc. Evaluative meaning is more ‘internally oriented and requires additional information processing to judge how much of a value is represented in or by (perceived) environmental attributes’ (James & James, 1989: 739). These two types of meaning can be compared with two facets of the psychological contract: its content (which represents a mental representation or description of the terms being part of the exchange relationship) and its perceived fulfilment (the evaluation of fulfilment, and the balance and reciprocity of these terms). Both of these types of meaning are relevant to our study. The elicited content dimensions of the participant’s perception of the psychological contract can be viewed as having ‘descriptive meaning’ and the different features of these content dimensions assessed in our study represent this ‘evaluative meaning’.

#### **2.4.7 Summary of Social Cognitive Perspective**

Having defined the concept, we need to decide on a theoretical lens. Having discussed the merits of the economic transaction perspective and social exchange perspective in earlier sections, we believe the social cognitive perspective is more conducive to our study in understanding the dynamics of psychological contract formation. There a number of reasons why we are adopting this position. Firstly, our study defines the psychological contract as a ‘subjective perception’ existing at the individual level. Accordingly, it is clear that schema theory neatly aligns with this definition given the individual and perceptual nature of schemata. Secondly, the social cognitive perspective, specifically ‘schema theory’ can advance our understanding of the psychological contract by offering distinctive features that are of particular relevance to psychological contracts (i.e. information processing, subjective beliefs etc). Over time, psychological contracts can evolve from discrete beliefs to more elaborately organized schemas composed of many interrelated beliefs. In general, we believe that schema theory is a better ‘fit’ than the other two perspectives discussed earlier as it is likely to have greater explanatory power as regards the formation of the psychological contract in the context of our study. Certainly, we acknowledge that theories of social exchange are useful in explaining the dynamics of the psychological contract (Taylor &

Tekleab, 2004). The contract itself is an interpretation of an ‘exchange’ agreement. However, the chief contribution of social exchange theory to this study lies in its status as an alternative to the oft-criticised transactional/relational divide. For this reason, we are considering social exchange as a variable and not as an overarching theoretical lens. We believe that ‘schema theory’ is more aligned with our working definition of the psychological contract as a ‘subjective perception’. Nonetheless, we also acknowledge that there has been some criticism of the viability of this framework in the context of the psychological contract. Hodgkinson & Healey (2007) assert that while the schematic qualities of the psychological contract appear to make sense conceptually and theoretically, they have yet to be validated empirically. Our study attempts to address this imbalance.

## **2.5 Overall Summary**

This chapter discussed the key issues relating to the conceptualisation of the psychological contract. Section 1 explored the different ways in which the contract has been operationalised and assessed. Firstly, the question of the ‘content’ of the psychological contract is a highly debatable issue in the literature. To what exactly does the content refer? The merits and limitations of the different operationalisations of the contract (e.g. expectations, promises, and obligations) were discussed. While conceptual clarity remains elusive, the majority of contemporary research has adopted the Rousseau (1989) reconceptualisation of the content of the psychological contract as ‘promise- based obligations’. This is in keeping with our working definition and is the conceptualisation being used in our study. In strict adherence to the definitional boundaries of the concept, any meaningful study must incorporate the obligations of both parties (e.g. bilateral perspective (Freese & Schalk, 2008)). As has been outlined, the issue of reciprocity is a central concern in the theory. A study of one party’s obligations while excluding the other party’s obligations is invalid as it is contrary to the central idea of the psychological contract as a perception of a ‘reciprocal exchange’ (Conway & Briner, 2005). Moreover, the dynamic interplay and linkages between the two sets of obligations is both an underdeveloped and overlooked area within psychological contract research. Our research will examine both parties obligations but also the relationship between specific features of the different dimensions of both sets of obligations. The distinct advantage of this approach is that it could provide us with fresh insights into how a new employee understands his exchange agreement with the employer.

The content of the psychological contract has been categorised in numerous ways but many studies have either ignored the contextual limitations of such a categorisation or have simply added or omitted dimensions of the content itself. There has been a dearth of empirical research in this area (Freese & Schalk 2008). In relation to psychological contract ‘types’ the relational/transactional divide developed by Rousseau (1990) has dictated the course of research in this area over the last twenty years. As has been explained, this distinction remains broad and unspecific. For this reason, the ‘type’ of psychological contract is not a variable being considered in this study. As regards the ‘features’ of the psychological contract, it remains an underdeveloped area of research within the literature. Our study will attempt to assess the features of the specific content dimensions of the psychological contract. We understand that this has not been attempted before in previous studies. Therefore, our study could add to our comprehension of both the ‘features’ and nature of the reciprocal exchange in relation to the content dimensions of the psychological contract

Section 3 discussed the competing theoretical perspectives that have been used to explain the dynamics of the psychological contract. Firstly, we discussed the merits of the ‘economic transaction’ perspective and illustrated how recent shifts in the global economy have ensured its relevance as a conceptual framework in psychological contract theory. Secondly, we highlighted the explanatory power of ‘social exchange theory’ in respect to the psychological contract. It is clear, that the contrasting types of exchange ‘economic’ and ‘social’ affects individual beliefs regarding specific content dimensions of the contract. However, we identified the work of Shore *et al.*, (2006) as being particularly relevant to our study. They argue that the exchange itself, rather than individual contributions to the exchange, is an important variable to consider when investigating the psychological contract. We aim to explore the effects of the type of exchange on perceptions of the psychological contract. Finally, we discussed the relevance of the social-cognitive perspective to the psychological contract. The idea of psychological contract as ‘schema’ is neatly aligned as both concepts share similar features (e.g. developing episodically from past experience etc.). In general, there has been a lack of research into the schematic characteristics of the psychological contract. ‘Experience’ and how it affects the psychological contract is not properly understood. Rousseau (2001) highlighted this lacuna in the research and our study attempts to address this issue by assessing how level of experience affects perceptions of the contract. In line with our study’s working definition, the framework will be adopting is this ‘social- cognitive perspective’, specifically ‘schema theory’. At this stage in the research, we

believe it is important to empirically address the schematic properties of the psychological contract given the apparent alignment between both theories.

## **Chapter 3: Antecedents of the Psychological Contract**

### **3.1 Introduction**

Having examined the major theoretical contributions relating to the definition and conceptualisation of the psychological contract in the last chapter, we now focus on the contract's antecedents. An analysis of these antecedents is central to our understanding of psychological contract formation. This chapter aims to provide the reader with an overview of major theoretical and empirical contributions relating to the antecedents of employees' psychological contracts. While research into the 'creation' stage of the psychological contract is limited, the majority of researchers in this field address these antecedents at two levels: 'organisational' and 'individual' (e.g. Rousseau & Schalk, 2000; Rousseau, 1995; Tomprou & Nikolaou, 2011). While we acknowledge the fundamental role that organisational antecedents play in the formation process, our study addresses the individual factors that affect the creation of the psychological contract. Accordingly, the chief focus of this chapter is investigating the individual antecedents. However, we do examine the influence of organisational socialisation on the employee in how it affects his psychological contract. Firstly, Section 1 briefly discusses 'societal factors' and the 'legal employment contract' as antecedents to the psychological contract. Then in Section 2, we briefly summarise the organisational factors that are believed to affect psychological contracts. As stated, this section also discusses the effects of organisational socialisation on the formation process at two key stages: the 'pre- entry phase' and the 'post-entry phase'. In Section 3, we outline the key individual antecedents of the psychological contract and elaborate in detail on those individual factors being explored in our research. Finally, we present and defend the propositions being tested in our study.

### **3.2 Section 1**

This section explores how a number of societal factors serve as antecedents of the psychological contract. The relationship between the legal contract and the psychological contract is also discussed.

#### **3.2.1 Societal Factors**

The society within which employees and organizations establish employment relationships provides the context in which psychological contracts are formed. This context defines boundaries to the psychological contract and affects both parties' psychological contract

perceptions and evaluations (Rousseau & Schalk, 2000). Depending on regulations existing at the societal level, employees and organizations have different zones of negotiability in their employment contracts and this will also affect their psychological contracts. For example, in societies where issues like working hours, national holidays, or pension-benefits are extensively regulated at the national level, there is only a narrow zone of negotiability left for organizations and employees. Other differences in the contract that may be attributed to the societal context are the freedom of contracts, employment protection, the relative power of the state, the existence of a market economy, and collective bargaining (Rousseau & Schalk, 2000). It implies that much of what organizations promise to their employees derives from societal stipulations in relation to employment and not from a particular employment relationship. These societal boundaries are extensively discussed in a book on cross national perspectives on psychological contracts, edited by Rousseau & Schalk (2000). Based on their comparison of psychological contracts in thirteen different countries, Rousseau & Schalk (2000) conclude that there are differences between psychological contracts in these countries, which are related to the following factors: the *meaning* of promises, the *willingness* of employees and organizations to rely on each other's promises, and the *array* of promises that are exchangeable within a given employment context (i.e. the zone of negotiability). Other factors that operate at the level of society and that affect the perception of mutuality in psychological contracts include the extent to which *social differences* exist between parties and the possibility of parties to *influence* the terms of employment. The work of Rousseau & Schalk (2000) is based on a theoretical comparison of detailed descriptions of psychological contracts in thirteen countries. However, very few empirical studies have explicitly taken a cross-national view on the psychological contract by empirically *comparing* psychological contracts within different societies (Conway & Briner, 2005).

### **3.2.2 Relationship between the Legal Employment Contract and the Psychological Contract**

Although the legal employment contract can be considered as an individual-level antecedent, we discuss it in a separate section because it explicitly relates to both the individual and the organization itself. It is also influenced by both individual factors and the organizational strategy with respect to the employment contracts the organization wants to have with diverse groups of employees. According to Shore & Tetrick (1994) the formal contract can affect the psychological contract in several ways. It does not only play an important role in making

explicit certain terms of the employment relationship, but it also defines its 'statute' and 'duration'. Rousseau (1995) and Rousseau & McLean Parks (1993) argue that employment statute and duration of the employment relationship are related to employees' psychological contract *features*. They propose that contingent employees and part-time employees develop a more transactional psychological contract than permanent and full-time employees do. McLean Parks *et al.* (1998) further elaborated on this distinction and argue that the psychological contract of contingent employees is less dynamic, more restrictive in scope and more tangible than that of traditional employees. Several researchers have empirically investigated the relationship between the legal employment contract and the psychological contract. More specifically, they have assessed the impact of (1) duration of the employment contract, and (2) employment statute on the psychological contract (e.g. Conway, 1999; Freese & Schalk, 1996; Guest *et al.*, 1998; Guest *et al.*, 1999; Coyle-Shapiro & Kessler, 2002; McLean Parks *et al.*, 1998; Millward & Brewerton, 1999 etc.). In a study of the relationship between the 'duration' of employment contract and the psychological contract, Millward & Hopkins (1998) empirically demonstrated that permanent employees were clearly more relational in their contractual orientation than were temporary employees, while temporary employees were significantly more transactional in their contractual orientation than were permanent employees. Millward & Brewerton (1999) focused in more detail on three types of contingent workers (permanent agency contractors, temporary agency contractors, and direct employees with fixed-term contracts). They found that employees with fixed-term contracts were the least transactional in their psychological contract compared with both types of contractors (no difference between both types of contractors was found). On the other hand, both permanent contractors and fixed-term employees were more relational oriented compared with temporary agency contractors. Guest *et al.* (1998) and Guest *et al.* (1999) found that a fixed-term contract was associated with a more positive evaluation of psychological contract fulfilment. They argue that the psychological contracts of temporary employees might be (or might be perceived as being) better balanced than those of permanent employees. Secondly, it could be the case that more transactional employment deals are more clearly negotiated and/or understood between employers and temporary workers, with less scope for violation of the psychological contract arising from misunderstandings.

A study by Coyle-Shapiro & Kessler (2002) assessed how three groups of employees namely permanent, fixed term and temporary staff, viewed their exchange relationship with their employer and how they responded to the inducements received from their employer. In

their study contingent employees (both fixed term and permanent staff) were less committed to the organization and they engaged in organizational citizenship behaviour (OCB) to a lesser degree than permanent employees. These employees also perceived fewer employer obligations and also reported to receive fewer employer inducements. On the other hand, the relationship between inducements provided by the employer and OCB was stronger for contingent employees. The first findings suggest the existence of a more transactional psychological contract among contingent employees. Relating the second finding to the studies conducted by Guest studies, it suggests that contingent employees not only are more likely to make up a positive evaluation of psychological contract fulfilment but also that, when they do this, they are more likely to reciprocate on what they receive from their employer than permanent employees do. While perceptions of fulfilment are not being investigated in our study, it is clear from the extant literature that the duration of the employment contract can affect the dynamics of the psychological contract.

Other researchers have investigated the relationship between ‘employment statute’ and the psychological contract. Millward & Brewerton (1998) found that full-time employees scored significantly higher on relational psychological contract orientation than part-time employees did. Freese *et al.* (1999) found that part-time employees were more likely to experience psychological contract breach than full-time employees. In addition to the differences in psychological contracts due to formal employment statute and duration, the *stipulations* made in the formal employment contract and the *zone of negotiability* which is left for individual employment arrangements should also affect the psychological contract (Rousseau & Schalk, 2000). If an organization is intolerant for differences between individuals then there will be greater homogeneity among its employees and there will be fewer possibilities for individual interpretation of contract terms. As a consequence, the psychological contract of these employees will be less idiosyncratic and more comparable, making it more a normative contract (i.e. shared understandings regarding the terms of employment within a particular work unit) than a psychological contract (Rousseau, 1995). Another consequence is that the psychological contract will be more closely related to the formal employment contract (i.e. more beliefs that are based on promises made explicitly and even formally). Together, the findings reported in this section indicate that how employees perceive their relationship with their organization is affected by the formal characteristics of this relationship.

The relationship between the formal contract and the psychological contract is one of the leading themes within psychological contract literature. Empirical findings indicate that employees differ in their psychological contract perceptions depending on the characteristics of their legal employment contract (Coyle-Shapiro & Kessler, 2002). This relationship could be further explained by relating it to the organization's strategic orientation with respect to employment contracts, but further empirical research is needed to improve our understanding of the role of the latter (Rousseau, 2009). For example, the fact that contingent employees have a more transactional psychological contract but at the same time are more positive about psychological contract fulfilment suggests that these employees' attitudes towards their employment relationship are not negatively affected by their short-term contracts. Rather, Guest *et al.*, (1999) argue that due to the nature of their legal contract contingent employees may appear to have more clarity about what they can expect and therefore report having a more positive psychological contract. However, this has yet to be empirically confirmed. We might expect that the impact of the legal contract is also apparent when we focus on newcomers' psychological contracts. Indeed, at organisational entry these contractual stipulations are one of the very few sources of information upon which newcomers can rely to build their perceptions of their employment relationship (Rousseau, 1995).

### **3.3 Section 2**

This section examines the role of organisational factors in influencing perceptions of the content of the psychological contract. These factors are of fundamental importance in understanding the psychological contract but there are relatively few studies on which to draw (Conway & Briner, 2005). This section also discusses the effect of the socialization process on the formation of the contract.

#### **3.3.1 Organisational Antecedents**

*“Psychological contracts are tied within the context of the employment relationship: individuals cannot separately create psychological contracts, but they develop as an inescapable result of the interaction between the parties”* (Anderson & Schalk, 1998: P.640)

The organization is proposed to influence employees' psychological contracts through messages conveyed by multiple agents, organizational actions, and expressions of organizational policy (e.g. through handbooks, compensation systems or other personnel-related structures). Of course, the organization itself will be the chief source of information. Rousseau (1995) makes a distinction between 'principals' and 'agents' who play a role as contract makers. Principals are individuals or organizations that make contracts with others on behalf of themselves whereas agents (e.g. a line manager) are individuals acting on behalf of principals. A new employee may learn a great deal about their own psychological contract through observing the behaviours and responses of both principals and agents within the organisation (Conway & Briner, 2005).

Rousseau (1995) and Rousseau & Wade-Benzoni, (1994; 1995) considers two important groups of message senders: primary contract makers and secondary contract makers. The first category, '*primary contract makers*', also known as '*human contract makers*', are organizational agents like managers, human resource professionals and mentors, who influence the psychological contract through their interactions and communications with the employee. The other group, known as '*secondary contract makers*' or '*administrative contract makers*', refers to organizational systems and procedures providing information to the employee, namely human resource activities like compensation, evaluation systems and career planning. Closely related to this second type of contract makers are organizational policies regarding legal employment contracts.

### **3.3.2 Human Contract Makers: Organizational Agents**

Shore & Tetrick (1994) consider three groups of organizational agents who send messages to the employee: (1) *recruiter*, (2) *co-workers* and (3) the *direct supervisor*.

Prior to organizational entry the '*recruitment officer*' is proposed to affect the psychological contract of future employees because promises expressed by the recruiter will give rise to expectations that employees will have about their future relationship with the organization (Guzzo & Noonan, 1994; Shore & Tetrick, 1994). This implies that recruiters can be considered an important organizational agent affecting the psychological contract of newcomers in the organization. However, the role of the recruiter in affecting the formation of the psychological contract has yet to be validated empirically.

After organizational entry, ‘*co-workers*’ are assumed to play an important informational role since these are the employees with whom the focal employee interacts most frequently. Tomprou & Nikoloau (2011) refer to co-workers as ‘facilitators’. Co-workers communicate norms and standards, they provide impressions about the workplace and they help the newcomer understanding what is going on at work. Building on social information processing theory (Salancik & Pfeffer, 1978), Rousseau points out that this social information has powerful effects on newcomers’ perceptions of their employment relationship. In their study on the absence culture and the psychological contract, Nicholson & Jones (1985) describe how employees influence newcomers’ absence behaviour by providing social cues communicating the absence culture existing within the work group. Newcomers’ psychological contracts will be affected by co-workers through *direct communication* or by *monitoring* what these co-workers receive and how they are treated by the organization (Ho, 1999). Louis (1990) proposed that co-workers provide information and cues which enable newcomers to cope with surprises, interpret events, and learn the appropriate attitudes, opinions and norms. In general, ‘organisational insiders’ help to acculturate newcomers into the organisation (Morrison, 1993a). Research has shown that organisational entrants rate peers, senior co-workers and supervisors as both the most available and helpful sources of information during the early period of their employment, even more useful than formal induction procedures (Louis *et al.*, 1983; Nelson & Quick, 1991). Employees adjust their behaviour and cognitions in accordance with the information that they have received. Thus, newcomers’ psychological contracts are likely to change towards those of experienced insiders as they become accepted as an integral part of the company (Thomas & Anderson, 1998). The degree of similarity between the dimensions of each employee’s psychological contract is likely to increase over time as a result of socialization. According to Ho (1999), co-workers are a relevant reference group because of their similarity to the focal employee in terms of performing the same job. Ho (1999) empirically demonstrated that employees based their evaluation of psychological contract fulfilment on their perceptions of the inducements received by their co-workers. The greater the amount of inducements received by these co-workers relative to the inducements received by the focal person, the greater the likelihood of a perceived breach of psychological contract.

Concerning the impact of the employee’s ‘*direct supervisor*’, studies demonstrate that employees’ evaluations of the quality of the exchange relationship with their supervisor have an impact on their evaluation of the psychological contract. In two separate studies, Lewis-McLear & Taylor (1997; 1998) found that a positively experienced relationship with the

supervisor decreased the likelihood of perceived psychological contract breach. At the theoretical level, Morrison & Robinson (1997) state that a high-quality leader-member exchange relationship facilitates communication between an employee and his or her supervisor, thereby reducing the probability of the perception of contract breach by the employee. Similarly to the direct supervisor, another important agent of the organization in communicating contract-related information to employees is likely to be the line manager. Line managers have been found to exaggerate the extent of provision and quality of human resource practices during important episodes of communication, leading to inflated employee expectations which are later not met (Grant, 1999).

In summary, although each of these organizational agents is proposed to affect employees' psychological contracts, only minimal evidence exists that empirically supports these relationships.

### **3.3.3 Administrative Contract Makers: Human Resource Policies and Practices**

Several scholars stress the importance of human resource (HR) practices as being one of the major factors through which employees learn to understand the terms of their employment relationship (e.g. Grant, 1999; Guest & Conway, 1997; 1998; Guzzo & Noonan, 1994; Rousseau, 1995; Rousseau & Wade-Benzoni, 1994; 1995). Not the objective practices, systems and procedures of these HR practices as such, but the way they are perceived and interpreted by the individual, will influence the employee's psychological contract (Guzzo & Noonan, 1994). The following HR-practices have been discussed in relation to the psychological contract: (1) *recruitment and socialization* (2) *career development*. Other authors have studied the impact of HR-practices at a more general level. Kotter (1973) and Schein (1978) have both described how employees and organizations exchange their expectations regarding the employment relationship during the recruitment process and early during organizational entrance. For understanding newcomers' psychological contracts, recruitment and socialization practices are particularly relevant. However, as to date, no empirical work has explicitly addressed the impact of specific organizational recruitment and socialization practices on new employees' psychological contracts. Some scholars have investigated the relationship between the organization's career development and training policies and employees' psychological contracts (e.g. Martin *et al.*, 1998 ; Herriot *et al.*, 1998; Herriot & Pemberton, 1996). For instance, the Herriot *et al.*, (1998) study investigated how the organization and the individual go through a contracting process about the employee's developmental opportunities within the organization and the kind of contributions

that are required from him/her in return. Organisation- employee interactions in the context of the psychological contract are sometimes referred to as 'psychological contracting'. These scholars argue that the more clearly both parties communicate their respective expectations, the more their psychological contract will be based on mutual understanding, thereby decreasing the likelihood of a negative psychological contract evaluation (Herriot *et al.*, 1998; Herriot & Pemberton, 1996). At a broader level, Guest & Conway (1997; 1998) have studied the impact of employees' perceptions of '*progressive HR-activities*', and of an organizational climate characterized by strong involvement and participation, on employees' psychological contract perceptions and evaluations. Progressive HR-activities were operationalized as follows: (1) equal opportunities practices, (2) training & development opportunities, (3) communication, (4) internal recruitment, (5) performance appraisals, (6) active involvement in decision-making, (7) efforts to make jobs interesting and varied, (8) actively trying to avoid compulsory redundancies and layoffs, (9) facilities to help employees deal with non-work responsibilities, and (10) pay for performance. For each practice, respondents had to answer whether it was in place in their organization. Responses were summed up and it was assumed that the greater the number of practices to be in place, the more progressive are the organization's human resource policies and practices. The authors found that these practices positively affected employees' evaluations of contract fulfilment. However, we are not aware of any study that addresses the roles of progressive HR activities in a psychological contract 'formation' study. In a related study, Guest *et al.* (1999) also found that a positive psychological contract was strongly associated with a greater experience of progressive human resource practices. They conclude that the psychological contract is largely shaped by the organization's human resource policies. However, these studies only focus on the relationship between HR-activities and the *evaluative facet* of the psychological contract. Further research is needed to assess whether these activities also shape the content and features of employees' psychological contracts (Rousseau, 1995).

With respect to the *psychological contract content*, Van den Brande (2002) found evidence for the impact of HR-practices on employees' perceived entitlements from the organization and on their perceptions of what they should contribute to their organisation. These HR-practices not only affected employees' expectations towards their organization but also their perceptions of their own contributions. For example, 'participation' was not only positively related to employees' perceived entitlements relating to personal treatment by the organization but also to perceived employee obligations relating to loyalty, flexibility, and personal investment in the organization. However, no evidence was found for the impact of

the other types of HR-practices. With respect to *psychological contract features*, Guzzo & Noonan (1994) propose that the proportion of relational versus transactional elements within the psychological contract depends on the HR-practices the organization provides. Those practices that are limited to very basic, work-related needs and that fulfil the explicit, formal part of the employment contract should contribute to the transactional aspect of the psychological contract. Practices that go beyond the employee's basic needs, that reach into multiple aspects of the employee's work and social life, and that are not spelled out in the employment agreement should contribute to the relational portion of the psychological contract. However, they have not investigated the validity of their propositions at the empirical level.

### **3.3.4 Socialization at the Pre- Entry Phase**

Rousseau (1995, 2001) argues that the creation process of the psychological contract is episodic rather than continuous. The 'pre-entry phase' of employment also plays a significant role in shaping the beliefs of the organisational entrant. Newcomers enter an organizational setting with a set of expectations regarding the new context and their specific roles within that environment (Major *et al.*, 1995). When employees commence a new job, they evaluate many of their experiences in relation to what they expected the job would be like and what they thought the job should provide for them. For example, employees may enter an organization with the expectation that they will be provided with opportunities for further education. They may also believe that during their recruitment phase, they were promised advanced computer skills training in exchange for satisfactory progress reports (Sutton & Griffin, 2004). The employee brings to the organization, a set of expectations about a possible future relationship that are subject to change through an interactive exchange with the organization's representative (McFarlane *et al.*, 1994; Robinson, 1996). While the psychological contract continues to be formed and revised over the full course of employment (Robinson & Rousseau, 1994), the significance of the pre-entry phase of employment in forming the psychological contract must not be overlooked. One of the more critical problems faced by newcomers arises when expectations about the organization and their roles within it do not match the reality of organizational life (e.g., Feldman, 1976). Theories of organizational socialization attest that newcomer expectations are formed prior to organizational entry (i.e., anticipatory socialization), during recruitment and selection. Newcomers form impressions regarding the nature of their organizational roles. Occupational

psychologists have focused primarily on influencing expectations during recruitment and selection processes. Essentially, providing job candidates with accurate information was expected to facilitate the development of more realistic expectations regarding the job and organization. Louis (1980) argued that critical socialization processes do not focus on ensuring met expectations by using realistic job previews to manipulate pre- entry expectations or screen out candidates. Instead, she considered successful socialization to be contingent on the extent to which newcomers are able to cope with uncertainty and surprise by making sense of the new organizational setting.

It is important to have insight into the psychological contract beliefs that pre- date the employment relationship, i.e., the anticipatory psychological contract (APC) (Rousseau, 2001). Much of what we know about the APC can be attributed to recent research conducted by De Vos *et al.*, (2009). They argue that the pre- employment beliefs of new recruits, more specifically the salient employer and employee obligations that form part of these beliefs, operate as a frame of reference through which new recruits evaluate their later experiences in the organization (Mabey *et al.* 1996). Prior research has shown that newcomers in the organization will adapt their beliefs about their own obligations as a function of the extent to which they believe their employer realizes its obligations (De Vos *et al.*, 2003). In view of the high costs associated with the early departure of new employees, it is important for organizations to consider new recruits' beliefs about their future employment relationship during the recruitment stage already, or to help newcomers adjust these beliefs when needed (De Vos *et al.*, 2009). The APC is formed during the anticipatory socialization stage, i.e., the period which precedes organizational entry during which future employees develop expectations about what their new role will be (Feldman, 1976; Louis, 1980). The APC is an 'imperfect schema' about the future employment deal that enumerates the promises employees want to make to their future employer and the inducements they expect in return (Anderson & Thomas, 1996). The word 'imperfect' is used for a number of reasons. Firstly, the APC is rudimentary in nature. The information used to build the contract has been acquired from a limited number of sources (e.g. recruitment process). Therefore, it lacks important contract-related information. The psychological contract as schema becomes more developed and less imperfect throughout the duration of the employment relationship. However, as Roehling (1996) notes, schematic development is never complete. It is an open-ended process. The APC develops independently from the specific context of an employment relationship. It is a lens through which employees view their future employment relationship.

As such, it sets the stage for further refinement of the psychological contract during the early employment period (Shore & Tetrick 1994, Roehling, 2008). Being a subjective set of beliefs, the APC is assumed to be affected by individual differences like personality, knowledge, interpersonal skills, and career motivations (Anderson & Thomas, 1996; Shore & Tetrick, 1994). Indeed, individuals approach their future organization with career motives that will affect the saliency of the obligations that form part of their psychological contract (Rousseau, 1995). The APC operates as a frame of reference that organizations should not neglect if they want to take into account newcomers' expectations and intentions.

### **3.3.5 Socialization at the Post-Entry Phase**

We have described the effects of the 'pre-entry' phase on the psychological contract. Conway & Briner (2005) argue that the process of socialization is a relevant variable to consider when examining the antecedents of the psychological contract. While it has been conceptualized in many ways, it can generally be described as the process through which an employee's attitudes and behaviours are affected by their early experiences within the organisation which results in them becoming more similar to those of existing members of the organisation. Recently, Bauer & Erdogan (2011) have called for greater integration between the psychological contract and socialization literatures respectively as both inform our understanding of newcomer's adjustment in the organisation (Tomprou & Nikolaou, 2011). As a process leading to psychological contract creation and development, information-seeking behaviour is a relevant variable to study. Over the past two decades, newcomer information seeking has been studied extensively within the socialization literature. During organizational socialization individuals enter organizations as naïve newcomers and have to make sense of new environments (Louis, 1980; Weick, 1995). Hence, this 'post entry' episode is characterized by newcomer knowledge acquisition in a number of domains relating to task responsibilities, the work group, and the organizational culture (Morrison, 1993a,1993b; Ostroff & Koslowski, 1992a). As part of this learning process, newcomers will elaborate the rudimentary psychological contract they hold at entry in line with organizational reality (Anderson & Ostroff, 1997; Hilltrop, 1995; Levinson *et al.*, 1962; Shore & Tetrick, 1994). Thomas & Anderson (1998) have postulated that organizational newcomers have only basic psychological contracts to which perceptions of obligations will be added during the period of socialization. They have related changes in newcomers' psychological contracts to

information acquisition. Socialization researchers conceive newcomers as proactive in adjusting to their new environment (Major & Koslowski, 1997; Morrison, 1993a b; Ostroff & Kozlowski, 1992). A primary way in which newcomers are proactive is by seeking information about their new job role and tasks, as well as their work group and organizational setting (Morrison, 1993b). All psychological contracts are dynamic, allowing for their adjustment over time according to circumstances (Schein, 1980). This dynamic aspect of the psychological contract is particularly apparent in newcomers' psychological contracts since the accelerated learning that occurs early on during organizational socialization informs and influences the psychological contract leading to its elaboration and adjustment over time (Ashforth & Saks, 1996; Bauer & Green, 1998).

Newcomer socialization can be characterized, among other things, as a period of knowledge acquisition. Louis (1980; 1990) proposed that co-workers provide information and social cues which enable newcomers to cope with surprises, interpret events, and to learn the appropriate attitudes, opinions and norms. Organisational entrants pick up and internalise the attitudes and behaviours of others around them through social cues (Salancik & Pfeffer, 1978). That is, organizational insiders help to acculturate newcomers into the organization (Morrison, 1993a). While significant more research is needed in this area, as discussed above, research has shown that newcomers rate peers, senior co-workers and supervisors as both the most available and helpful sources of information, more useful than formal induction procedures designed by the organization (Louis *et al.*, 1983; Nelson & Quick, 1991). Indeed, Tombrou & Nikolaou (2011) suggest co-workers ('facilitators'), although lacking in authority and power to make promises, affect the sensemaking process of psychological contract creation by providing information that influences its content. During organizational socialization, newcomers develop and adjust their cognitions according to the information made available and sought out in a proactive manner (Louis *et al.*, 1983; Morrison, 1993a,b; Ostroff & Koslowski, 1992; Weick, 1995). A study by Thomas & Anderson (1998) investigated the effects of certain aspects of socialization on the content of the psychological in British Army recruits. They found that a more active approach to seeking information about one's role, interpersonal support, organizational practices, and social relationships resulted in the development of stronger expectations of what should be received from the army. They also found that newcomers' expectations gradually became more similar to those of veteran soldiers. Although data was gathered retrospectively, which is a contentious method to employ (Reis & Gable, 2000), their study is an important landmark in research into

the early stages of the psychological contract. Their study shows that a significant proportion of relevant information will originate from other organizational members and, since reality is socially constructed, learning from those conversant with the organizational environment is essential to gaining an understanding of the organization's reality and therefore establishing a viable psychological contract (Louis, 1980, 1990; Rousseau & Parks, 1993). Thus, newcomers' psychological contracts are likely to change towards those of experienced insiders as they become accepted as an integral part of the company.

In light of what we know about the effect of the socialization process at the post-entry phase on the psychological contract, we argue that examining the content of the psychological contract at the 'induction' episode of the socialization process is merited. Firstly, a number of scholars point the significance of the induction process in shaping the new employee's psychological contract (e.g. Hilltop, 1995; Grimmer *et al.*, 2007; Flood *et al.*, 2001 etc.) They argue that contract-related information is exchanged between both parties during this episode which results in the employee developing a set of expectations about their upcoming employment. In the context of psychological contract formation, a number of studies have examined the content of the contract in the pre-employment stage (e.g. De Vos *et al.*, 2009, Robinson, 1996), after one month of employment (e.g. Sutton & Griffin, 2004), and two months of employment (e.g. Thomas & Anderson, 1998). However, we are unaware of any study that specifically examines the content of the psychological contract in the immediate post- induction period. Thomas & Anderson (1998) examine the content of the contract on the employees first day in the organisation. However, the authors do not make clear if employees had gone through the induction process. Therefore, we believe it is important to study the content dimensions in the immediate post-induction phase of the socialization process as the information exchanged during this episode is likely to shape the landscape of the psychological contract. Feldman (1976) argues that the employee is still in the '*preliminary*' stage of the employment relationship during the induction phase. Accordingly, we term the psychological contract at this stage of its development the '*preliminary psychological contract*'.

### **3.3.6 Summary of Organisational Antecedents**

Overall therefore, it is apparent that the organisation plays a fundamental role in establishing and shaping the psychological contract and, in most cases, initiates part of the content of the psychological contract through offering jobs. Given this, it is remarkable that so few studies

have examined this area (Conway & Briner, 2005). The ‘primary’ and ‘secondary’ contract makers are proposed to have varying degrees of influence on the formation of the contract. As has been outlined, there is a great need for further research into this relationship. Given the rapid growth in studies aiming to understand the links between HR practices and employee attitudes and behaviours in the last twenty years, Guest (1998) predicted a wave of interest in the effect of these practices on the psychological contract. This has not been the case. This section also examined the formation process at the pre and post entry stages of employment. It is clear that the work- related information acquired during the pre-entry phase affects beliefs about future employment (De Vos *et al.*, 2009). The same authors have advanced a schema theory to explain psychological contract formation at this stage of the employment relationship. Thus, the APC acts as a frame of reference for the organisational entrant and guides his behaviour throughout his employment. The post entry episode influences the psychological contract in a number of ways. Much research has shown the effects of information acquisition of employees’ beliefs about their work (e.g. Thomas & Anderson, 1998; Levinson *et al.*, 1962; Louis, 1980). Considering this study aims to investigate the formation/creation of the psychological contract, the information gathered during the pre- entry phase is of greater relevance to our research. The information gathered at this stage is the catalyst for the contract formation process.

### **3.4 Section 3**

This section examines the individual factors that impact the formation of the psychological contract. We examine how certain dispositional characteristics play an important role in creating and shaping the contract. We also discuss the propositions being tested in our study.

#### **3.4.1 Individual Antecedents Overview**

As newcomers enter organizations with a wide variety of personal characteristics and experiences, it is unclear which personal characteristics and experiences influence their psychological contract. Within the literature, these individual antecedents have not received substantial theoretical or empirical attention. As Coyle-Shapiro (2000: P.16) points out:

*“It is somewhat surprising that the role of the individual has not received greater attention, particularly in light of the emphasis on the individual. Individual*

*predispositions may influence how employees view the relationship as well as how they act within that relationship”.*

As to date, relatively few conceptual models on the antecedents of the psychological contract have been developed (e.g. Shore & Tetrick, 1994; Rousseau, 1995, 2001; Tomprou & Nikolaou, 2011). Although these models do incorporate individual factors, they do not fully explain the relationship between these individual antecedents and the psychological contract.

The three theoretical perspectives for understanding psychological contracts we have discussed in the previous chapter build on the central assumption of ‘subjective perception’ and therefore they all consider – to a greater or lesser extent – the role of individual dispositions. The psychological contract is perceptual, unwritten, and hence not necessarily shared by the other party to the exchange relationship (Rousseau, 1995). Consequently, employers and employees may hold different views on their psychological contract. This discrepancy could potentially be explained by cognitive biases. According to Rousseau (1995) these biases play a role in self-relevant cognitions like the psychological contract. Due to these biases, employees will have the tendency to believe that they have fulfilled their part of the deal and to recall making only those commitments they have been successful in or for which they feel competent. These different viewpoints between both parties can partially be explained by other individual factors. Only limited attempts have been made by psychological contract researchers to investigate the individual antecedents of the psychological contract. Due to its idiosyncratic nature, the psychological contract could potentially be affected by an unquantifiable number of individual factors. Certainly, the literature in this area is difficult to classify into clear and specific avenues of enquiry. For example, Street (2009) investigated the role of the cultural values of ‘individualism’ and ‘collectivism’ as antecedents of the type of psychological contract formed. He proposed that a higher level of individualism results in a preference for a transactional contract and a higher level of collectivism results in a preference for a relational contract. The study is conceptual in nature and the results have yet to be validated empirically. This study is a good barometer of the current state of research in psychological contract formation field: Encouraging conceptual developments that are restricted by a lack of empirical evidence.

As has been stated, the extant research on the individual antecedents of the psychological contract appears to follow unspecific and arbitrary lines of analysis. For

example, De Vos *et al.*, (2005) found a significant relationship between specific *work values* and contract- related information-seeking behaviours. According to James & James (1989) work values serve to create the cognitive schema through which individuals interpret their work environment. Individuals' work values determine the meaning that work, jobs, organizations, and specific events and conditions have for them. However, there is a dearth of further research in this area.

The idea that personality characteristics will affect the formation of the psychological contract seems plausible. However, very little research has been conducted on their influence (Conway & Briner, 2005). For example, De Vos *et al.*, (2005) found that locus of control had a relatively weak effect on psychological contract related information-seeking behaviours. Only the relationship between LOC and information seeking in relation to job content was significant. In a study examining the relationship between personality and the psychological contract, Raja *et al.*, (2004) found that specific personality characteristics (extraversion, conscientiousness, neuroticism, self-esteem, equity sensitivity and LOC) were related to reported contract type. They also predicted perceptions of contract breach and moderated the relationship between these perceptions and feelings of violation. Recently, 'proactive personality' has been investigated in relation to workplace behaviour. Research has shown that proactive newcomers experience increased levels of work engagement over time (e.g. Dikkers *et al.*, 2010), adjust more readily to new environments (e.g. Morrison, 1993a, b) and are more likely to control their work environment which enhances socialization (Bauer & Erdogan, 2011). Accordingly, Tombrou & Nikolaou (2011) propose that proactive organisational entrants would report more employer promises than less proactive newcomers. This has yet to be validated empirically. Every study discussed here has called for further research investigating the effect of personality traits on psychological contract dynamics.

Theory and research on organisational entry have primarily emphasised newcomer's cognitions and behaviours (i.e. how they think and act related to their new job and organisation) rather than newcomer's emotions (i.e. how they feel related to the new job and organization) (Tomprou & Nikolaou, 2011). Conway & Briner (2005) note that 'emotions' are predominantly studied in relation to the aftermath of psychological contract formation (i.e. fulfilment, violation etc). Emotions are affected when the organisational entrant experiences contrast and change between the APC and the reality of organisational life. The revision of pre- entry expectations is likely to provoke intense emotions as the newcomer is confronted with new and unknown interruptions of his/her pre- entry schema or script (Tombrou & Nikolaou, 2011). Carver & Scheier (1981, 1990) have examined the link

between emotions and schema development. They argue that positive emotions are more likely to be associated with higher order schemata (more abstract (e.g. categories)) and that negative emotions are associated with lower order schemata (less abstract (e.g. specific data)). Accordingly, people use schema in very different ways and this difference can be explained by type of emotion. Relating this to psychological contract theory, an employee who has positive emotions regarding her employment relationship is going to have a particular understanding, classification and use for work-related information. While we acknowledge that emotions are central to both schema and psychological contracts, it is not an avenue being pursued in our study. We believe that ‘level of experience’ will help to better understand the schematic nature of the psychological contract.

Although psychological contract researchers generally agree upon the importance of individual factors (e.g. Coyle-Shapiro, 2000; Coyle-Shapiro & Kessler, 1998; 2000a; Millward & Brewerton, 2000; Rousseau, 1990; 1995; Shore & Tetrick, 1994; De Vos *et al*, 2005, 2009 etc.), as to date no classification of the individual factors that are relevant to study psychological contracts has been developed. The next section examines two typologies that have contributed to our understanding of the individual antecedents of the psychological contract.

### **3.4.2 Typologies of Individual Antecedents**

There are a number of typologies of individual antecedents of the psychological contract to consider. Firstly, Shore & Tetrick (1994) propose that individuals enter the employment relationship with goal-oriented motivations for seeking information relevant to the psychological contract. Building on empirical work of Robinson & Rousseau (1994) and Rousseau (1990) which was discussed in Chapter 3, they consider two broad categories of motivations: ‘*Transactional goals*’ consist of promotional opportunities, pay and benefits, whereas ‘*relational goals*’ include job security, growth and development opportunities, and the interpersonal environment. The degree of emphasis on transactional and relational aspects of the psychological contract is assumed to vary due to differences in these individual goals. These employment goals will direct the individual’s information-seeking activities. Secondly, Rousseau (1995) considers two types of individual antecedents of the psychological contract. The first category is called ‘*career motives*’, and corresponds with the goal-oriented motivations considered by Shore & Tetrick (1994). According to Rousseau (1995), career motives refer to those things that people try to achieve in a job. These motives will influence

employees' interpretations of what they owe the organization and what the organization owes them in return. They function as a filter through which information about the psychological contract is received and through which commitments are remembered over time. The second category consists of '*cognitive biases*', more specifically unrealistically positive views of the self, exaggerated perceptions of personal control, and unrealistic optimism. According to Rousseau (1995) these biases play a role in self-relevant cognitions like the psychological contract. Robinson *et al.*, (1994) argue that these self-serving biases make individuals overestimate their own contributions and underestimate the costs to the organisation of the inducements they receive. In other words, employees who have such biases may, for example, perceive that the efforts they make are considerable and what they get back in return is of little value. Clearly, the more that employee perceptions are affected by this self-serving bias, the more they will feel entitled to any inducements received and the less they will feel obliged to reciprocate (Conway & Briner, 2005). These arguments seem plausible, but have yet to be empirically studied.

In the next section, we provide an overview of how individual characteristics affect psychological contract information-seeking behaviours and also how that information is subsequently perceived and processed.

### **3.4.3 Relationship between Individual Characteristics and Information- Seeking and Information- Processing**

Individual characteristics affect the information-seeking process (e.g. Ashford & Cummings, 1983; Major & Koslowski, 1997). One type of individual characteristics is the goals that individuals try to attain. In general, depending on their particular goals, individuals allocate more attention to certain types of information and only information that is personally relevant will be processed consciously (e.g. Fiske & Neuberg, 1990). Relating this to the psychological contract, it implies that depending on their career goals or values employees will allocate more information to those aspects of the employment relationship that are relevant in attaining these goals (Rousseau, 1995; Shore & Tetrick, 1994). In addition, more stable personality traits are also proposed to affect information seeking. In this respect, information seeking literature suggests that factors such as perceptions of control, self-efficacy, self-esteem and tolerance for ambiguity explain differences in the frequency of information seeking (e.g. Louis, 1980; Major & Koslowski, 1997). Work values are defined as the general and relatively stable goals that people try to reach through work (Sverko &

Super, 1995). They are expressions of more general human values in the context of the work setting. The central idea put forward in the domain of work values is that these values lead individuals to seek for jobs or organizations that are characterized by certain attributes (Rentsch & McEwen, 2002). It is recommended that employers attend to newcomers' information-seeking activities regarding their psychological contracts from the initial stage of the employment relationship onwards and that they complement newcomer proactivity with the provision of information. This should encourage the development of a realistic and mutually understood psychological contract (Thomas & Anderson, 1998). By actively paying attention to these personal motives, employers should be able to avoid the development of purely idiosyncratic psychological contracts, which lack correspondence with organizational reality.

In contract making, we expect that the broadest search for information is in the initial phases of establishing a relationship (Tekleab & Taylor, 2004). Organizations usually make active efforts to socialize newcomers when individuals are actively seeking information (i.e. what to do, what to expect). Part of the reason people keep the contract they were hired with is that they may only look for contract-related information when they join the organization. The more general point here is that contract-related information is likely to be recognized, gathered or sought when people believe it is either necessary or appropriate to do so (Rousseau, 1995). Otherwise, people may not get the message when it is sent or seek one out when understandings don't mesh. In a study of how engineers learn the culture of their company, information gathering practices were found to change dramatically from the first year to the third year with the company (Gundry & Rousseau, 1994). Engineers were asked to describe how they learned about what the organization expected from them. Each indicated 'critical incidents' in which they came to understand the company's expectations. The engineers reported events and indicated how they interpreted what they meant. Information gathering behaviour shifts with time and familiarity with the setting. Looking at the role of implicit communication in psychological contract formation, Purvis & Cropley (2003) investigated the processes of psychological contracting in the context of interviews conducted by parents (i.e. as prospective employers) looking for a live-in nanny to care for their children (i.e. prospective employee). They found that implicit, rather than explicit (as hypothesized) discussion of especially relational material impacted more on post-interview perceptions of mutual trust, understanding and reciprocity.

Active information gathering tends to be triggered by events. Triggers evoke information- gathering schemas- signalling ‘this is the time to ask questions’. Information is processed when there is a felt need for it (e.g., old information doesn’t seem to work). In contract making, we expect that the broadest search for information is early on in the initial phases of establishing a relationship. Organizations usually make active efforts to socialize newcomers (and try to socialize veterans only in times of change) when individuals are actively seeking information (what to do, what to expect). Moreover, there is a sort of contract- making schema for new hires; people believe it is both necessary and appropriate to give and receive commitments at this time. Part of the reason people keep the contract they were hired with is that they may only look for contract- related information when they join the organization. The more general point here is that contract- related information is likely to be recognized, gathered, or sought when people believe it is either necessary or appropriate to do so. New hires or transferees or members of newly acquired organizations, unlike veterans, are more likely to notice, seek out, and observe information related to the conditions of their employment (e.g., job demands or requirements, inducements and rewards). Otherwise, people may not get the message when it is sent or seek one out when understandings don’t mesh. Ease of information availability coupled with its perceived benefits shape the contract- relevant information obtained by organization members at all stages of their careers.

In Chapter 3 we mentioned how individual characteristics are proposed to affect schema development (e.g. Lord, 2000; Lord & Foti, 1986). More specifically, researchers in this field have focused on the impact of individual motivations and goals on (1) the perception and (2) the processing of information (Fiske, 1993). In general these insights are also relevant for understanding the role of individual motivations and goals in the psychological contract schema. Firstly, individual motivations and goals are proposed to affect the ‘*perception of information*’. Depending on their particular goals, individuals will allocate more or less attention to certain information. Information that is relevant in view of the individual’s goals will be more salient and therefore be more likely to be noticed and processed consciously (Fiske & Neuberg, 1990; Fiske & Taylor, 1984; Rousseau, 2001, Tombrou & Nikoloau, 2011). Within the more applied literature on information seeking, Ashford & Cummings (1983) describe how individuals will engage in feedback-seeking behaviours when feedback is perceived as a useful means for the realization of goals valued by the individual. Secondly, individual motivations and goals will affect the ‘*processing of information*’. James & James (1989) provide a more concrete account of the impact of individuals’ goals on information processing. They focus more specifically on the *values* that

play a role when individuals make *evaluative meaning* of their organizational environment. They empirically demonstrated that individuals evaluate their environment in terms of the degree to which this environment is beneficial or detrimental to their personal wellbeing. Individuals use schemata in very goal-oriented ways (Lord & Foti, 1986). People search for information to ‘fix’ an incomplete schema. Information that allows them to achieve a goal will be merged into existing schema. People automatically process and ignore information depending on its perceived value in attaining that goal (Stein, 1982). James & James (1989) argue that individuals’ values are the standards against which they will make sense of their environment. According to Rousseau (1995) this selective perception and processing of information as a function of personal motivations and goals will also affect employees’ perceptions of their psychological contracts. She argues that promissory beliefs that are more relevant in attaining personal motivations and goals will be more prevalent in employees’ psychological contracts than other types of promissory beliefs.

### **3.5 Types of Individual Antecedents investigated in our study**

In our overview of the individual antecedents of the psychological contract (Section 3.4.1) we explained how there is a dearth of research investigating this aspect of the formation process. While we acknowledge that an examination of individual factors like personality, emotions, work values or any other relevant individual antecedent would advance our understanding of psychological contract formation, there are a number of reasons why we are focusing on ‘careerism’, ‘type of exchange’ and ‘experience’. Firstly, we believe these three individual antecedents being investigated in our study merit further attention. As regards careerism, it has been studied in numerous psychological contract studies (e.g. Rousseau, 1990; De Vos *et al.*, 2009 etc.). However, the relationship between careerism and the features of the content of the psychological contract has never previously been investigated. It is important to examine this relationship as it could provide us with insights into the how the employee understands the employment relationship. Therefore, while careerism has received considerable attention from psychological contract researchers, there remains a great deal we don’t know about its effect on the formation process. In relation to ‘type of exchange’ it has largely been ignored by researchers. Given the centrality of exchange theories to our understanding of the psychological contract, we believe that type of exchange is a viable antecedent. We know very little about the relationship between type of exchange and the content of the psychological contract. Again, it is important to learn more about this relationship in the

interests of advancing our understanding of the employment relationship. Accordingly, we believe investigating this antecedent is merited. As regards ‘experience’ we are unaware of it being assessed in any empirical psychological contract study. Considering, the significance of experience to schema development we believe there is a great deal of worth in studying this factor. It seems plausible that level of experience would influence the content of the psychological contract. Therefore, we believe it is important to investigate this antecedent at this stage in psychological contract research. The following subsections outline the key literature in relation to these antecedents and the propositions we are testing in Stage A of our study, based on the ‘gaps’ in the literature.

### **3.5.1 Careerism**

Employees can have a range of different preferences regarding the time frame and the scope of the employment relationships they want to engage in during their careers. While some prefer a traditional career within one organization, others prefer to change organizations regularly (Driver, 1994; Sparrow, 1996). Three constructs are relevant for investigating individuals’ preferences for building a career within one organization or over a variety of organizations: (1) the *cosmopolitan – local latent role construct* (Gouldner, 1957), (2) *career commitment* (Blau, 1985) and (3) the notion of *careerism* (Rousseau, 1990).

According to Schein (1978) an individual’s career orientation (operationalized in terms of career anchors) reflects both the nature of his or her *goals* as well as the *strategies* used to attain them. Goals are reflected in the importance of different work values to individuals, as we have discussed in the previous paragraph. With respect to the ‘*strategies*’ individuals engage in to obtain these career goals, researchers propose that they can have different preferences for realizing their goals by engaging in a variety of employment relations or by developing their career within the context of one or a few organizations (e.g. Driver, 1994; Robinson & Rousseau, 1994; Sparrow, 1996). In other words, employees differ in terms of their intentions to pursue employment within a variety of organizations. This is what Rousseau (1990) and Robinson & Rousseau (1994) have called *careerism*. Careerism is thus defined as an individual’s ‘*preference for changing employers frequently*’ during their careers (Rousseau, 1990; Robinson & Rousseau, 1994). Employees taking the view that career advancement will occur outside their current organization are proposed to have expectations towards their employment relationship that are different from those focusing upon careers within that firm. Careerism is also closely related to the notion of ‘cosmopolitan versus local latent role constructs’, introduced by Gouldner (1957). Gouldner (1957; 1958)

asserts that individuals in work settings develop a generalized vision of a latent role that underlies their more formal manifest roles of manager, engineer, accountant or mere employee. Latent roles are the internalized shared expectations that are predicted to affect an individual's attitudes and behaviours. The two most widely recognized latent roles are those of local and cosmopolitan. 'Locals' are primarily identified with and committed to the organization in which they work, while 'cosmopolitans' are committed to the profession to which they belong. Thus, locals are similar to low careerists, while cosmopolitans correspond with high careerists. Within the context of research on commitment, 'career commitment' has been found to influence the way employees perceive organizational practices such as the provision of internal training, possibilities for promotion, job security and supervisor support (e.g. Chang, 1999). Career commitment is defined as 'an individual's attitude towards his or her vocation' (Blau, 1985). Individuals with a stronger degree of career commitment are assumed to show higher levels of expectations and requirements from the organization with which they start an employment relationship (Chang, 1999). Highly career-committed individuals are assumed to be more motivated when their expectations are satisfied by the organization than those who are less career-committed (Chang, 1999). But, on the other hand, a lack of fulfilment of expectations by the organization will have a stronger negative impact on attitudes and behaviours for those employees who are strongly committed to their careers than for other employees. The cosmopolitan latent role, described by Gouldner (1957; 1958), corresponds with the notion of highly career-committed individuals. Individuals with a more cosmopolitan career orientation generally have a stronger degree of commitment to their career and therefore will be more likely to have greater expectations towards their organization. Career commitment has gained growing importance since a career provides a significant source of occupational meaning and continuity when organizations have become unable to provide employment security (Chang, 1999).

As Chang (1999: 1258) states:

*"The discussion on psychological contracts might be enriched by considering individual attitudes towards careers. Individuals enter a company with their own career plans and would be attracted to the current company if the company's practices satisfy their career needs."*

The attitudes of employees towards their career may affect their attitudes towards their organization because employees are pursuing their career in their current organization, but this current organization does not have to be the only one they will be working for in the future. Therefore, the strength of an individual's career commitment could affect the saliency

of career-related expectations as part of their psychological contract. A few studies have investigated the relationship between career strategy and the psychological contract (De Vos *et al.*, 2009; Larwood *et al.*, (1998); Robinson & Rousseau, 1994; Rousseau, 1990). Rousseau (1995) has related the '*cosmopolitan-latent role construct*' to the psychological contract. According to Rousseau (1995), cosmopolitans are more concerned with the conditions of their employment relationship. They can put together a reasonably definitive psychological contract, including an advanced understanding of the nature of work and the standards to be applied to it as well as the pay they expect and the professional system that should support their activities. In contrast, those who join the organization as locals present themselves as more flexibly available for work, their expectations regarding the organization are more general and more open for interpretation, and change during the course of the employment relationship. This means that their psychological contracts are less definitive (Rousseau, 1995).

Rousseau (1990) investigated the perceptions of graduate MBA-students regarding their psychological contract in relationship with '*careerism*'. She proposed that employees who view their employment with a particular organization as a stepping stone to better jobs elsewhere would adopt a more transactional view regarding their employment. In contrast, those who actively seek out a job with a specific organization should value having a relationship with that employer. The results of her study empirically confirm that *careerism is positively correlated with the preference for a transactional contract, and negatively related to the preference for a relational psychological contract*. The beliefs of individuals scoring high on the careerism scale (meaning that they expect to change employers frequently) contained more transactional employer and employee obligations, and fewer relational obligations. Based on this finding, Rousseau (1990) concludes that individuals who approach their careers in an instrumental fashion are less likely to engage in a relational agreement with their employer and will be more likely to view their employment relationship in a transactional way. Building on these findings, Robinson & Rousseau (1994) investigated the moderating impact of careerism on the effects of psychological contract violations. They proposed that employees who place greater emphasis on the employment relationship itself would be more negatively influenced by violation. Individuals who adopt a more transactional relationship with their employer do not intend this relationship to be long term and therefore they would experience less loss from psychological contract violation. Robinson & Rousseau (1994) empirically found a negative impact of careerism on the relationship between perceived psychological contract breach and subsequent trust in the

organization. For employees with a relational view on the employment relationship (low careerists), psychological contract violation had a significantly stronger negative effect on trust than for high careerists. However, careerism had no moderating impact on the relationship between psychological contract breach and other outcome variables (i.e. satisfaction, intention to stay, and actual turnover). For these outcomes, the experience of violation had the same strong negative impact on both employees having a long-term and short-term view on their current employment relationship.

De Vos *et al.* (2009) in their study of career related antecedents of the anticipatory psychological contract found that those with a high score on careerism, who are engaged in a high level of individual career management and with management ambitions, reported a higher level of employer obligations and a higher level of employee obligations related to flexibility and employability. Individuals with a high level of careerism consider their current organisation as a stepping stone to a better job elsewhere (Rousseau, 1990; De Vos *et al.*, 2009). Within the literature, earlier research has shown that career strategy affects perceptions of the psychological contract. For instance, both Rousseau (1990) and De Vos *et al.*, (2009) observed a positive correlation between the level of careerism and transactional beliefs, and found a negative correlation between careerism and relational beliefs. Accordingly, we expect that career strategy will affect respondents post induction psychological contracts (or what we've termed the 'preliminary psychological contract' PPC). Specifically, we propose that participants who view this employer as a step to further opportunities elsewhere will be less willing to make promises about contributions that involve a broader relationship with the organization, (i.e., their loyalty and ethical behaviour).

Previous literature examining the casual relationship between individual factors (e.g. careerism) and content dimensions of the psychological contract is somewhat contradictory. For example, Rousseau (1990) treats individual factors as the cause of content dimensions, in that content dimensions reported are the result of dispositional characteristics. However, De Vos *et al.*, (2009) adopt the opposite perspective and view the content dimensions as precursors to a particular individual characteristic (e.g. careerism). In our study, in line with the Rousseau (1990) reconceptualisation, we have adopted the former approach. Accordingly, each proposition outlined in the remainder of the chapter treats the individual factor (e.g. careerism, type of exchange, experience) as the independent variable and the obligations explicated (or not explicated) as the dependent variable.

**PROPOSITION 1:** *Those participants with a lower level of careerism will explicate employee obligations of ‘loyalty’ and ‘ethical behaviour’ as content dimensions of their psychological contract*

Research shows that often there are employees who are more focused on their own career development rather than on their organization (Larwood *et al.* 1998). Therefore, we expect that those participants with a high level of careerism believe their employer should provide them with opportunities for career development. These opportunities should allow them to realize their career goals, and attain financial rewards, which are extrinsic indicators of their career status (De Vos *et al.*, 2009). Therefore we propose an association between careerism and employer obligations relating to career development and financial gain.

**PROPOSITION 2:** *Those participants with a higher level of careerism will explicate employer obligations of ‘development’ and ‘pay & benefits’ as content dimensions of their psychological contract*

### **3.5.2 Type of Exchange**

As outlined in Chapter 2, the social exchange literature has focused on what is exchanged between employee and employer (e.g. employee commitment for employer commitment etc.). However, Shore *et al.*, (2006) suggested that understanding the impact of the ‘type’ of exchange on the relationship between both parties may also be significant. Their study is a departure from the almost exclusive focus in the literature on separate employer and employee contributions to the exchange (i.e., what is exchanged). Instead, they examined the general form of the exchange relationship. We agree with this alternative perspective that the perceived exchange relationship, as an independent entity, is a relevant factor to assess when understanding employer-employee dynamics. It seems plausible that the general type of exchange would affect the formation of the psychological contract. This contention is being investigated in our study. Like the psychological contract itself, social exchange theory deals with the exchange of resources. As has been outlined, it has frequently been referenced as a conceptual foundation for the psychological contract. While we are not examining the formation of the psychological contract from a ‘social exchange’ perspective, we do explore

how the type of exchange an employee has with the organisation affects their psychological contract. Specifically, we aim to discover how a social exchange independently affects the content of the contract but also how an economic exchange independently influences these dimensions.

In Chapter 2 we outlined how social exchange theories form a relevant perspective for understanding the psychological contract construct. In correspondence with the basic propositions inherent in theories on social exchange, the psychological contract is conceived as employees' exchange-based beliefs and perceptions regarding their employment relationship (Blader & Tyler, 2000). While different constructs associated with 'exchange' have been investigated in how they relate to the psychological contract (e.g. exchange ideology and psychological contract fulfilment (Coyle-Shapiro & Kessler, 1998; 2000a; Bunderson, 2001, Coyle Shapiro & Neuman, 2004), there has been a dearth of research investigating type of exchange as an antecedent of the contract. Indeed, we are aware of no study that has empirically confirmed the relationship between exchange type and contract type. It seems reasonable to assume that the type of exchange between both parties in the employment relationship will have an effect on the dynamics of the psychological contract. As has been outlined in Chapter 2, Shore *et al.*, (2006) and Barling & Cooper (2008) argue that an economic exchange corresponds with a transactional contract and a social exchange corresponds with a relational contract. Rousseau (1990) found that a transactional psychological contract is associated with employer obligations relating to high pay, rapid promotion and performance-based pay and employee obligations of advance notice, accepting transfers, no competitor support and protection of proprietary information. She found that a 'relational psychological contract' was associated with employer obligations of training, long-term job security, career development and personal support and employee obligations of working overtime, loyalty and extra-role behaviour. The transactional-relational categorization has been used in countless numbers of psychological contract studies (e.g. Robinson & Rousseau, 1994; Millward & Hopkins, 1998; De Vos *et al.* 2009).

Research has shown that those with a transactional contract report more transactional employee obligations that reflect a narrower, closed ended and specific- termed employment relationship (e.g. Rousseau, 2000). Employees with this type of contract feel no obligation to involve themselves with the organisation on a broader level. Therefore, in light of the proposed link between the transactional/relational divide and the economic/social divide as outlined above, we contend that those who choose employee obligations characterizing a

broader relationship with the organisation will have a lower economic exchange than those who do not:

**PROPOSITION 3:** *Those participants with a lower level of economic exchange will explicate employee obligations of 'loyalty' and 'extra role behaviour' as content dimensions of their psychological contract*

Rousseau & McLean Parks (1993) assert that those with a transactional psychological contract are more attuned to employee obligations broadly concerning ethics and ethical behaviour (e.g. protection of proprietary information etc.). Similar assertions have been made in studies by Rousseau (1990) and Hui *et al.*, (2004). However, a small number of studies have also associated psychological contract obligations similar to ethical behaviour such as 'integrity' with a relational psychological contract (e.g. Coyle-Shapiro, 2002 ). Such ambiguity surrounding ethical behaviour as a content dimension perhaps reflects the imprecise operationalisation of the psychological contract as either relational or transactional (Conway & Briner, 2005). Therefore, one could reasonably argue that an obligation of 'ethical behaviour' resides in the middle of the relational/transactional continuum. Nonetheless, most studies treat obligations concerning 'ethical behaviour' as a transactional dimension (e.g. De Vos *et al.*, 2009). Accordingly, in line with the transactional/relational and economic/social association we propose that employee obligations relating to ethical behaviour are more likely to be associated with someone in an economic exchange

**PROPOSITION 4:** *Those participants with a higher level of economic exchange will explicate an employee obligation of 'ethical behaviour' as a content dimension of their psychological contract*

Similarly, those employees with a transactional psychological contract have certain expectations regarding employer contributions to the relationship (e.g. high pay, rapid promotion and performance-based pay) (Rousseau, 1990). The emphasis of these employer obligations is economic in nature as the employer is not expected to make personal 'investment' in the employee which would reflect a broader, open-ended relationship (Blau, 1964). As regards an economic exchange itself, the focus is predominantly impersonal as investment in the relationship is not expected (Eisenberger *et al.*, 1986; Rousseau, 1995).

Investment in the relationship implies an investment in employee development, the duration of which is too long term for those with an economic exchange (Shore *et al.*, 2006).

Accordingly, we propose that those participants whose type of exchange is economic in focus believe the employer has obligations in relation to financial reward but is not obliged to make a personal investment in them as this would go beyond the scope of the perceived relationship.

**PROPOSITION 5:** *Those participants with a higher level of economic exchange will explicate employer obligations of ‘pay and benefits’ as content dimensions of their psychological contract.*

**PROPOSITION 6:** *Those participants with a lower level of economic exchange will explicate an employer obligation of ‘development’ as a content dimension of their psychological contract.*

A relational psychological contract generates relational employee obligations (e.g. overtime, loyalty and extra-role behaviour, Rousseau, 1990). As a result, we propose that a preference for a social exchange will result in employee obligations that illustrate a more involved relationship with the employer.

**PROPOSITION 7:** *Those participants with a higher level of social exchange will explicate employee obligations of ‘loyalty’, ‘flexibility’ and ‘extra role behaviour’ as content dimensions of their psychological contract*

A relational psychological contract engenders relational employer obligations (e.g. training, long-term job security, career development and personal support, Rousseau, 1990). In social exchanges, both parties invest in the other party (Blau, 1964). As a result our proposition is that a preference for a social exchange will result in expectations for the employer to invest in the development of the employee.

**PROPOSITION 8:** *Those participants with a higher level of social exchange will explicate employer obligations of ‘development’, ‘training & support’ and ‘working with team’ as content dimensions of their psychological contract.*

As outlined above, Rousseau (1990) empirically confirmed that careerism is positively correlated with the preference for a transactional contract, and negatively related to the preference for a relational psychological contract. It seems plausible that the relationship between careerism and the relational/transactional contract (as outlined above) will be repeated when examining the relationship between careerism and type of exchange. With this in mind we propose that:

**PROPOSITION 9:** *Careerism is positively correlated with the preference for an economic exchange and negatively related to the preference for a social exchange.*

### **3.5.3 Experience**

Following an extensive search through the literature, we conclude that is deemed to constitute ‘experience’ has never been empirically assessed in a psychological contract study. If one views the psychological contract as a schema, then ‘experience’ is a wholly relevant antecedent to the contract itself. Given the lack of empirical research into the schematic characteristics of the psychological contract, it comes as no surprise that our understanding of role of experience in the formation of the psychological contract is significantly weak. Theoretically, experience has been categorised as a dichotomy of ‘novice’ and ‘veteran’. It seems plausible that experienced and inexperienced employees would differ in their expectations of their work. These differences have yet to be empirically validated. Considering the central role experience plays in schema theory it is quite surprising that it has not been examined in the extant literature on the psychological contract. We are compelled to turn to related fields of enquiry to illustrate the role that experience plays in workplace dynamics. Within the broader literature on employment relations and organisational behaviour, ‘experience’ has received considerable attention from researchers. It has been shown to influence attitudinal variables like commitment, motivation and job satisfaction (e.g. Adkins, 1995; Almeida *et al.*, 2003; Dokko *et al.*, 2007). Much of the research in this area has focused on outcome variables like those listed. We know very little about the pre-employment beliefs of the experienced worker. In light of recent developments in the work environment (e.g. fragmentation of workforce; diverse contracting etc.), (Pillay *et al.*, 2003) has called for further research on the attitudes of experienced workers to the ‘new’ work environment.

Almost all research on the relationship between work experience and job performance has considered only experience within the current firm (Goldsmith and Veum 2002). The profile of participants in these studies is usually employees who currently work for the organisation and have done so for a significant period of time. Research categorises the experienced worker or ‘veteran’ as generally those employees who currently work for the organisation and have gained a substantial level of experience. Certainly, in relation to the expectations of the ‘experienced organisational entrant’, there is a clear lack of information. Considering the average American employee works for 8 organisations during his career, measuring experience in a single firm, whilst ignoring previous work experience, therefore, captures only a fraction of the total work experiences of most individuals (Dokko *et al.*, 2007). In relation to workplace behaviour, it is clear that experienced workers can bring in diverse knowledge that enables innovation and performance (e.g. Almeida *et al.* 2003; Rao and Drazin 2002). At the same time, most research on the relationship between work experience and job performance has overlooked the importance of work experience acquired in prior firms (Quinones *et al.* 1995). Indeed, empirical investigation of the relationship between prior work experience and current job performance has been very limited despite its importance to organizations. Therefore, the question of how related experience (e.g. in the same industry or occupation) transfers across firm boundaries has not been adequately addressed.

Prior related experience (i.e. experience that is similar to the nature of present position) is believed to confer valuable knowledge and skill that can be applied to the current work context (Schmidt, *et al.*, 1986). However, empirical findings have been mixed (McDaniel *et al.* 1988). One reason for a lack of consistency in results may be greater complexity in the relationship between prior work experience and performance than has previously been examined. Most studies of experience and performance treat experience as a substitution for knowledge (Quinones *et al.* 1995). In exploring the relationship between prior related experience and current job performance, Dokko *et al.*, (2007) found that task-relevant knowledge and skill mediates that relationship. They assert that this may explain seemingly inconsistent findings in previous research lacking these control variables.

There are also major methodological issues to contend with when assessing experience. Quinones *et al.*, (1995) highlight the limitation that is inherent in most measures of level of experience. Many investigators treat age as a proxy for experience under the assumption that time spent in employment is directly proportional to level and ‘quality’ of experience. For example, Duff & Monk (2006) in an investigation of newcomer attitudes to

their organisation did not control for level of experience. Age was a relevant variable when explaining differences in attitude. However, one could argue that experience, rather than age may account for these differences. Similarly, Adkins *et al.*, (1995) measure experience as ‘months spent in employment’. Quinones *et al.*, (1995) used 9 separate categories of measures of experience in their study of the relationship between prior experience and job performance. While this is a welcome attempt at finding a solution to the problem of measuring experience much more research is needed in this area. There are multiple dimensions of previous work experience which are job and organization-specific, and which may not be transferable across studies (Dokko *et al.*, 2007).

In Chapter 2, we discussed the socio-cognitive perspective on the dynamics of the psychological contract. We briefly outlined how experience is an important factor in determining the type of schema a person forms and subsequently develops. The transfer of learning, derived from experience at the individual level from one context to another has primarily been studied in cognitive psychology and the psychology of education (e.g. Barnett and Ceci 2002; Cormier and Hagman 1987; Ellis 1965; Singley and Anderson 1989). In relation to job performance, along with knowledge and skill, experienced workers may bring a “repertoire of cognitions and behaviours acquired from prior jobs,” (Beyer and Hannah 2002). These cognitions and behaviours are part of a career imprint (Higgins 2006) that can affect workers’ beliefs about their employment. One can justifiably argue that experienced workers may carry knowledge and skill that contributes to an organization’s goals, especially when there is similarity between the prior experience and the current work. Indeed, prior work experience provides the opportunity for knowledge acquisition and prior *related* work experience provides not only opportunity but also greater potential applicability of that knowledge to the new context (Dokko *et al.*, 2007).

However prior work experience may include not only relevant knowledge and skill, but also routines and habits that do not fit in the new organizational context. Indeed, these routines and habits may limit the positive effect of prior experience on performance suggesting that when individuals move across firm boundaries, their prior experience may not be wholly beneficial. Unfortunately, this whole field of research is limited by a lack of empirical evidence. Theoretically, the role that prior experience plays in relation to behaviour at work can be somewhat explained by ‘schema theory’. As the new employee enters the organisation, these routines and habits as outlined above have been described as cognitive and behavioural rigidities that are transferred from one organisation to the next in the form of schemas (Gioia & Poole, 1984). Consequently, one could argue that this negative direct effect

of prior experience on performance is related to cognitive and behavioural rigidities. Again, there is a dearth of empirical evidence to support this argument.

A rich literature suggests that previous work experience may affect an individual's adjustment to a new organization. For example, Louis (1980), in her model of sense-making during organizational socialization, argued that in becoming socialized to a new organization individuals are also turning away from the role relationships and experiences of a previous setting. Thus, the new organization will be experienced as contrasting with the old organization. She coined the term "socialization chain" to describe the process whereby lessons learned in one setting are tested in later periods or settings. Thus, individuals base their interpretation of events in new organizations upon past experiences instead of upon a tabula rasa. As is the case when hiring an experienced employee, organisational socialisation is often a case of re-socialisation (Adkins, 1995). The interpretations individuals make are heavily influenced by cognitive biases (mentioned above) which can be thought of as a general information processing style. Tomprou & Nikolaou (2011) argue that this style is heavily influenced by newcomer's previous work experiences in that previous experience, either positive or negative, will affect how they encode and developed their expectations from their new employer. These cognitive biases relate to the schemata that gradually develop from previous experiences and subsequently guide the way new information is organised (Louis, 1980; Weick, 1995).

Within the literature on psychological contracts, experience has been classified as a dichotomous variable: *novice* and *veteran* (Rousseau, 1995; 2001). The novice employee lacks work experience and has little or no history in a work environment. The veteran, on the other hand, has considerable work experience and significant history in a work environment. A central contention in research on schema change is particularly relevant to psychological contract formation. Specifically, that experts and novices differ both in their schemas and in the way they process discrepant information (Rousseau, 2001). Experts tend to have more elements in their schemas, with greater horizontal differentiation and many more vertical linkages among elements. Not surprisingly, experts also have more accurate schemas and are better able to apply their schemas to new circumstances (Rousseau, 1995). As we have outlined, because of greater schematic complexity, experts have more constrained belief systems than novices (Welch Larson, 1994). Consequently, informed people can better use contradictory information but are less likely to be influenced by it. Novices may thus react more effectively to new information than experts where schematic change is warranted (Welch Larson, 1994).

From a psychological contract perspective, research on the schemas of experts and novices suggests that new hires with substantial prior experience may hold different schemas about employment than their less experienced counterparts and are likely to react to new information differently (Rousseau, 2001). Experienced people appear more likely to incorporate experience with a new employer into pre-existing belief systems. For this reason, firms seeking innovative employment relations often locate in rural areas with little history of adverse industrial relations (Rousseau, 2001). Moreover, in planned organizational change, veteran employees- whose psychological contracts have been formed over a long period- tend to have a more difficult time accommodating to changes in the employment relationship than do more recent employees or those hired after the change was initiated. In the latter case, the new psychological contract is the only 'deal' the new hires have ever had with the firm (Rousseau, 1995). A recent study by De Hauw *et al.*, (2010) investigated the psychological contracts of a sample of 'Millennials' (those born after 1980). This is perhaps one of the few studies in the literature that could be classified as an empirical study of the relationship between experience and the psychological contract. They found that during times of recession, Millennials lower their expectations regarding the work-life balance and social atmosphere. However, their expectations regarding job content, training, career development, and financial rewards remain high, suggesting that these expectations are largely embedded within the generation. While age, rather than level of experience was directly investigated in this study, the sample consisted mainly of largely inexperienced or 'novice' employees, giving it some value and relevance to the 'experience' branch of research within psychological contract literature.

Research has shown that newcomer's previous experience of terminating psychological contracts can influence the content of pre-entry expectations (Morrison & Robinson, 1997). Employees with a history of perceived breach of a relational contract are more inclined to pursue a transactional contract in future employments (Robinson *et al.*, 1994). In contrast, Tombrou & Nikolaou (2011) argue that newcomers with a positive experience of fulfilment from the employer are more likely to expect a similarly positive experience from their employer. It seems plausible that the type of experience an organisational entrant has would affect the process of contract creation. However, much more research is needed in this area.

Fuller & Unwin (2005) investigated the beliefs about 'organisational learning activities' of veteran employees. They found that such employees are only positive about learning when they believe that it is relevant to their jobs and will help them to do their jobs

better or more easily. The majority of respondents believed in the value of training within the organisation but only a quarter of respondents indicated that they would like to participate in 'formal' learning activities (e.g. college courses, distance learning etc.) outside the company. In the context of schema, on that basis one can argue that if 'learning' is not part of the schema of the majority of experienced workers, then the approaches they adopt in their work practice may not include learning. Pillay *et al.*, (1998) argues that those workers whose idea of work does not include learning or who see work and learning as two distinctly different entities, would fail to adopt an integrated approach to learning and work. Indeed, older workers are more likely to possess skills of an earlier work era and are less likely to value and participate in further development (Culley & VandenHeuvel, 2000). As Fuller & Unwin (2005) assert, it is not surprising to find that many older workers in their study perceived work as a job and nothing more. Of course, a major limitation of this study in the context of the psychological contract is that it does not investigate the beliefs of the novice employee. As such, no comparison between the two cohorts can be made. However, it does have some relevance to our study in that it illustrates the beliefs of veteran employees in regards to specific aspects of their employment relationship.

The extent to which individuals have formed stable psychological contracts is related to whether the individual is an expert/veteran or a novice/newcomer in his or her understanding of an employment relationship (Conway & Briner, 2005). Expertise affects the inclusion of new information into old knowledge structures. Veterans with substantial expertise regarding their employment relationship are likely to have well –developed psychological contracts that are more difficult to change because they contain more linkages and information to which new facts can be accommodated (Rousseau, 2001). Experts are often less responsive to contradictory information. On the negative side, this means that change may be more difficult for people who have been with an organization for a long time. On the positive side, contradictory information may erode trust less among veterans than those whose psychological contracts are less developed. One additional question is whether newcomers who are experienced in other organizations form psychological contracts differently than do less experienced rookies. Research on schemas generally suggests that they would (e.g. Lord & Foti, 1986, Stein, 1992) However, as has been discussed there is a dearth of evidence to answer this question. Rousseau (1995, 2001) argues that the schemas of veterans and novices are different. However, this has yet to be empirically demonstrated. As to date, we do not know in what way the psychological contracts of veterans and novices are

different. Therefore, we simply expect that there will be a difference in the content of the psychological contract between veterans and novices.

**PROPOSITION 10:** *There will be a difference in the content of the psychological contracts between veterans and novices.*

The question remains as to how this difference ‘manifests’ itself. The lack of empirical evidence renders it very difficult to formulate testable propositions in relation to the effect of experience on the psychological contract. It seems reasonable to argue that inexperienced workers would be more unfamiliar with a work environment and would approach their work with a degree of trepidation in comparison to the veteran worker (Laufer & Glick, 1996). Feldman (1976) argues that during the ‘encounter’ phase, an individual will attempt to identify a group to which he or she can rely upon to ease the transitory period. This group serves an important function in terms of social support and communication (Feldman, 1981). The veteran to a large extent will be more familiar with the dynamics of entering a new organisation (depending of course on their career history). Accordingly, we assume a greater apprehension in the novice worker at organisational entry in comparison to the veteran. With this in mind we propose that novice employees are more likely than veterans to expect their employer to create a supportive environment for them to ease the transition into the organisation. In return they will feel an obligation to actively participate in this environment.

**PROPOSITION 11:** *Novices will be more likely than veterans to choose employer obligations relating to ‘training & support’ and ‘working with team’ and employee obligations relating to ‘teamwork’ as content dimensions of their psychological contract.*

### **3.5.4 Summary of Individual Antecedents examined in Stage A of our Study**

It was the objective of this chapter to provide an overview of theories and empirical evidence concerning the antecedents of the psychological contract. After a discussion of antecedents situated at the societal and organizational level, we have elaborated in more detail on the role of individual antecedents in explaining the differences in the psychological contracts of organisational entrants. From this review, it has become clear that there is a shortage of empirical studies in which the role of antecedents has been assessed. This is the case at both

the organisational and individual level. As outlined, only a few psychological contract researchers have developed theoretical models including individual antecedents of the psychological contract but as to date their propositions have not been empirically tested (e.g. Tomprou & Nikolaou, 2011). At the empirical level, of the few studies that have included individual antecedents, the majority are concerned with the development of the psychological contract (e.g. De Vos *et al.*, 2003; Raja *et al.*, 2005). Given the lack of research into the creation stage of the psychological contract our review of individual antecedents was based somewhat on theories and empirical findings coming from related, more longstanding research traditions.

There are a number of conclusions we can draw from the extant literature. Research has shown that the psychological contract is influenced by both organisational and individual factors (e.g. Thomas & Anderson, 1998; Rousseau, 1990). At the organisational level, Rousseau (1995) examines the role that primary contract makers (e.g. recruiter) and secondary contract makers (e.g. handbooks) play in contract formation. Research in this area is largely theoretical and much more empirical work is needed. Socialization plays an influential role in shaping the psychological contract too. Again, there is a need for further research in this area. However, a number of studies have shown that information seeking and the subsequent acquisition of work-related information seems to affect the contract itself (Thomas & Anderson, 1998; Shore & Tetrick, 1994). This holds true at both the post-entry and pre-entry phases respectively. The latter of these stages is of particular relevance to our study. De Vos *et al.*, (2009) have investigated psychological contract formation at this stage in the form of the APC. The APC is an imperfect schema of work-related information that guides the organisational entrant in their employment. While this is an important study in the context of contract formation, it is clear that much more research is needed on the psychological contract formation process at the pre-entry and initial stages of the employment relationship.

Research of individual level antecedents is sporadic in nature. This stems from the lack of conceptual models developed for contract formation. While the field itself lacks clarity, there are a number of important studies that have advanced our understanding of this area. For example, research has shown that the dynamics of the contract are influenced by personality characteristics (e.g. De Vos *et al.*, 2005; Raja *et al.*, 2004), goal-oriented motivations (e.g. Shore & Tetrick, 1994) and work values (e.g. De Vos *et al.*, 2005). There are a number of career-related antecedents to consider when assessing the psychological contract. A number of studies have shown that level of careerism influences the contract (e.g.

Rousseau, 1990; De Vos *et al*, 2009). However, our understanding of the relationship between careerism and the content of the psychological contract is still limited. We do not know how it influences certain features of the content dimensions. This issue is investigated in Stage B of our study. This chapter also discussed the merits of ‘type of exchange’ as an antecedent to the psychological contract. While different constructs associated with ‘exchange’ have been investigated in psychological contract studies (e.g. Coyle Shapiro & Neuman, 2004), there has been a dearth of research investigating type of exchange as an antecedent of the contract. Considering the central role of theories of exchange in explaining contract dynamics, it is important at this stage in the research to address the relationship between exchange type and the content dimensions of the psychological contract itself. This lacuna within the literature is being addressed in our study. Finally, the saliency of ‘experience’ was discussed in relation to psychological contract formation. Considering its prominence in schema development, it is surprising that more research has not examined the role it plays in contract creation. As has been outlined in Chapter 2, we are adopting a socio-cognitive approach to our study, specifically ‘schema theory’. Accordingly, given that schema development is founded on the principle of ‘experience acquisition’, experience is a relevant antecedent to explore in a psychological contract study. Our study aims to further our understanding of this underdeveloped area within psychological contract research.

Considering there are a number of propositions in Stage A of our study, it may prove difficult to gain a sound understanding of what our findings tell us about our question(s). We believe that a ‘summary proposition’ may be one way of dealing with this concern. It will ensure that the ‘story’ of our research remains clear and unambiguous. Accordingly we have developed the following overarching proposition that summarises the preceding propositions:

**PROPOSITION A:** *Level of Careerism, Type of Exchange and Level of Experience will influence which content dimensions of the psychological contract are explicated and which are not.*

### 3.6 The ‘Features’ of the Content Dimensions of the Psychological Contract: Stage B of Study

In Chapter 2 we discussed how the psychological contract has been operationalized in terms of ‘features’. The features approach captures the broad characteristics that underlie the general terms of the contract, without involving perceptions of specific employer and employee obligations (e.g. scope, tangibility etc.) (Sels, 2004). Research examining the features of the psychological contract addresses the contract as a whole, while ignoring its individual content dimensions. Consequently, we know very little about the characteristics of these promise- based obligations. We argue that it is important to examine the content dimensions in this way for two reasons. Firstly, it could provide new insights into the foundations of the psychological contract (i.e. the promise- based obligations). Secondly, it seems plausible that one would be able to distinguish between these dimensions along a number of features, as one can with psychological contracts using the traditional features approach. We believe that such a comparison will allow us to gain further insight into the interchange between the dimensions of the contract. In support of this contention, Conway & Briner (2005) assert that this relationship is an underdeveloped area within psychological contract research.

A contract is an agreement between two parties. The notion of ‘agreement’ is inherent in every conceptualisation of the psychological contract in one form or another (e.g. ‘perception of agreement’, Rousseau, 1990) (e.g. Schein, 1980; Rousseau, 1990; Guest, 1998 etc.). We argue that underlying this agreement are a number of general features. The terms and conditions of an agreement can be examined along these features, thus providing greater insights into what has actually been agreed between parties. It seems likely that the features of the content dimensions are similarly affected by individual factors. For example, a careerist is less likely to feel obligations to the organisation in terms of loyalty. Accordingly, it seems reasonable that a careerist would think it *not important* to fulfil obligations relating to loyalty. This argument is being tested in our study. In Chapter 1 we outlined the features being assessed in our research. The following subsections explain how each of these features fundamentally relates to psychological contract theory and how each feature can advance our understanding of the content dimensions of the contract. We also present the propositions to be tested relating to this stage of the study. Each proposition is an extension of the ten propositions outlined in Stage A.

It must be highlighted once more that the features assessed in our study were elicited from a pilot study. We acknowledge (and have acknowledged in Chapter 1) that many of the features lack a theoretical foundation. This is not to say that the features assessed will not advance our understanding of the psychological contract. This is a novel approach to examining the content dimensions. Therefore, it is perhaps to be expected that there is a dearth of theoretical grounding for many of the following propositions. We know very little about the underlying properties of the reciprocal obligations so we are compelled to cite literature from associated fields of enquiry (e.g. law, psychology etc.).

### **3.6.1 Feature 1: Realistic/Not Realistic**

Contractualism, the process by which two parties voluntarily enter a moral and reasonable agreement, is predicated on whether each individual can *realistically* fulfil their side of the agreement (Cohen, 1933). Considering the significance to the agreement of whether a party can realistically meet their end it is surprising that the extent to which obligations are realistically fulfilled has largely been ignored by researchers. We have alluded to the value of ‘realistic job previews’ to the human resource function when trying to present an accurate picture of organisational life. Coyle-Shapiro & Kessler (2000) and Winter & Jackson (2006) investigated the extent to which managers believe the employer is ‘realistically’ able to fulfil their obligations. However, there appears to be a dearth of research investigating the employee’s perceptions of whether obligations can be realistically fulfilled. Morrison (1993a) and Louis (1990) assert that upon entering an organisation, the new recruit has undergone an extensive search for work-related information. This information will have been obtained from a number of different sources (e.g. recruitment process, organisational insiders etc.). Often, the new recruit is presented with contradictory information (Rousseau, 1995) and as a result this may result in them forming inaccurate or unrealistic expectations of their new role (Mohamed *et al.*, 2001). We believe there is considerable merit in studying this feature of the psychological contract. For example, if an employee feels it is realistic of their organisation to expect them to show loyalty to the organisation, is it realistic of the employee, in turn, to expect the organisation to reward that loyalty through promotion, reward etc? We have outlined how clarification of expectations can lead to a reduction in turnover (e.g. Porter & Steers, 1974). By examining which obligations are considered realistically fulfilled, we can be more informed of the organisational entrant’s perception of their new job. Accordingly, this feature assesses the extent to which each obligation is considered ‘realistically fulfilled’.

As proposed, we expect that the individual antecedents explored in Stage A of the study will affect the extent to which certain obligations are considered realistically fulfilled.

### **3.6.2 Feature 2: Contingent/Remote**

Contingency explores the extent to which one party believes the fulfilment of an obligation is conditional on the other party fulfilling an obligation (Rousseau, 1995). Contingency is a driving force in the psychological contract exchange (Conway & Briner, 2005). As explained in Chapter 1, it seems credible that obligations would differ in terms of level of contingency. Yet, we do not know which obligations might be distinguishable in this way. For example, one might assume that an employee obligation to ‘work extra hours’ is highly contingent on the employer rewarding that behaviour. In contrast, an employee obligation to ‘perform their duties to the best of their ability’ may have a lower level of contingency than an obligation to work extra hours. However, we argue that level of contingency would be determined by individual factors. For example, one might assume that an employee with an economic exchange would consider obligations relating to extra role behaviour as highly contingent on the employer rewarding that behaviour given the narrow terms of their relationship. The same employee might consider obligations relating to ethical behaviour as remote (not contingent) considering the type of exchange they have with the employer. This feature examines the extent to which the fulfilment of each obligation is considered contingent on the other party fulfilling an obligation. Gaining insight into obligations in this way would allow us to better predict the behaviour of the new employee. Our study specifically addresses this gap in the research.

### **3.6.3 Feature 3: Fair/ Not Fair**

The issue of fairness is a central concern in the dynamics of the psychological contract. It has been discussed in numerous studies (e.g. Guest, 2002; Robinson *et al.*, 1994; Morrison & Robinson, 1997). There is an assumption within psychological contract theory that both parties enter an agreement which they believe to be fair (Conway & Briner, 2005). An individual will not fulfil his side of the bargain if he believes the terms are lacking ‘fairness’. However, no study has measured the specific content dimensions, as opposed to the contract as a whole, in terms of perceived level of fairness. Accordingly, this feature measures each

obligation in terms of their perceived level of fairness (i.e. is it fair to expect the other party to fulfil obligations relating to...?). We pose the questions: 'if the contract as a whole is perceived to be fair, do the individual content dimensions have a similar level of 'fairness'? Is it 'fairer' to expect the other party to fulfil certain obligations? These questions will be explored when examining the content dimensions along this feature. Again, we expect that the three individual antecedents examined in this study will influence the perceived levels of 'fairness'. For example, it is conceivable that those with a social exchange would consider it fair to be expected to be flexible in their availability to work. Those with an open-ended, broad relationship (e.g. social exchange) are more likely to agree to flexibility as an employee contribution. Flexibility implies an acceptance of the unspecific. Social exchanges are characterised by unspecific terms (Blau, 1964, Shore & Barksdale, 1998). Similarly, the employer being obliged to provide them with development opportunities is likely to be perceived as fair. We argue that there is considerable merit in studying the content of the psychological contract in this context as it could provide further insight into the employee's relationship with the organisation.

#### **3.6.4 Feature 4: Important/ Not Important**

One might argue that each obligation of the psychological contract will take on a different level of importance in terms of fulfilment depending on the employees goals, motivations etc. For example, is it more important for the employer to fulfil obligations relating to training as opposed to obligations relating to work/life balance? The answer to this question could be explained by a number of individual factors. We have explained how people use schemas in goal-oriented ways and the fulfilment of these goals are important to the person is question as they are the driving force of behaviour in organisations (Lord & Foti, 1986). However, we found that the perceived level of importance attached to specific obligations has only been studied in one previous study (i.e. Kickul *et al.*, 2004). They examined the cultural effects on the perceived level of importance of certain obligations between American and Hong Kong employees. In comparison to the Hong Kong workers, they found that American workers place more importance on the intrinsic component (i.e. challenging work etc.) of the psychological contract. This study illustrates that individual factors (i.e. nationality) can affect the perceived level of importance of certain obligations. In light of this result, we contend that the antecedents assessed in our study will influence perceived levels of

importance. For example, those with an economic exchange are likely to consider it important that the employer fulfils his obligations in terms of pay and rewards given that the underlying principles of their relationship with the organisation is monetary. Similarly, they might consider an employer obligation relating to development opportunities for the employee as having a low level of importance. We believe that examining the content of the psychological contract across this feature is warranted for two reasons. Firstly, it could allow us gain a deeper knowledge of how the employee understands her employment relationship. Secondly, it could help explain the antecedents of psychological contract outcomes as an employer obligation considered important to fulfil by the employee is likely to give rise to contrasting outcomes (e.g. withdrawal, commitment etc.) depending on the employer's actions.

### **3.6.5 Propositions relating to Careerism and Exchange Type**

In light of what has been discussed above, we contend that careerism, economic exchange and social exchange will affect how certain obligations are perceived in the context of these features. To test this contention, we have devised a number of propositions based on the propositions being tested in Stage A of our study. As regards the propositions from Stage A, Proposition 12 and Proposition 13 relates to Proposition 1 and Proposition 2 from this stage etc.:

**PROPOSITION 12:** *Those participants with a high level of careerism will consider employee obligations relating to 'loyalty' and 'ethical behaviour' to be 'contingent', 'not realistic', 'not fair', and 'not important'.*

**PROPOSITION 13:** *Those participants with a high level of careerism will consider employer obligations relating to 'development' and 'pay & benefits' to be 'remote' 'realistic' 'fair' and 'important'.*

**PROPOSITION 14:** *Those participants with a high level of economic exchange will consider employee obligations relating to ‘loyalty’ and ‘extra role behaviour’ to be ‘contingent’, ‘not realistic’ ‘not fair’ and ‘not important’.*

**PROPOSITION 15:** *Those participants with a high level of economic exchange will consider employer obligations relating to ‘pay & benefits’ to be ‘remote’, ‘realistic’, ‘fair’ and ‘important’.*

**PROPOSITION 16:** *Those participants with a high level of economic exchange will consider employee obligations relating to ‘ethical behaviour’ to be ‘remote’, ‘realistic’, ‘fair’ and ‘important’.*

**PROPOSITION 17:** *Those participants with a high level of economic exchange will consider obligations relating to ‘development’ as ‘contingent’, ‘not realistic’, ‘not fair’, and ‘not important’.*

**PROPOSITION 18:** *Those participants with a high level of social exchange will consider employee obligations relating to ‘loyalty’, ‘flexibility’ and ‘extra role behaviour’ to be ‘remote’, ‘realistic’, ‘fair’ and ‘important’.*

**PROPOSITION 19:** *Those participants with a high level of social exchange will consider employer obligations relating to ‘development’, ‘training & support’ and ‘working with team’ to be ‘remote’, ‘realistic’, ‘fair’ and ‘important’.*

### **3.6.6 Propositions relating to Experience**

As outlined in Chapter 1, it seems reasonable to argue that the novice and veteran would differ as regards their expectations of ‘organisational life’, given their contrasting levels of acquired experience in the work environment. We proposed that this contrast would be best captured and most evident along Feature 5 ‘Expected/Not Expected’ and Feature 6 ‘Familiar/Novel’ respectively. These features and their associated propositions are discussed in the next two sections.

### 3.6.7 Feature 5 Expected/ Not Expected

In Chapter 1 we discussed the centrality of ‘expectations’ to psychological contract research and how some researchers conceptualise the psychological contract as based on expectations (e.g. Schein, 1978 etc.). However, this feature examines the extent to which each obligation was ‘expected’ by the new employee. These expectations are derived from the contract-related information obtained during the pre-employment phase. As discussed, this information arrives from a number of different sources such as the organisation, organisational insiders or past experience in other organisations (De Vos *et al.*, 2009). Therefore, this feature explores the idea that each individual has different expectations about employment with the same organisation and we argue that these differences can be explained by individual factors. By examining the psychological contract content in this way we can gain more insight into how the experienced and inexperienced worker understands their new employment relationship. The antecedent we believe has most explanatory power for this feature is ‘experience’. It is reasonable to assume that the veteran would have greater acquaintance with the dynamics of an employment relationship in comparison to the novice given the discrepancies in their work experience. The expert is less likely to be surprised by the ‘reality’ of life inside the organisation. Therefore, the veteran is more likely than the novice to consider an obligation as ‘expected’. We have devised the following proposition:

**PROPOSITION 20:** *The veteran will consider each of the employee and employer obligations to be more ‘expected’ than the novice.*

### 3.6.8 Feature 6: Familiar/Novel

This feature explores the extent to which the new employee is familiar with the obligations of their psychological contract. In terms of schema, unfamiliar information becomes a new component in the cognitive map, if that information has a certain quality (e.g. relevance, value etc.) (Crocker *et al.*, 1984). We believe there is a value in learning which obligations are considered ‘familiar’ and which are considered ‘novel’. It seems fair to argue that the extent of an employee’s familiarity with aspects of his employment relationship would be determined by his level of experience. If an employee is obliged to work additional hours or work above and beyond the terms of his employment contract it seems likely that the veteran employee would have encountered such an obligation in previous work experiences.

Similarly, if the novice worker is compelled to fulfil an obligation with which they are not familiar, it seems plausible that their behaviour in relation to that obligation could be affected. Brown (1984) observes that individuals who are not entirely familiar with the difficulties involved in performing a task are more likely to fall victim of the actor-observer attribution error. This finding illustrates that managers are more likely to blame the employee rather than the situation when their performance is below par. Therefore, we believe assessing the content dimensions in this context is merited as it could serve as early indicators of subsequent behaviour in relation to the psychological contract obligations but also as a factor affecting the employment relationship. Accordingly, we have devised the following proposition:

**PROPOSITION 21:** *The veteran will be more 'familiar' with each of the employee and employer obligations than the novice.*

### **3.6.9 Feature 7: Same for every employee/Unique to me**

Each psychological contract is highly subjective. Accordingly, the content of each contract will be unique to the employee in question. However, previous studies have assumed that some obligations are shared by every individual (Freese & Schalk, 2008). Rousseau (2005) has examined individualised agreements between parties in the form of 'i-deals'. She argues that idiosyncratic terms can form part of an employee's psychological contract which results in the psychological contract becoming more personalised and individualistic. However, the extent to which each obligation is perceived as being unique to an individual or shared by every employee in the context of the psychological contract is yet to be examined. Do employees pay more attention to obligations considered unique to them? If so, there is considerable merit in determining which obligations fit into this category. Consequently, this feature examines the content in terms of each obligation being considered 'same for every employee' or 'unique to me'. Understanding which obligations are considered unique to the individual and which are not, would provide a deeper insight into the new employee's perception of their employment relationship.

Coworkers tend to view another's deal with the organisation through the lens of their existing beliefs regarding their own employment relationship (Rousseau, 2005). In line with the psychological theory of the 'false consensus effect' (i.e. overestimating the degree to

which others think like you), in this feature we explore whether employees believe their own motivations and goals are applicable to their co-workers as discussed in Chapter 2 (Heath *et al.*, 1993). Oliver *et al.*, (2005) found that in selection and assessment decisions the false consensus effect is pervasive and is a fundamental bias that affects many raters. In a study of particular relevance to our study, Solan *et al.*, (2008) found that the false consensus effect had a significant influence on the interpretation of another person's contract. Morrison & Robinson (1997) argue that better communication between both parties in a psychological contract can minimise the false consensus effect. Therefore, we argue that understanding which obligations are considered unique to the employee is a valuable means of maintaining the employment relationship.

In line with this false consensus effect theory, it seems reasonable to argue that the three antecedents in our study will affect participant's perceptions of whether psychological contract obligations are the same for every employee or unique to them. For example, an employee with a high economic exchange is likely to believe employer obligations relating to rewards and pay are the same for everyone else as they are a key dimension of their own type of exchange. Accordingly, we have devised the following propositions based on those being tested in Stage A of our study:

**PROPOSITION 22:** *Those participants with a high level of careerism will consider employer obligations relating to 'development' and 'pay & benefits' to be the 'same for every employee'.*

**PROPOSITION 23:** *Those participants with a high level of economic exchange will consider employee obligations relating to 'ethical behaviour' and employer obligations relating to 'pay & benefits' to be the 'same for every employee'.*

**PROPOSITION 24:** *Those participants with a high level of social exchange will consider employee obligations relating to 'loyalty', 'flexibility' and 'extra role behaviour' and employer obligations relating to 'development', 'training & support' and 'working with team' to be the 'same for every employee'.*

**PROPOSITION 25:** *Novices will be more likely than veterans to consider employee obligations relating to ‘teamwork’ and employer obligations relating to ‘training & support’ and ‘working with team’ as ‘same for every employee’.*

Stage B of our study assesses the effect of the three individual antecedents on the different features of the content dimensions. Given that there are a large number of propositions being tested in this stage, it may be difficult to get a full sense of how these findings relate to the second research question in our study. Accordingly, we have developed the following summary proposition that better captures that relationship:

**HYPOTHESIS B:** *Level of Careerism, Type of Exchange and Level of Experience will affect the seven different features of the content dimensions of the psychological contract.*

### **3.7 Overall Summary**

This chapter discussed the major theoretical and empirical contributions relating to the antecedents of the psychological contract. Firstly, the literature largely classifies antecedents into two categories: ‘organisational’ and ‘individual’. Organisational antecedents include factors like HR practices such as recruitment, selection etc. Human contract makers have also been proposed to affect the formation process, such as direct supervisor, HR managers etc. (e.g. Shore & Tetrick, 1994). Often, these organisational sources provide information relating to work expectations which may account for variability in the content of the psychological contract. We outlined how induction practices affect the formation process in that the induction itself serves as a useful reference point for employees as regards their behaviour within the organisation. We also discussed how the anticipatory and encounter stages of socialisation shape the landscape of the psychological contract. However, much of the literature in this area is theoretical nature and is undermined by a lack of empirical evidence.

In relation to the individual antecedents of the psychological contract, we explained how a number of individual factors affect the content of the contract. Factors include work values (e.g. De Vos *et al.*, 2005, Cohen, 2012), personality (e.g. Raja *et al.*, 2004) and goal-oriented motivations (e.g. Shore & Tetrick, 1994). As stated, these factors seem to be arbitrarily chosen and this is probably due to the fact that no specific classification of individual factors relevant to the psychological contract has been developed (Tomprou &

Nikolaou, 2011). The individual antecedents we are investigating stem from important empirical and theoretical insights that have contributed to our understanding of psychological contract dynamics. Firstly, 'careerism' has been investigated in a number of psychological contract studies (e.g. Rousseau, 1990, De Vos *et al.*, 2009). However, its effect on the psychological contract has been explored using a limited number of content dimensions. By expanding the range of dimensions, we will gain a deeper insight into its influence on the contract. Secondly, we believe 'type of exchange' is an important antecedent to investigate for a number of reasons. Given the centrality of theories of exchange in psychological contract dynamics we argue it is important to investigate the relationship between type of exchange and the content of the psychological contract. Barling & Cooper (2008) argue the social/economic categorisation aligns with the relational/transactional categorisation. However, this has never been validated empirically. Indeed, the type of exchange, as opposed to individual contributions to the exchange itself is an underdeveloped area of research within the broader literature on employment relations (Shore *et al.*, 2006). By investigating the effect of a 'social' and an 'economic' exchange, separately, on the content dimensions, we can judge the viability of 'exchange type' as an antecedent of the psychological contract. Finally, we believe it is important to empirically explore the effect of 'experience' on the formation of the psychological contract as much of the extant literature in this area is theoretical (e.g. Rousseau, 1995, 2001). Given the significance of schema theory in advancing our understanding of psychological contracts we believe incorporating this antecedent into our study is merited. This will allow us to compare the content of the psychological contracts of novices and veterans, something which has never been empirically demonstrated in psychological contract research before.

This chapter also discussed how previous research examines the content dimensions of the psychological contract in a narrow and restricted way. By examining the underlying features of the content, as opposed to the contract itself, we can gain a fresh insight into the reciprocal obligations between both parties in the employment relationship. For example, by determining which obligations are considered most 'important' in terms of fulfilment we might be able to better gauge the new employee's understanding his new role. We believe this features approach is an alternative means of exploring the content of the psychological contract but also the dynamics of the formation process as a whole.

Overall, we contend that the three antecedents being investigated in our study have significant worth in understanding the content dimensions of the contract as they all examine different strands of the formation process. Also, by exploring the underlying properties of

these dimensions along a number of different features, we strongly feel we can make new discoveries about the dynamics of the psychological contract itself.

## Chapter 4: Research Methodology

### 4.1 Introduction

Having discussed the key theoretical and empirical contributions to date to our understanding of the formation of the psychological contract, this chapter outlines the key stages in our research methodology. Firstly, we describe our research design. The study proceeds in two, distinct but overlapping stages. Stage A examines the effect of the three antecedents on the content of the psychological contract. Stage B examines these content dimensions along the seven features described in Chapter 3. Secondly, we provide a description of the organisation and the sample included in the study. The measurement instruments we used are also discussed. We describe the procedures we followed to generate our data. Finally, we defend the choices we made with respect to the analyses of our data. A summary of the chapter is also provided.

### 4.2 Research Design

In order to test our research propositions, we conducted a cross-sectional study in a single organisation. There were a number of scientific and methodological reasons for adopting a cross-sectional design. Firstly, as has been articulated in a previous chapter, psychological contract formation is episodic rather than continuous. Therefore, a psychological contract formation study should only investigate the formation process at specific junctures in the employment relationship. Prior research has assessed the psychological contract using a cross-sectional research design (e.g. Coyle-Shapiro & Kessler, 1998; Guest & Conway, 1997; 1998; Herriot *et al.*, 1997; De Vos *et al.*, 2009, 2010). In the context of psychological contract formation, there is a limited amount of research using this design. De Vos *et al.*, (2009) investigated the anticipatory psychological contract of graduates immediately before organisational entry as the pre-entry period is an important juncture in the formation process (Morrison, 1993; Rousseau, 1995). Previous research has also assessed psychological contracts using a longitudinal comparison of employee expectations and employee judgements of the employment relationship (e.g. Robinson & Rousseau, 1994; Thomas & Anderson, 1998). Tomprou & Nikoloau (2011) assert that cross sectional surveys cannot fully tap into the dynamics of contract creation. Certainly, a longitudinal design is more

appropriate when the researcher is hoping to capture ‘changes’ in the psychological contract over time or wants to study the direction in which the contract moves over time. However, our study does not concern itself with how the psychological contract changes or evolves over the course of employment. We are only interested in examining the psychological contract at a particular episode in the formation process (i.e. the post induction episode). As explained in Chapter 2, we believe the induction process is an important episode to explore in the context of a contract formation study as significant information is exchanged between both parties during this time. This information is used in the formation of the psychological contract (Conway & Briner, 2005). By examining this specific episode, we feel we can add to our understanding of the formation process. Therefore, from a methodological perspective, in assessing the preliminary psychological contract, a cross-sectional design is appropriate.

As stated, our study advances in two separate but parallel stages. Stage A of our study investigates the effect of ‘careerism’, ‘type of exchange’ and ‘level of experience’ on the content dimensions of the psychological contract. Each of these antecedents is believed to influence both the employer and employee obligations in different ways. Stage B of our study examines the content dimensions along the seven ‘features’ outlined in the previous chapter. These seven features are: ‘Realistic/Not Realistic’; ‘Contingent/Remote’; ‘Fair/Not Fair’; ‘Important/Not Important’; ‘Expected/Not Expected’; ‘Familiar/Novel’; ‘Same for every employee/ Unique to me’. Rather than being based on an intuitive assumption (Guest, 1998), each feature was empirically derived following a pilot study. This pilot study is described in the next sub-section

#### **4.2.1 Pilot Study**

*Investigating Psychological Contract Formation*

*A Pilot Study Report*

*Ultan Sherman*

*Jan 2010*

## **Introduction**

*Our understanding of how the psychological contract is formed is limited. The majority of research on psychological contract theory has been concerned with the aftermath of psychological contract formation and its associated responses (e.g. breach, violation, fulfilment, willingness to change etc, Robinson, 1996; Herriot et al., 1997; Rousseau & Tijoriwala, 1999; Coyle Shapiro et al., 2000; Stoner & Gallagher, 2010). Understanding the dynamics of the psychological contract in employment is difficult without research into its formation. The antecedents of the psychological contract have received relatively little attention from organisational researchers (with the notable exception of Robinson et al., 1994; Rousseau, 1995, 2001; Thomas & Anderson, 1998; Purvis & Cropley, 2003; De Vos et al, 2003, 2005, 2009). Further study into how the psychological contract is constructed would allow a deeper insight into how it should be managed and developed.*

## **Research Objective**

*This study is being conducted to gain a deeper understanding of how new employees make sense of their employment relationship. This understanding is being investigated from a 'psychological contract theory' perspective. The results of this study will be used to help structure the research methodology of a Ph.D (i.e. the constructs framing the repertory grids being used in the doctorate research). This study was also used to help determine the validity of the three surveys and repertory grids to be used in our research.*

## **Sample**

*There were five participants in this study. Each participant worked in different industries: medical; IT; education; engineering; HR.*

*Table 4.1: Demographics of Participants in Pilot Study*

<b>Participant</b>	<b>Sex</b>	<b>Age</b>	<b>Industry</b>	<b>Years Experience</b>
<i>A</i>	<i>Female</i>	<i>33</i>	<i>Medical</i>	<i>8</i>
<i>B</i>	<i>Female</i>	<i>25</i>	<i>IT</i>	<i>0</i>
<i>C</i>	<i>Female</i>	<i>52</i>	<i>Education</i>	<i>25</i>
<i>D</i>	<i>Male</i>	<i>24</i>	<i>Engineering</i>	<i>1</i>
<i>E</i>	<i>Male</i>	<i>26</i>	<i>HR</i>	<i>2</i>

*Each participant had started new employment within one week of the date of interview and were identified through the snowballing technique (e.g. the first participant recommended another participant and so on...).*

### **Procedure**

*Each participant was interviewed for approximately 45 minutes regarding their new employment. The interview was a semi-structured format where the discussion was centred on a number of key questions relating to their understanding of their new job. The focus of the interview was their perception of the obligations they have towards their employer and the obligations their employer has towards them. Each obligation was discussed in turn to capture the participant's understanding of their new role. The interviews were then transcribed.*

### **Results**

*A content analysis of the 5 interviews was conducted to discover the recurring issues in the transcriptions of the interviews. From the analysis, 8 categories emerged:*

- 1. Contingency: The degree to which fulfilment of an obligation is contingent on the other party fulfilling their obligations*
- 2. Uniqueness: The degree to which each obligation is considered unique to the participant or the same for every employee in their organisation*
- 3. Expectancy: The degree to which an obligation was expected by the participant*
- 4. Realism: The degree to which each obligation is realistically fulfilled*
- 5. Fairness: The degree of fairness in expecting the other party to fulfil a certain obligation*
- 6. Familiarity: The degree to which the participant is familiar with an obligation*
- 7. Importance: How important is it for each party to fulfil their respective obligations*
- 8. Fulfilment: The extent to which each obligation has been fulfilled by the relevant party*

*Upon further discussion with my supervisor, the category of 'fulfilment' was discarded for theoretical and methodological reasons. Firstly, the focus of this study is on the*

*initial/preliminary stages of the psychological contract- psychological contract formation. Conceptually, fulfilment occurs in the aftermath of the psychological contract and has been studied as an outcome of contract formation (Rousseau, 1995). Theoretically, 'fulfilment' is an inappropriate variable to measure in a study of psychological contract formation. After only one week in new employment participants are clearly not in a position to reflect on whether obligations have been fulfilled. Measures of fulfilment usually wait until the participant has been with the organisation for at least three months (e.g. Thomas & Anderson, 1998).*

### ***Discussion***

*The seven categories which emerged following the content analysis reflect the different ways in which the participants construct their own understanding of the mutual obligations that characterise their new employment relationship. The first category 'contingency' reflects the degree to which fulfilment of one category is contingent on the other party fulfilling their obligations. Contingency is an important issue in psychological contract theory as the belief that the other party will keep up their side of the deal binds both parties to the agreed contract (Rousseau, 1995). Participants indicated that they would only be willing to fulfil their obligations if they felt their employer was willing to do the same. 'Uniqueness' refers to the extent to which the employee believes each obligation is unique to him. This idea of shared versus unique contract terms is discussed by Rousseau (2001a, 2005) in her work on 'I-Deals'. 'Expectancy' refers to the extent to which an obligation was expected by the participant. A vast amount of research has been conducted on the different sources of contract related information that employees access before and during their employment (Louis, 1980; Morrison, 1993; De Vos et al., 2003). Having acquired this contract-related information, new employees can then start reflecting on the mutual obligations that characterise their employment relationship. However, once confronted with the realities of organisational life participants are in a position to match their 'expectations' to the actualities of their new employment. 'Realism' refers to the degree to which each obligation is realistically fulfilled. Participants discussed whether the obligations to which both parties have committed can be realistically fulfilled:*

*'I know the hospital is obliged to give me proper breaks and time off. They told me that they look out for the needs of the staff. However, every person I've talked to has told me that this*

*is not the case. I've come to expect that it won't happen. But they should still ensure it happens regardless'*

*(Participant A)*

*'Fairness' reflects the extent to which the participant perceives the obligations to which they are bound as fair. Psychological contracts are a subjective perception. In this sense, it is not difficult to see how psychological contracts are almost always broken in some sense or the other (Guest, 1998). An employee will not commit to an obligation if they perceive it to be unfair. However, an employer believing an obligation they have to an employee is unfair is immaterial. If the employee believes the employer is obliged to a certain course of action then that obligation is part of their psychological contract regardless of the employer's perception. Like 'Expectancy' 'Familiarity' refers to the extent to which the participant is familiar with the obligations that constitute their new employment. However, there is a conceptual difference between these two categories. All expected obligations are familiar but not all familiar obligations are expected. For example, an employee may have been provided with opportunities for further education in a previous job. Accordingly, they are familiar with this particular type of employer obligation. However, unless they perceive that they have been promised similar opportunities in their new job they won't be expecting this type of obligation from their employer. 'Importance' outlines the degree of importance attached to each obligation being fulfilled. Participants discussed their commitment to certain types of obligations. While many obligations were considered important to fulfil, each participant indicated being bound to at least one obligation where they felt it was unimportant to keep up their side of their agreement.*

### ***Applying the Results to my Doctorate Research***

*Each category elicited from the content analysis will be applied to the repertory grid being used in my research. We are labelling these categories 'features'. These features are the underlying properties of each content dimension in the psychological contract. These features will allow us a better understanding of the mutual obligations between both parties. Each feature will form a construct in the grid. See Table 4.2 below.*

*Table 4.2: Framework of repertory grid elicited from pilot study*

	<i>Obligation</i>	<i>Obligation</i>	<i>Obligation</i>	<i>Obligation</i>	<i>Obligation</i>	
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	
<i>Contingent</i>						<i>Remote</i>
<i>Same for Every Employee</i>						<i>Unique to Me</i>
<i>Expected</i>						<i>Unexpected</i>
<i>Realistic</i>						<i>Unrealistic</i>
<i>Fair</i>						<i>Not Fair</i>
<i>Familiar</i>						<i>Novel</i>
<i>Important</i>						<i>Not Important</i>

*In a repertory grid, the constructs represent the participants understanding of a particular situation or event. A construct clearly expresses the interviewee’s meaning. Conceptually and methodologically it should have two clearly contrasted poles (Jankowicz, 2003). For example, in Table 2 above the ‘contingent/remote’ construct relates to the contingency category from the content analysis. On this construct, an obligation can either be contingent or remote. If an obligation is ‘contingent’, then fulfilment of that obligation is contingent on the other party fulfilling their obligations. If the obligation is ‘remote’ then fulfilment of that obligation is not contingent on the other party fulfilling their side of the bargain- it is remote. The same rationale is applied to the other five constructs in the grid.*

*Participants’ responses on the construct are recorded using a 7-point Likert scale. Example:*

*Ex: 1= Extremely Contingent 2=Very Contingent 3= Quite Contingent 4= Don’t Know  
5= Quite Remote 6= Very Remote 7= Extremely Remote*

## **Conclusion**

*The seven categories that emerged following the content analysis represent this sample's understanding of their new employment relationship. Specifically, these features are the underlying properties of the content dimensions of the psychological contract. These features form the template for the repertory grids in our research. We believe that we are now in a position to begin the fieldwork in our research. We are confident that this template will successfully add to our understanding of psychological contract formation.*

**END**

### **4.3 Measures for Stage A of Study**

Different measures were used in both stages of our study. In Stage A, we used self-report questionnaires to measure the study variables of 'careerism' and 'exchange relationship'. Measuring newcomers' subjective perceptions and evaluations of their psychological contracts is the most relevant way to obtain information on the psychological contract (Rousseau, 1995). Although the use of self-report measures has a number of disadvantages, such as the possible influence of social cues, personal characteristics that are not controlled for and common method variance, this type of measure was most conducive to our study since it is inherent to the definition of the psychological contract that it is an idiosyncratic and subjective construct (Rousseau, 1995). Recently, Tomprou & Nikolaou (2011) have argued that diary methods are an under-used approach in psychological contract studies as they are especially likely to capture emotional moods and reactions to the dynamics of an exchange relationship, more so than traditional surveys. However, there are a number of reasons why we are utilising the survey method. Firstly, because we have adopted a cross-sectional research design and are only interested in gaining a snapshot of the psychological contract at a particular episode in the formation process we believe a survey method is the most effective approach. Secondly, because of time constraints in getting access to the participants we felt adopting the questionnaire technique was the most practical and viable option.

#### 4.3.1 Careerism

We used the 'careerism scale' developed by Rousseau (1990) to assess respondents' intentions to frequently change employers during their careers. This scale has also been used in another major psychological contract formation study (De Vos *et al.*, 2009) as well as other psychological contract studies (e.g. Robinson & Rousseau, 1994). A higher score means a higher level of careerism. Two items were reverse scored before calculating the scale. Using a 1 to 5 point Likert scale, participants had to indicate to which extent they agree with each of five statements referring to their preference for changing employers frequently during their careers (1 = strongly disagree; 5 = strongly agree). Coefficient alpha of this overall measure was  $\alpha = .82$ ). The five items were: *I took this job as a stepping stone to a better job with another organization; I expect to work for a variety of different organizations in my career; I do not expect to change organisations often during my career (reverse scoring); There are many career opportunities I expect to explore after I leave my present employers; I am really looking for an organization to spend my entire career with (reverse scoring).*

#### 4.3.2 Type of Exchange

To measure participant's exchange relationship the Social Exchange Scale and Economic Exchange Scale developed by Shore *et al.*, (2006) was used. Social Exchange was assessed using 7 items. Using a 1 to 5 point Likert scale, participants had to indicate to which extent they agree with each of seven statements referring to their relationship with their organisation (1 = strongly disagree; 5 = strongly agree). Coefficient alpha of this overall measure was  $\alpha = .81$ ). The seven items were: *My company has made a significant investment in me; My relationship with my company is based on mutual trust; There is a lot of give and take in my relationship with my company; I know the company will reward my efforts in the future; I try to look out for the best interests of my company because I can rely on my company to take care of me; The things I do on the job today will benefit my standing at the company in the long run; I do not mind working hard today because I know I will be eventually rewarded by the company.*

Economic Exchange was assessed using 7 items. Using a 1 to 5 point Likert scale, participants had to indicate to which extent they agree with each of seven statements referring

to their relationship with their organisation (1 = strongly disagree; 5 = strongly agree). Coefficient alpha of this overall measure was  $\alpha = .77$ ). The seven items were: *My relationship with my company is strictly an economic one – I work and they pay me; I do what my company requires, simply because they pay me; I only want to do more for my company when I see they will do more for me; My relationship with my company is impersonal – I have little emotional involvement at work; I watch very carefully what I get from my company, relative to what I contribute; I do not care what the company does for me in the long run, only what is done right now; All I really expect from my company is that I be paid for my work efforts*

### **4.3.3 Experience**

As has been outlined in Chapter 3, schema theory examines the contrast between ‘veterans’ and ‘novices’. From a methodological perspective, it is difficult to determine a person’s level of experience. When does a novice become a veteran? What information must be acquired before a person reaches veteran status? Certainly, in the socialisation research many scholars point to the one year mark as somewhat of a ‘watershed’ moment in an employee’s career (e.g. Feldman, 1976; Louis, 1980). After 12 months the ‘probationary’ period has finished and the employee has been deeply immersed in the social environment of the organisation.

Another issue to consider is the type of experience a person has undergone. From an organisational perspective, is experience in different industries a relevant variable to consider before categorising participants as veterans/novices (Dokko, 2009)? For our study, we answered ‘yes’ to this question. Therefore, we measured ‘experience’ by the number of years spent in employment. As explained in Chapter 3, we understand that this is a contentious approach. Certainly, the type of experience a person acquires is a germane factor to consider as well as length of service. However, we are not aware of a more scientific measurement of experience that was methodologically viable.

Based on the logic of Feldman (1976) and Louis (1980, 1990) research into employee socialisation, we considered the ‘1 year length of service’ as the cut-off point to determine their ‘category’ of experience. Accordingly, those participants with less than one year experience were categorised as ‘novices’ and those participants with at least one year experience were categorised as ‘veterans’.

#### 4.3.4 Employer and Employee Obligations

The measurement technique we adopted to elicit both the employer and employee obligations was the 'repertory grid technique'. The repertory grid has been established as a psychological technique for over fifty years. Over the last two decades it has become popular as a tool for both management development and research. The diversity in applications reflects the flexibility of the technique (Jankowicz, 1990). As a technique it focuses on how a single individual understands his/her own world in a particular context. Essentially, if one's actions are determined to a large extent by how they understand and interpret situations, then the repertory grid can be an excellent means of illustrating such an understanding. The repertory grid technique stems from the 'personal construct psychology' proposed by George Kelly (1955). He devised the technique as a method for exploring personal construct systems. According to Kelly (1955) each of us creates, and re-creates an implicit theoretical framework which, whether well or badly designed, is our personal construct system. Thus, in Kelly's terms, we are '*scientists*' who derive hypotheses (have expectations/beliefs) from our theories (our personal construing)' (Fransella *et al*, 2004. P.6). If one can understand a person's construct system, one can not only understand his history, but can also make some predictions about his likely behaviour in a given situation. This is because you know something about what that situation is likely to mean to him (Stewart & Stewart, 1981). In our everyday lives, we continually attempt to understand how we and others view the world. Perhaps the biggest advantage the repertory grid has over other techniques is that it enables a researcher to interview someone in detail about how they view the world, with the minimum of observer bias. Ultimately, the technique provides a way of accessing an individual's unique set of personal constructs, and therefore enables the researcher to access an individual's view of reality (Gammack & Stephens, 1994). The repertory grid technique provides a 'map' of how a person understands the world (Fransella, 2004). Xu *et al.*, (2008) suggest that the repertory grid technique is under-used in schema research. To date, we are aware of only one empirical study that explicitly uses the repertory grid to obtain the content dimensions of the psychological contract (e.g. Purvis & Cropley, 2003).

The repertory 'grid' is actually a generic term for a number of simple rating-scale procedures. They're all used for capturing straightforward descriptions of how a person views some small part of the world. The columns in the grid are known as 'elements'. An element is '*an example of, exemplar of, instance of, sampling of, or occurrence within, a particular topic*' (Jankowicz, 2003.P. 13). These elements constitute the focus of the grid. Therefore, in my study the elements are the mutual obligations that characterise the employment

relationship. Within the grid, the rows are known as ‘constructs’. These constructs represent the participants understanding of the topic. They are the basic unit of description and analysis. Each row is poled by the opposite descriptor within each construct. A construct always represents a contrast and one needs to spell out the contrast before the meaning intended by the whole construct is understood (Fransella, 2004). Each element is then rated along each construct, to provide an exact picture of what the person wishes to say about each element within the topic.

#### **4.4 Measures for Stage B of Study**

Stage B examines these content dimensions along the seven features outlined above. Each feature constitutes a row in the grid and in the context of our study can be viewed as ‘constructs’. Therefore, the constructs used for Feature 1 are ‘Realistic/ Not Realistic’, the constructs used for Feature 2 are ‘Contingent/Remote’ etc. Each feature has an integrated 7-Point Likert Scale with. Each content dimension is rated along this scale. For example, for Feature 1 an employee obligation could be rated as ‘1- Extremely Realistic’, ‘2- Very Realistic’, ‘3- Quite Realistic’, ‘4- Don’t Know’, ‘5- Quite Not Realistic’, ‘6- Very Not Realistic’, ‘7- Extremely Not Realistic’. This results in all six employee obligations and all eight employer obligations (i.e. the elements in our study) being rated on each of the seven features (i.e. constructs). Ultimately, this results in a comprehensive assessment of each content dimension (i.e. element).

#### **4.5 Research Population and Sample**

The research sample consisted of organisational newcomers to the same organisation. There were a number of criteria that determined selection for the study. Firstly, a cut- off point of two weeks length of service was decided upon when recruiting participants for the study. Ideally, participants would be interviewed as soon as possible in the post- induction phase of their employment. This two week cut-off point is in keeping with socialisation research and other psychological contract studies in that the new employee is not yet in a position to evaluate their psychological contract (Feldman, 1976; Louis, 1990; De Vos *et al.*, 2005). As is outlined in Chapter 3, at the induction phase of the formation process, the psychological contract is rudimentary in nature as the organisational newcomer is still making sense of their new employment relationship (Weick, 1995). The second criterion for selection was the

nature of their employment contract. In the interest of controlling for the effects of different employment contracts, only employees hired with a contract of full-time employment (either fixed-term or temporary) were targeted. As is explained in Chapter 3, previous research has shown that the employment contract itself affects the psychological contract (e.g. Shore & Tetrick, 1994). Accordingly, each participant in a full time contract was interviewed within two weeks of beginning their new job.

#### **4.6 Organisational Profile**

This was a single site study. There are a number of methodological reasons as to why a single organisation was chosen. Firstly, as has been outlined in Chapter 3, human resource practices and policies can affect employees' perceptions of the psychological contract (Rousseau, 1995). The chief focus of this research is the effect of individual antecedents on perceptions of the psychological contract. In the interest of controlling for the possible effects that different human resource practices from multiple organisations may have on participants' perceptions of the psychological contract, it was decided that a single organisation study was the more methodologically appropriate option. This ensured that each participant 'experienced' the same induction procedures.

It proved difficult to find an appropriate organisation on which to conduct our study due to the economic climate. Only select organisations were hiring but not in sufficient number to facilitate our research. We considered the option of conducting interviews in a number of different organisations to meet our sample target, but a multi-organisational approach would have limited the significance of our findings considering the contrasting human resource policies likely to be in place in each organisation. After three months of widespread searching, a suitable organisation was identified based on a conversation with a member of the human resource function within that organisation. They were about to begin a relatively extensive recruitment drive over the next twelve months and ensured us that they would be able to provide the required number of participants. They also welcomed our study as they believed the findings could be used to re-evaluate their induction process in terms of usefulness of information relayed etc. The organisation itself was an American multinational corporation in the IT industry. It employs more than 33000 worldwide and over 1600 people in the host organisation. The induction procedure within the organisation is an intensive week long process whereby the employee is presented with a wide range of work-related

information (e.g. health & safety training, opportunities for further training, meeting colleagues, work sampling etc.).

The HR manager contacted us on a new recruit's first day of the induction and passed on their contact details. We then emailed that employee and invited them to participate in our study. If they agreed, a suitable time and date (within two weeks of the HR manager contacting us) was arranged. Each participant was told in advance that they would be '*discussing their new employment*'. We did not want to go into the specifics of our study with the participant so as to prevent them from preparing for the interview. Had this happened, it would have run counter to the 'automatic' nature of their schema. Accordingly, from a theoretical standpoint, it was important to control for this issue. They were also informed that they would be recording some information in a grid and then rating that information along a scale. Each interview was conducted on site. The interviews took place between May 2010 and February 2011. Following discussions with the HR department we anticipated that we would be able to complete all fifty interviews within a four- month period. However, the recruitment drive slowed significantly after three months, explaining the protracted duration of the fieldwork. In total, we were given the name of 73 new full-time employees during this period. All 73 employees were contacted by the researcher during their first week of employment. 50 participants agreed to be interviewed in our study. Thus the response rate in this study was 68.5%. This is higher than the mean response rate of 55.6% in academic studies as outlined by Baruch (1999).

## **4.7 Procedure**

The following sections outline the data-gathering procedure in our study. As both Stage A and Stage B in our study were conducted in an overlapping manner, we describe the key steps of the study in sequential order.

### **4.7.1 Step 1**

Firstly, participants read and signed the 'Declaration of Informed Consent' (See Appendix H). They then completed the three self-report questionnaires at the beginning of the interview: 'Career Strategy' 'Economic Exchange' 'Social Exchange'. The participants also completed a demographic inventory whereby their level of experience could be ascertained.

This inventory also recorded information relating to educational background, work experience etc (See Appendix G) .

#### **4.7.2 Step 2**

The second stage in the data collection process was the interview. The interviewee was asked questions relating to their new job. Questions explored issues like information acquisition, sources of information etc. Participants were specifically asked their perceptions of their obligations to the organisation. The interviewer took notes on everything discussed. The interviewee was then asked to list between 1 and 9 ‘employee’ obligations (to fit with the number of columns in the grid) relating to what has just been discussed. For this task participants were asked ‘*what do you think you are obliged to do for the organisation?*’? Each obligation was then transferred into each column of a grid labelled ‘*Employee Obligations*’ (using the participant’s own words if possible). The interviewee was then asked to list between 1 and 9 ‘employer’ obligations. For this task participants were asked ‘*what do you think the organisation is obliged to do for you?*’? Each obligation was then transferred into each column of a second grid labelled ‘*Employer Obligations*’ (using the participant’s own words if possible).

#### **4.7.3 The Repertory Grid used in our Study**

The focus of our repertory grids was the employee’s perception of his exchange relationship. The ‘elements’ within our grids were the perceived obligations for both parties. Previous psychological contract studies have had the perceived content of the contract presented to the participants rather than elicited from them (De Vos *et al.*, 2009; Rousseau & Parks, 1993). Herriot *et al.*, (1997) argue that this use of imposed rating scales is more appropriate for investigating ‘implied contracts’ (See Chapter 2). They contend that the individualised and highly idiosyncratic nature of the psychological contract cannot be accessed if the content of the contract itself is presented to the individual. In our study, the contents of the contract, i.e. the perceived obligations of each party to the other, were elicited rather than imposed a priori.

Traditionally, when the researcher uses the repertory grid, they provide the elements and the constructs are subsequently elicited from the participant using dyadic or triadic elicitation. While the majority of research using the repertory grid adopts this approach, we needed to adopt an alternative approach when designing our grid. There are a number of important conceptual reasons for this. By definition, schemas are based on procedural

knowledge. Xu *et al.*, (2008) take the position that schemas are ‘automatic’ in nature and may not be accessible to awareness. Asking participants to illustrate their understanding of the ‘exchange relationship as schema’ is unscientific, as schematic thinking occurs automatically. Therefore, our grid provided the constructs and the participant provided the ‘obligations’ (elements) which were elicited during the interview. The participant used the provided constructs to make sense of the elements in the grid. As has been explained, these provided constructs represent the ‘features’ of the content dimensions of the psychological contract. There are a number of studies that have utilised our approach (e.g. Warr & Coffman, 1970; Adams-Webber, 1990, 1997; Costigan, 1991; Neimeyer, 1993; Masgoret *et al.*, 1995; Bell, 2000a etc.). The repertory grid technique is therefore not completely standardised like other psychological tests but must be adapted to the type of assessment to be carried out and to its general aims (Feixas *et al.*, 2000). Jankowicz (2003) neatly captures the rationale behind our repertory grid design:

*‘If you want a reflection of the different ways in which a sample of people construes an issue, but you don’t need to capture the respondents’ own personal constructs, then don’t elicit any constructs at all. Supply your own for all of them to use’ (P.57).*

Therefore, each participant was asked to complete two repertory grids. One grid captured the employee obligations and the other grid focused on employer obligations. This is in keeping with the ‘preferred’ bilateral perspective of psychological contract content (Freese & Schalk, 2008). We will explain how the participant completed the grid in the next section.

#### **4.7.4 Step 3: Completing the Grid**

As explained, the constructs used in our study were developed from our pilot study (See 4.2.1 above).

*‘If you are in doubt about what kind of constructs are applicable to a certain group of people, it is common practice to collect a sample of constructs from a comparable group. You are then fairly safe in assuming that the most commonly used constructs for that group will be meaningful to the individuals’ (Fransella *et al.*, 2004, P.48).*

Table 4.3 (below) provides a framework of the repertory grid used in our study. As explained the columns are the known as the elements. In the context of our study they were the ‘employee’ or ‘employer’ obligations depending on the focus of the grid. The rows in the grid are the constructs used to rate the elements. In the context of our study they were the

‘features’ of the content dimensions of the psychological contract. The same constructs were used in both grids to accord with the theoretical boundaries of the bilateral approach (e.g. Freese & Schalk, 2008).

	Obligation 1	Obligation 2	Obligation 3	Obligation 4	Obligation 5	
<b>Contingent</b>						<b>Remote</b>
<b>Same for every employee</b>						<b>Unique to me</b>
<b>Expected</b>						<b>Not Expected</b>
<b>Realistic</b>						<b>Not Realistic</b>
<b>Fair</b>						<b>Not Fair</b>
<b>Familiar</b>						<b>Novel</b>
<b>Important</b>						<b>Not Important</b>

Table 4.3: Framework of repertory grid used in study

Each obligation was then rated along each feature using a 7-point Likert Scale (See 4.1 above). For example, if the participant believed it is ‘quite fair’ of the organisation to expect him to fulfil an obligation, then that employee obligation would be rated ‘5’ on the ‘Fair/Not Fair’ feature. This process is repeated for each obligation across each feature in the ‘employer obligations’ grid. The whole process lasts approximately 1 hour. At the end of this process each participant will have completed two grids: Grid 1- employee obligations; Grid 2 employer obligations.

#### **4.7.5 Step 4**

The participant is then debriefed and the purpose of the study is explained. This step was useful as a development exercise as it clarified what they hope to get from their new employment and also what they feel they are obliged to offer the employee which provided them with guidance in terms of where they should be directing their efforts at work.

### **4.8 Data Analysis**

The following sub- sections discuss the choices we made in relation to the analysis of the data.

#### **4.8.1 Content Analysis of the Grid**

274 employer obligations and 294 employee obligations respectively were elicited from the 50 interviews. A content analysis was employed (as opposed to computer packages like WINGRID or REDGRID designed specifically for grid analysis) for a number of reasons. Firstly, it enabled the researcher to get close to the data. Additionally, the aim was not to derive statistical factors, but to gain a deeper sense of understanding of how new employees perceived their employment relationship both uniquely and in common with others. By engaging with the data manually, participants could be partially involved in grid analysis as part of a development/debriefing exercise (Purvis & Cropley, 2003) (See 4.7.5 above). We adopted the Jankowicz (2003) technique for content analysis in repertory grids.

This technique is based on the work of (Holsti, 1968) and is a simple way to conduct a manual content analysis. There are four stages in the process. Stage 1: Identify the categories. Stage 2: Allocate the elements to those categories. Stage 3: Tabulate the result. Stage 4: Establish the reliability of the category system. There are a number of steps to this stage. Step 1: Ask a colleague to repeat steps 1 to 3 independently. Step 2: Identify the categories you both agree on, and those you disagree on. You can assess this by drawing up a Reliability Table (See Tables 4.4 and 4.5 below). Step 3: Record your joint allocation of elements. Step 4: Measure the extent of agreement between you which is the number of elements which lie along the diagonal in the Reliability Table. Step 5: Negotiate over the meaning of the categories. Step 6: Finalise a revised system with acceptably high reliability (85% for Employer Obligations and 87% for Employee Obligations). Repeat the whole process again. It is likely to be much quicker than before, since you will be using only agreed categories.

Step 7: Report the final reliability figure (See Tables 4.4 and 4.5 below). The improved figure you're aiming for is 90% agreement or better. It is crucial to report the improvement in the Reliability Index between Step 5 and Step 7, which in our case went from 85% to 90% for Employer Obligations and from 87% to 91% for Employee Obligations (Jankowicz, 2003). A Reliability Index of  $\geq 0.9$  is required when manually coding. The Reliability Index for the Employee Obligations Grid was 0.91 (See Table 4.4 Below). The Reliability Index for the Employer Obligations was 0.9 (See Table 4.5 Below).

Table 4.4: Reliability Table: Employee Obligations

	Duties	Additional Tasks	Honesty	Flexibility	Team Issues	Loyalty	Total
Job Performance	70	2	1		1	1	75
Extra Role Behaviour	1	31	2	1	2	1	38
Ethical Behaviour	7	1	65				73
Flexibility		2		31		1	34
Teamwork			2		45		47
Loyalty			1			26	27
Total	78	36	71	32	48	29	294

Total Number of Elements in Table = 294

Total Number of Elements agreed upon =  $70+31+65+31+45+26= 268$

Reliability Index =  $268/294= 0.91$

Table 4.5: Reliability Table: Employer Obligations

	Environment	Type of Work	Career Opportunities	Equality	Perks	Team Issues	Work/Life Balance	Supportive Action	Total
Work Environment	40				1			1	42
Job Content		24		2					26
Development			44		1			2	47
Fair Treatment				23				2	25
Pay & Benefits		1	1	6	28			1	37
Working with Team						18		4	22
Work/Life Balance					1		14	2	17
Training & Support	1				1	1		55	58
Total	41	25	45	31	32	19	14	67	274

Total number of elements in table = 274

Total number of elements agreed upon =  $40+ 24+ 44+ 23+ 28+ 18+ 14+ 55= 246$

Reliability Index =  $246/274 = 0.90$

Following the content analysis, a total of 6 employee obligations and 8 employer obligations were elicited (See Table 4.6 below). The obligations elicited represent the content dimensions of the psychological contract and are similar to dimensions used in previous in psychological contract studies (e.g. Rousseau, 1990; De Vos *et al.*, 2009, 2003; Purvis & Cropley, 2003; Herriott *et al.*, 1997 etc.) which facilitates comparison with extant research.

<b>Employee Obligations</b>	<b>Employer Obligations</b>
Teamwork	Work Environment
Job Performance	Job Content
Loyalty	Work/ Life Balance
Flexibility	Development
Ethical Behaviour	Training & Support
Extra Role Behaviour	Working with Team
	Fair Treatment
	Pay & Benefits

Table 4.6: Content Dimensions elicited from Repertory Grid Interviews

#### **4.8.2 Analysis of Stage A of Study**

Eliciting rather than imposing the content dimensions presents certain difficulties for the researcher. Firstly, not every ‘obligation’ is relevant to each participant. Certain obligations were not ‘mentioned’ by some participants. Secondly, some participants selected multiple obligations that could be found in the same category. Our analysis of ‘multiple selections of the same dimension’ suggested no difference in outcome when compared to an analysis of ‘single selection’. Therefore, we tested for significant difference in median scores of the three variables (career strategy, economic exchange, social exchange) between those who selected the dimension and those who didn’t. Median scores were used as they are more appropriate when the sample is small and results are skewed (Pallant, 2007). Therefore, a non- parametric test was required for the analysis. A Mann- Whitney U Test was used for the ‘career strategy’ and ‘type of exchange’ variables. A Mann-Whitney U Test is used to test for differences between two independent groups (i.e. those who pick the obligation V those who do not) on a

continuous variable (i.e. the individual antecedents). For example, a Mann- Whitney U Test was performed on the 'level of careerism' and on those who picked 'Loyalty' as an employee obligation and those who did not. For the 'experience' variable, 'Fisher's Exact' test of independence was used for a number of reasons. Firstly, when you have two categorical variables (i.e. 'experience as *veteran or novice*' & 'obligation selection *yes or no*'), Fisher's Exact test is the most appropriate analysis to use. Secondly, when the sample size is small and the distribution is not normally distributed, it is more accurate than the more common Chi- Squared test (Pallant, 2007).

#### **4.8.3 Analysis of Stage B of Study**

For this stage of our study, a number of different statistical tests were conducted. Firstly, we needed to determine the relationship between each continuous variable and the 'score' of each obligation across each feature. The median score for both groups of variables was used as Spearman's rank order correlation was considered to be the most appropriate test to use. This is a non- parametric test and is used when the sample is small and normality of the distribution is skewed. For the 'experience' variable (categorical), the Mann- Whitney U Test was used.

#### **4.9 Summary**

In this chapter we have discussed our research methodology and the measurements used in our study. Firstly, we have defended our choice for a cross-sectional research design in that we are not investigating changes in the contract, for which a longitudinal design would be more suitable. The next part of this chapter provided a detailed overview of the *measures* used within this study. The reliability analyses of the 'career strategy' 'social exchange' and 'economic exchange' suggest that we can proceed with more- in depth analysis of our data. As regards to measuring 'experience' we touch on the methodological issues (that we comprehensively discussed in Chapter 3) evident when measuring this variable. In relation to our measure of employer and employee obligations, we explained our decision to elicit data rather than presenting them to the participant. This is in keeping with our conceptualization of the psychological contract as a subjective perception. We also provide a detailed description of the repertory grid technique and it's appropriateness as a measure in our study. We explain how the design of the grid can be tweaked in response to the context of the

research and we justify the alterations made in our grid. We also described how we identified the organisation used in our study, its profile and the sample interviewed, which consists of organisational newcomers with less than two weeks work completed in the same organisation. We outlined the procedure for gathering data and explain how the grid itself was used to capture participants' responses. Finally, we describe the analyses and statistical tests conducted in this study. We also justify our choice of analysis based on the methodology described in the chapter.

## Chapter 5: Results

### 5.1 Introduction

Having discussed our research methodology in the last chapter, we present the results of our research in this chapter. There are two sections in this chapter. Section 1 records the findings relating to Stage A of our study whereby the effect of the three antecedents ('careerism', 'type of exchange', and 'experience') on the content dimensions of the psychological contract is tested. Section 2 records the findings relating to Stage B of our study whereby the content dimensions are examined across seven features.

Firstly, in Section 1, we outline how 'careerists' and 'non-careerists' differ in terms of the content of their psychological contract. Specifically, we examine which obligations (both employee and employer) were chosen by the participants and which were not, to see if this difference can be explained by their level of careerism. Secondly, we examine the relationship between a 'social exchange' and the content of the psychological contract and the relationship between an 'economic exchange' and this content. Finally, we consider how veterans and novices differ in terms of the content of their psychological contract. In Section 2, we report on the relationship between the antecedents and the content dimensions along these seven features. We address three specific issues: we examine how those with contrasting levels of careerism understand this content along the seven features; we assess how those with a social exchange understand the content of the psychological contract in comparison to those with an economic exchange and; we investigate how novices and veterans differ in their understanding of these obligations.

### 5.2 Section 1: The effect of the three Antecedents ('careerism', 'type of exchange', and 'experience') on the Content Dimensions of the Psychological Contract

This section reports the findings relating to Stage A of our study where the effect of 'level of careerism' 'type of exchange' and 'level of experience' on the content dimensions of the psychological contract was investigated. This investigation is guided by 'Research Question 1': *What is the relationship between newcomers' individual antecedents and the content of their psychological contract at organisational entry?*

### 5.2.1 The Effect of ‘Level of Careerism’ on the Content Dimensions of the Psychological Contract

Based on Research Question 1 we have devised the following sub research question which we have labelled ‘Research Question 1A’: *What is the relationship between newcomer’s level of ‘careerism’ and the content of their psychological contract at organisational entry.*

Table 5.1 below outlines this relationship.

	N		Mean		Median		Asymp. Sig. (2-tailed)*	U Value	Z Value
	Yes	No	Yes	No	Yes	No			
<b>Employee Obligations</b>									
Teamwork	39	11	2.31	1.78	2.6	1.6	.088	142	-1.707
Job Performance	42	8	2.22	2.05	2.4	1.7	.595	148	-.532
Flexibility	25	25	2.26	2.13	2.4	1.8	.711	293.5	-.371
Loyalty	<b>21</b>	<b>29</b>	<b>1.83</b>	<b>2.46</b>	<b>1.6</b>	<b>2.8</b>	<b>.006*</b>	<b>166.5</b>	<b>-2.727</b>
Ethical Behaviour	38	12	2.21	2.15	2.3	2.3	.855	220	-.183
Extra Role Behaviour	23	27	2.20	2.19	2.2	2.4	.930	306	-.088
<b>Employer Obligations</b>									
Work Environment	32	18	2.21	2.18	2.4	1.8	.992	287.5	-.010
Job Content	22	28	2.38	2.05	2.6	1.7	.143	233.5	-1.464
Work/Life Balance	16	34	2.14	2.22	2.2	2.4	.623	248.5	-.491
Development	33	17	2.16	2.27	2.2	2.8	.523	249.5	-.638
Training & Support	39	11	2.22	2.11	2.2	2.4	.572	190.5	-.565
Working with Team	18	32	2.26	2.16	2.4	2.2	.745	272	-.325
Fair Treatment	17	33	2.12	2.24	2.4	2.2	.544	251	-.607
Pay & Benefits	22	28	2.28	2.13	2.4	2	.432	268	-.786

\*sig. p<.01 (also sig. at an adjusted Bonferoni level)

Table 5.1: The Relationship between level of ‘careerism’ and both Employee and Employer Obligations

Table 5.1 above outlines the relationship between level of ‘careerism’ and the specific employee and employer obligations. The first column in the table is a list of both the employee and employer obligations elicited from the interviews (See Chapter 4). The second column in the table records the number of participants who ‘selected’ each obligation as an employee obligation and also those who did not. For example, in terms of ‘teamwork’ 39 participants selected teamwork as one of their obligations to the organisation (‘Yes’ column)

and 11 participants did not select teamwork as an obligation to the organisation ('No' column). The Mean and Median scores of participant's level of careerism are recorded and are categorised by those who selected the obligation ('Yes' column) and those who did not pick that obligation ('No column'). A non-parametric Mann Whitney U test was carried out to determine the significance levels of the relationship between careerism and the extent to which each obligation was selected or not. The fifth column records this asymptotic significance level. Finally the U values and Z values of this test are outlined.

In relation to employee obligations, the Mann Whitney U test revealed a significant difference in levels of careerism between those who did not select *Loyalty* as an employee obligation ('No') (Md = 2.8, n = 29) and those who did ('Yes') (Md = 1.6, n = 21), U = 166.5, Z = -2.727, p = .006 (p < .01). This result indicates that a higher level of careerism is associated with a lower sense of loyalty to the organisation. Therefore, the result implies that those with a high level of careerism (i.e. preference for changing organisations frequently) are less likely to feel a sense of loyalty to the organisation. However, there was no significant difference between the two groups on obligations concerning *Ethical Behaviour*. Taken together, these findings partially support Proposition 1 (*Those participants who feel employee obligations of 'loyalty' and 'ethical behaviour' as content dimensions of their psychological contract will have a lower level of careerism than those who do not.*).

However, in relation to the employer obligations, for each obligation the Mann Whitney U Test revealed no significant difference between participants who did select it and those who did not, in terms of their level of careerism. We proposed that those with a high level of careerism are more likely than those with a lower level to feel the organisation is obliged to provide them with *Development* opportunities and *Pay & Benefits*. However, there was no significant difference between the two groups on these dimensions. Therefore, the results do not support Proposition 2 (*Those participants who feel employer obligations of 'development' and 'pay & benefits' as content dimensions of their psychological contract will have a higher level of careerism than those who do not.*).

Figure 5.1: The Content Dimensions of a ‘Careerist’s Psychological Contract and a ‘Non Careerist’s Psychological Contract.

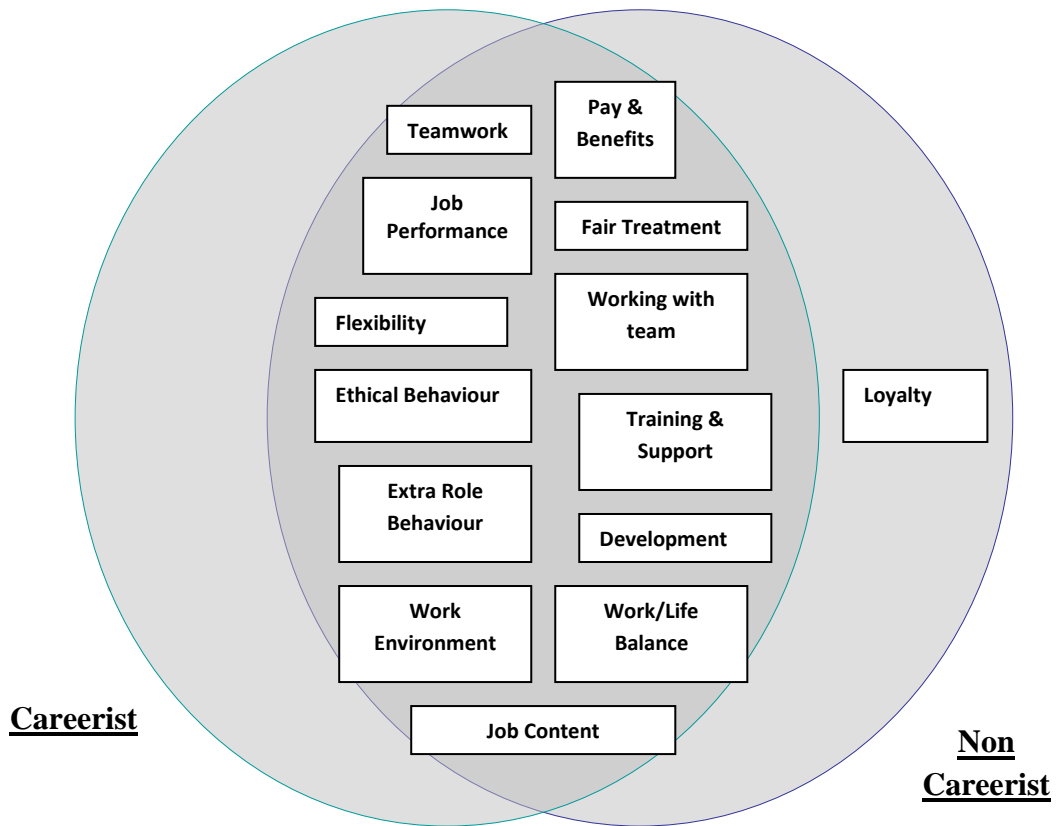


Figure 5.1 above illustrates the difference between ‘careerists’ and ‘non careerists’ in terms of the content dimensions of their psychological contract. Our study did not find any difference in terms of level of careerism on 13 obligations. This is why they are located at the ‘intersection’ between both sets. These are the obligations shared by the careerist and non careerist. However, our results did indicate that *Loyalty* is less likely to be a dimension in the careerist’s psychological contract, hence, it not being located in the careerist set.

### 5.2.2 The Effect of Type of Exchange on the Content Dimensions of the Psychological Contract

Based on Research Question 1, we have devised the following sub research question which we have labelled ‘Research Question 1B’: *What is the relationship between newcomer’s ‘type of exchange’ and the content of their psychological contract at organisational entry?* Table 5.2 outlines this relationship in terms of ‘economic exchange’ and Table 5.3 outlines this relationship in terms of ‘social exchange’.

	N		Mean		Median		Asymp. Sig. (2-tailed)*	U Value	Z Value
	Yes	No	Yes	No	Yes	No			
<b>Employee Obligations</b>									
Teamwork	39	11	1.61	1.43	1.43	1.43	.860	207	-.176
Job Performance	42	8	1.61	1.36	1.43	1.29	.559	146	-.585
Flexibility	25	25	1.74	1.40	1.43	1.43	.136	236	-1.491
Loyalty	21	29	1.68	1.49	1.43	1.43	.260	247.5	-1.126
Ethical Behaviour	38	12	1.65	1.32	1.43	1.29	.171	168	-1.370
Extra Role Behaviour	<b>23</b>	<b>27</b>	<b>1.34</b>	<b>1.77</b>	<b>1.14</b>	<b>1.57</b>	<b>.021*</b>	<b>192.5</b>	<b>-2.308</b>
<b>Employer Obligations</b>									
Work Environment	32	18	1.63	1.47	1.43	1.21	.264	233	-1.117
Job Content	22	28	1.39	1.71	1.36	1.64	.138	232.5	-1.483
Work/Life Balance	16	34	1.62	1.55	1.43	1.43	.374	229.5	-.888
Development	33	17	1.43	1.85	1.43	1.86	.092	198.5	-1.687
Training & Support	39	11	1.58	1.56	1.43	1.14	.630	194	-.482
Working with Team	18	32	1.75	1.47	1.50	1.29	.123	212	-1.543
Fair Treatment	17	33	1.55	1.58	1.43	1.43	.703	262	-.381
Pay & Benefits	<b>22</b>	<b>28</b>	<b>1.80</b>	<b>1.39</b>	<b>1.57</b>	<b>1.21</b>	<b>.036*</b>	<b>201</b>	<b>-2.101</b>

\*sig. p<.05 (also sig. at an adjusted Bonferoni level)

Table 5.2: The Relationship between ‘Economic Exchange’ and both Employee and Employer Obligations

Table 5.2 above outlines the relationship between ‘economic exchange’ and the specific employee and employer obligations. The results partially support Proposition 3 (*Those participants who feel employee obligations of ‘loyalty’ and ‘extra role behaviour’ as content dimensions of their psychological contract will have a lower level of economic exchange than those who do not*) with the statistical test revealing a significant difference in levels of economic exchange between those who did not select obligations relating to *Extra Role*

*Behaviour* as an employee obligation ('No') (Md = 1.58, n = 27) and those who did ('Yes') (Md = 1.14, n = 23),  $U = 192.5$ ,  $Z = -2.308$ ,  $p = .021$  ( $p < .05$ ). This result indicates that a higher level of economic exchange is associated with a lower inclination to engage in additional duties as regards employment. Therefore, the results suggest that those with an economic exchange are less likely to feel obligations to 'do more than is required'. However, the results do not support our contention that those with an economic exchange are less likely to feel obligations of *Loyalty* to the organisation. There was no significant difference between the two groups. Therefore Proposition 3 is partially supported. There was also no significant difference between those participants who picked *Ethical Behaviour* and those who did not in terms of their level of economic exchange. Therefore, the results do not support Proposition 4 (*Those participants who feel an employee obligation of 'ethical behaviour' as a content dimension of their psychological contract will have a higher level of economic exchange than those who do not*).

In relation to employer obligations, the Mann Whitney U test revealed a significant difference in levels of economic exchange between those who did not chose *Pay & Benefits* as employer obligations and those who did (('No') (Md = 1.21, n = 28) and those who did ('Yes') (Md = 1.57, n = 22),  $U = 201$ ,  $Z = -2.101$ ,  $p = .036$  ( $p < .05$ ). This result indicates that a higher level of economic exchange is associated with a higher employee need for the organisation to provide him with Pay & Benefits. This result supports Proposition 5 (*Those participants who feel employer obligations of 'pay and benefits' as content dimensions of their psychological contract will have a higher level of economic exchange than those who do not*). There was no significant difference between those who 'picked' *Development* as an employer obligation and those who did not in terms of their level of economic exchange. However, the difference was almost significant ( $p = .092$ ). In a sample this small, this figure is somewhat consequential (Pallant, 2007). Accordingly, this result lends partial support to Proposition 6 (*Those participants who feel an employer obligation of 'development' as a content dimension of their psychological contract will have a lower level of economic exchange than those who do not*).

Figure 5.2: The Content Dimensions of a ‘High Economic Exchange’ Psychological Contract and a ‘Low Economic Exchange’ Psychological Contract.

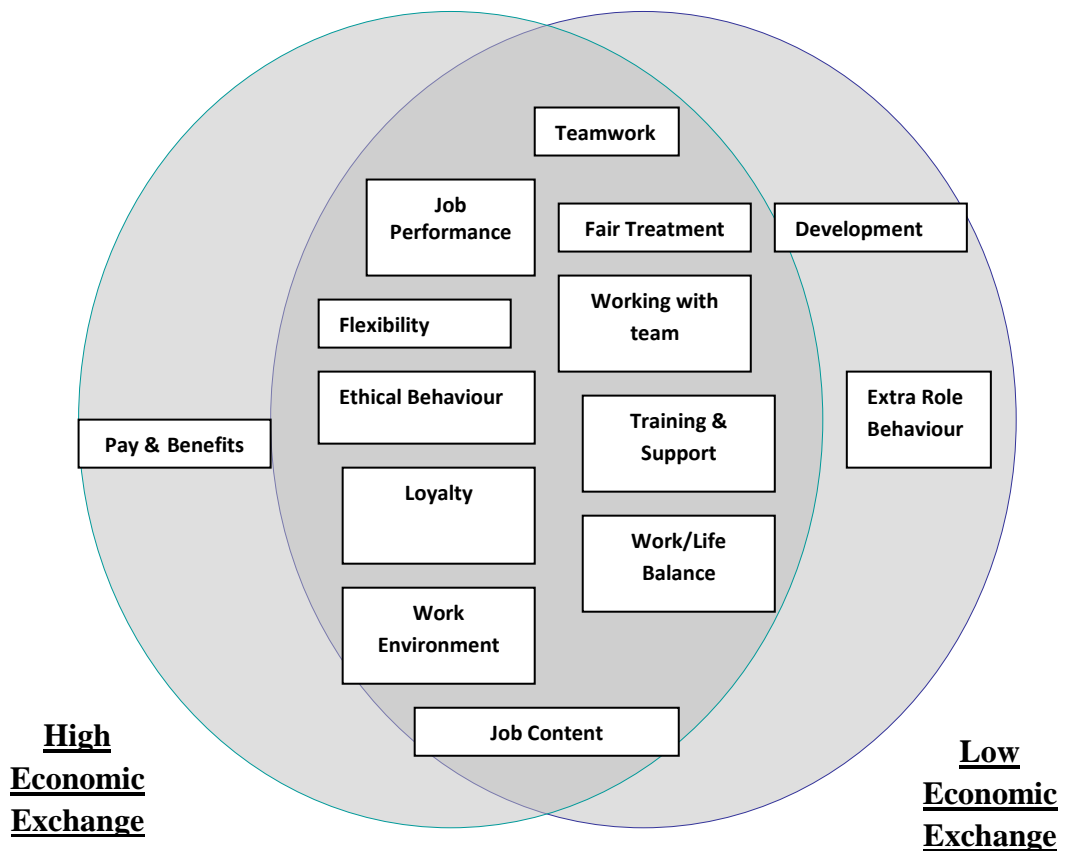


Figure 5.2 above illustrates the difference between employees with a ‘High Economic Exchange and ‘Low Economic Exchange’ in terms of the content dimensions of their psychological contract. Our study did not find any difference in terms of level of economic exchange on 11 obligations. This is why they are located at the ‘intersection’ between both sets. These are the obligations shared by the employee with the high economic exchange and the employee with the low economic exchange. However, our results did indicate that *Extra Role Behaviour* is less likely to be a dimension in a high economic exchange psychological contract, hence, it not being located in that set. Similarly our study indicated that *Development* is less likely to be an employer obligation in the psychological contract of an employee with a high economic exchange. We found that obligations relating to *Pay & Benefits* are likely to be a dimension of an employee with a high economic exchange as is illustrated in the Figure above.

	N		Mean		Median		Asymp. Sig. (2-tailed)*	U Value	Z Value
	Yes	No	Yes	No	Yes	No			
<b>Employee Obligations</b>									
Teamwork	39	11	2.82	3.01	3	3.29	.377	177	-.884
Job Performance	42	8	2.82	3.11	2.93	3	.287	128	-1.065
Flexibility	25	25	2.83	2.90	3	3	.899	306	-.127
Loyalty	21	29	2.77	2.93	2.86	3	.729	287	-.346
Ethical Behaviour	<b>38</b>	<b>12</b>	<b>2.78</b>	<b>3.13</b>	<b>2.93</b>	<b>3.43</b>	<b>.016*</b>	<b>122.5</b>	<b>-2.411</b>
Extra Role Behaviour	23	27	2.88	2.85	2.86	3	.891	303.5	-.137
<b>Employer Obligations</b>									
Work Environment	32	18	2.91	2.79	3.07	2.86	.219	227.5	-1.230
Job Content	22	28	2.93	2.81	3	2.93	.582	280	-.551
Work/Life Balance	16	34	2.74	2.92	2.79	3.14	.090	191	-1.695
Development	<b>33</b>	<b>17</b>	<b>3.02</b>	<b>2.55</b>	<b>3.14</b>	<b>2.43</b>	<b>.002**</b>	<b>130</b>	<b>-3.101</b>
Training & Support	39	11	2.88	2.79	3	2.86	.750	201	-.318
Working with Team	18	32	2.83	2.88	2.86	3	.655	266	-.447
Fair Treatment	17	33	2.71	2.94	2.86	3.14	.113	203.5	-1.586
Pay & Benefits	22	28	2.92	2.82	3	2.86	.485	272.5	-.698

\*sig.  $p < .05$  (also sig. at an adjusted Bonferoni level) \*\*sig.  $p < .01$  (also sig. at an adjusted Bonferoni)

Table 5.3: The Relationship between ‘Social Exchange’ and both Employee and Employer Obligations

Table 5.3 outlines the relationship between ‘social’ exchange and both parties’ obligations. In relation to the employee obligations, the Mann Whitney U test revealed no significant difference in levels of social exchange between those who did not chose *Flexibility*, *Loyalty*, and *Extra Role Behaviour* as employee obligations and those who did. This finding does not support Proposition 7 (*Those participants who feel employee obligations of ‘loyalty’, ‘flexibility’ and ‘extra role behaviour’ as content dimensions of their psychological contract will have a higher level of social exchange than those who do not.*). For *Ethical Behaviour*, the statistical test revealed a significant difference in levels of social exchange between those who did not select it as an employee obligation (‘No’) (Md = 3.43, n = 12) and those who did (‘Yes’) (Md = 2.93, n = 38), U = 122.5, Z = -2.411, p = .016 ( $p < .05$ ). This result indicates that participants with a high level of social exchange are less likely to feel obligations to the organisation in terms of *Ethical Behaviour*.

In relation to employer obligations, the Mann Whitney U test revealed a significant difference in levels of social exchange between those who did not chose *Development* as an employer obligation (‘No’) (Md = 2.43, n = 17) and those who did (‘Yes’) (Md = 3.14, n =

33),  $U = 130$ ,  $Z = -3.101$ ,  $p = .002$  ( $p < .01$ ). This result indicates that a higher level of social exchange is associated with a greater employee belief that the organisation is obliged to provide development opportunities. This finding supports Proposition 8. However, there was no significant difference in levels of social exchange between those who picked *Training & Support* and *Working with Team* as employer obligations and those who did not. This outcome does not support Proposition 8. Therefore, these three results taken together lend partial support for Proposition 8 (*Those participants who feel employer obligations of 'development', 'training & support' and 'working with team' as content dimensions of their psychological contract will have a higher level of social exchange than those who do not.*).

Figure 5.3: The Content Dimensions of a 'High Social Exchange' Psychological Contract and a 'Low Social Exchange' Psychological Contract.

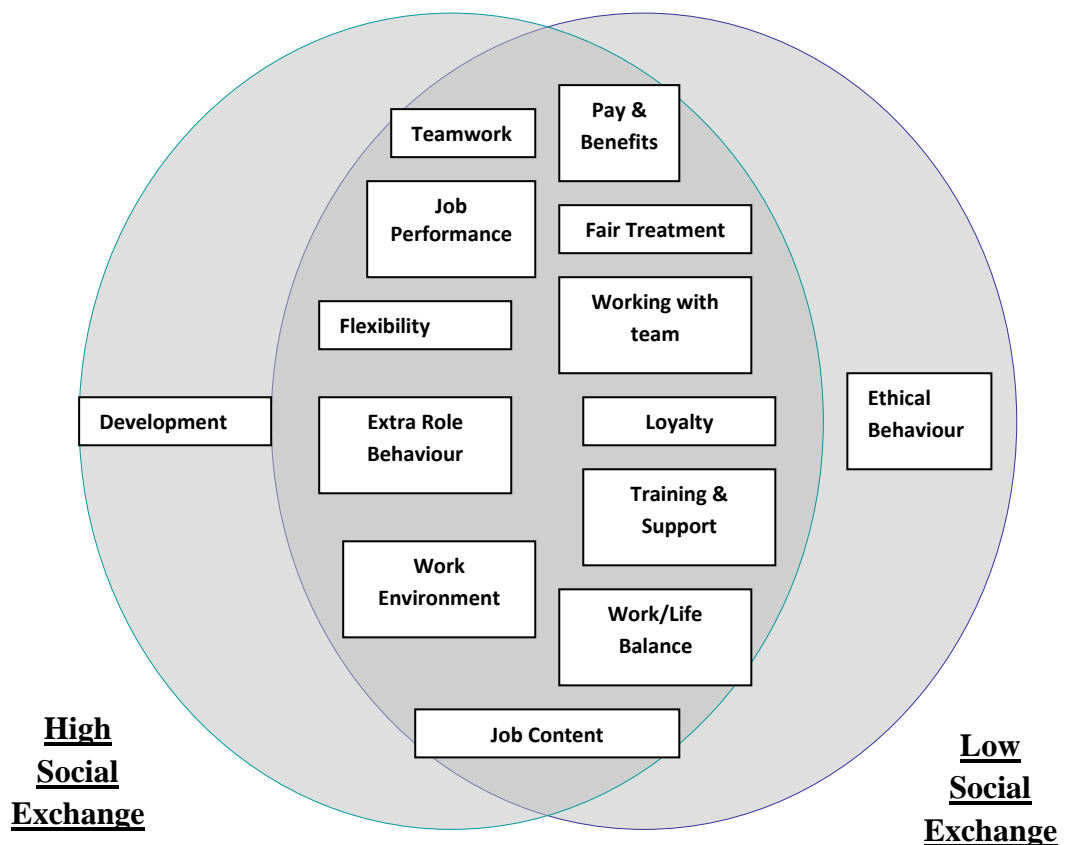


Figure 5.3 above illustrates the difference between employees with a ‘High Social Exchange and ‘Low Social Exchange’ in terms of the content dimensions of their psychological contract. Our results did not find any significant difference on twelve obligations in terms of level of social exchange. However, our findings did suggest that obligations relating to *Ethical Behaviour* are more likely to be part of the psychological contract of an employee with a low social exchange as is evidenced by its location outside the high social exchange set. Our study also found that obligations relating to *Development* are more likely to be found in the psychological contract of an employee with a high social exchange as can be seen by its location in the Figure above.

### 5.2.3 Correlation between Careerism, Social Exchange and Economic Exchange

Beyond the distinct propositions relating to the effect of the antecedents on the content dimensions, we also proposed that there would be a correlation between the two types of exchange and careerism in line with previous research (e.g. Rousseau, 1990). Table 5.4 (below) outlines the correlation between ‘careerism’ and both ‘social exchange’ and ‘economic exchange’. The results show a weak negative association between careerism and social exchange,  $\rho = -.258$ ,  $N = 50$ ,  $p = .070$  ( $p < .05$ ). As explained in the previous section, in a sample this small a ‘p’ value and ‘rho’ value of this size can be considered significant. The results also show a weak positive association between careerism and economic exchange,  $\rho = .287$ ,  $N = 50$ ,  $p = .044$  ( $p < .05$ ). Both these findings support Proposition 9 (*Careerism is positively correlated with the preference for an economic exchange and negatively related to the preference for a social exchange*).

		Correlations			Standard Deviation	Means
		Social Exchange	Economic Exchange	Careerism		
Social Exchange	Pearson Correlation	1	-.555**	-.258	.59	2.86
	Sig. (2-tailed)		.000	.070		
	N	50	50	50		
Economic Exchange	Pearson Correlation	-.555**	1	.287*	.73	1.57
	Sig. (2-tailed)	.000		.044		
	N	50	50	50		
Career Strategy	Pearson Correlation	-.258	.287*	1	.84	2.20
	Sig. (2-tailed)	.070	.044			
	N	50	50	50		

Table 5.4: Correlation between Social Exchange, Economic Exchange & Careerism

\*\*sig.  $p < .01$  level \*sig.  $p < .05$  level

### 5.2.4 The Effect of Level of Experience on the Content Dimensions of the Psychological Contract

Based on Research Question 1 we have devised the following sub research question which we have labelled ‘Research Question 1C’: *What is the relationship between newcomer’s ‘level of experience’ and the content of their psychological contract at organisational entry?*

Table 5.5 outlines this relationship.

	N		Novice (N)		Veteran (N)		Fisher’s Exact Test (2- tailed)*
	Yes	No	Yes	No	Yes	No	
<b>Employee Obligations</b>							
<b>Teamwork</b>	39	11	18	1	21	10	.035
<b>Job Performance</b>	42	8	15	4	27	4	.459
<b>Flexibility</b>	25	25	10	9	15	16	1
<b>Loyalty</b>	21	29	8	11	13	18	1
<b>Ethical Behaviour</b>	38	12	14	5	24	7	1
<b>Extra Role Behaviour</b>	23	27	8	11	15	16	.773
<b>Employer Obligations</b>							
<b>Work Environment</b>	32	18	13	6	19	12	.764
<b>Job Content</b>	22	28	9	10	13	18	.774
<b>Work/Life Balance</b>	16	34	6	13	10	21	1
<b>Development</b>	33	17	11	8	22	9	.373
<b>Training &amp; Support</b>	39	11	15	4	24	7	1
<b>Working with Team</b>	18	32	9	10	9	22	.233
<b>Fair Treatment</b>	17	33	5	14	12	19	.540
<b>Pay &amp; Benefits</b>	22	28	9	10	13	18	.774

\* sig.  $p < .05$  (also sig. at an adjusted Bonferoni level)

Table 5.5: The Relationship between ‘Level of Experience’ and both Employee and Employer obligations.

A non- parametric Fisher’s Exact test was carried out to determine the significance levels of the relationship between level of experience and the extent to which each obligation was selected or not. The fifth column records this significance level for each obligation.

Firstly, it is clear from the results that the content dimensions of the psychological contracts of veterans and novices are different. Both groups differ in terms of whether they selected an obligation in that the percentage of novices who selected an obligation is not identical to the percentage of veterans who selected that same obligation. This result is repeated on each employee and employer obligation. Therefore, these findings support Proposition 10 in our study (*There will be a difference in the content of the psychological*

*contracts between veterans and novices*). Therefore, our study empirically confirms that veterans and novices differ in terms of the content of their psychological contract.

If we specifically examine the employee obligations, Fisher's Exact test revealed a significant difference in levels of experience between those who did not select *Teamwork* as an employee obligation ('No') (Novice (N) = 1, Veteran (N) = 11) and those who did ('Yes') (Novice (N) = 18, Veteran (N) = 21),  $p = .021$  ( $p < .05$ ). This result indicates that veterans are less likely to feel obligations to the organisation relating to *Teamwork*. This finding supports Proposition 11 that novices are more likely than veterans to feel obliged to contribute to team dynamics, be a team player etc.

However, in relation to employer obligations, Fisher's Exact test revealed no significant difference between participants who did select *Training & Support* and *Working with Team* and those who did not, in terms of their level of experience. This finding does not support Proposition 11. Taken together, these results lend partial support to Proposition 11 (*Novices will be more likely than veterans to choose employer obligations relating to 'training & support' and 'working with team' and employee obligations relating to 'teamwork' as content dimensions of their psychological contract*). These findings indicate that novices are more likely than veterans to feel obliged to contribute to team effectiveness but there is no difference between the groups in terms of expecting the employer to provide them with necessary training, supportive environment or to place them in an effective team.

Figure 5.4: The Content Dimensions of the ‘Novice’ Psychological Contract and the ‘Veteran’ Psychological Contract.

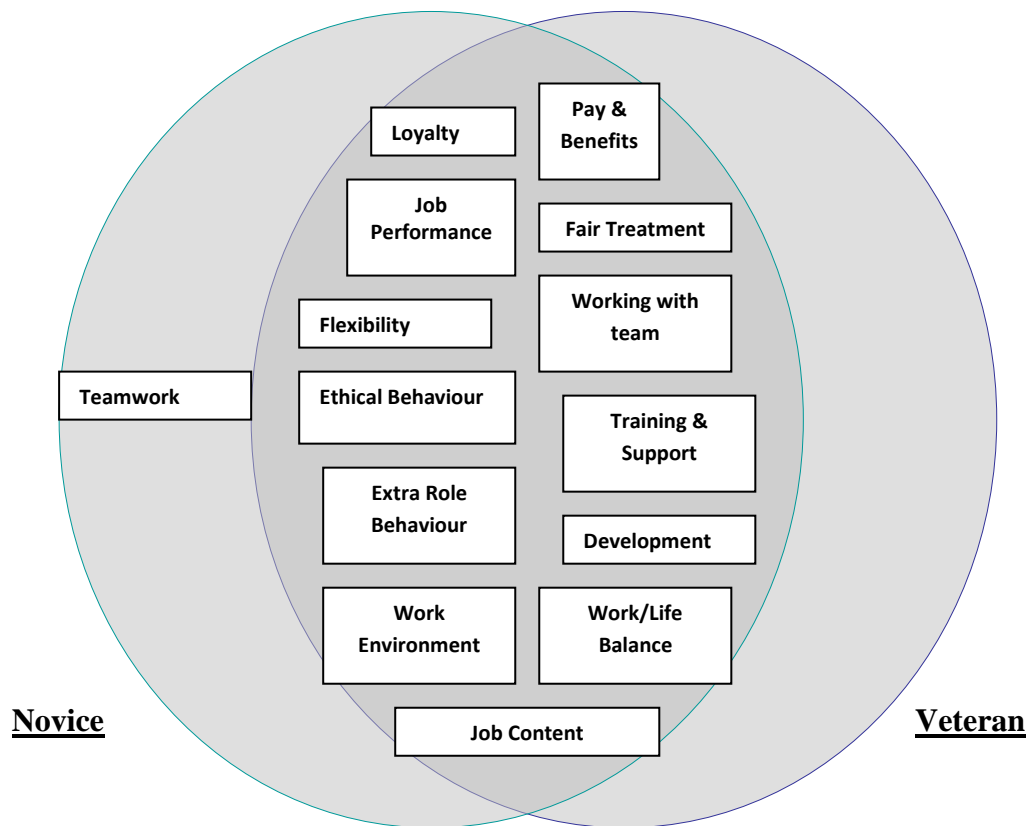


Figure 5.4 above illustrates the difference between ‘novice’ employees and ‘veteran’ employees in terms of the content dimensions of their psychological contract. Our results did not find any significant difference on thirteen obligations in terms of level of ‘experience’. However, our findings did suggest that obligations relating to *Teamwork* are more likely to be part of the psychological contract of the novice as is evidenced by its location outside the veteran set.

### 5.3 Section 2: Results relating to Stage B in our Study

This section reports the findings relating to Stage B of our study where the effect of ‘level of careerism’ ‘type of exchange’ and ‘level of experience’ on the content dimensions across seven features is explored. The seven features are: ‘Realistic/Not Realistic’; ‘Contingent/Remote’; ‘Fair/Not Fair’; ‘Important/Not Important’; ‘Expected/Not Expected’; ‘Familiar/Novel’; ‘Same for every employee/ Unique to me’. This investigation is guided by ‘Research Question 2’: *What do new workers believe about the content of their psychological contracts at the post- induction phase?*

#### 5.3.1 The Effect of Careerism, Type of Exchange and Experience on the Realistic/Not Realistic Feature

Based on Research Question 2 we have devised the following sub research question which we have labelled ‘Research Question 2A’: *Is there a correlation between the individual antecedents and the extent to which each obligation is considered Realistic/ Not Realistic?*

Tables 5.6 and 5.7 outline this relationship.

Employee Obligations	N	Median	S.D.	Careerism		Economic Exchange		Social Exchange	
				Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)
Teamwork	39	1	1.01	.095	.565	-.179	.276	<b>-.350*</b>	<b>.029*</b>
Job Performance	41	2	.88	-.036	.821	-.161	.314	-.174	.277
Flexibility	25	1.5	1.41	.257	.215	.199	.340	<b>-.460*</b>	<b>.021*</b>
Loyalty	22	3	1.35	.210	.349	-.094	.676	-.346	.115
Ethical Behaviour	38	2	.79	-.003	.984	-.160	.339	-.011	.946
Extra Role Behaviour	25	2	1.37	.084	.691	.221	.289	-.377	.063
<b>Employer Obligations</b>									
Work Environment	32	1	.71	-.014	.939	-.298	.097	-.049	.789
Job Content	21	2	1.28	-.287	.208	-.355	.114	.020	.932
Work/Life Balance	15	2.5	1.41	-.457	.075	-.192	.476	-.005	.984
Development	33	2	.97	.041	.819	-.056	.756	<b>-.394*</b>	<b>.023*</b>
Training & Support	40	2	.92	-.051	.756	<b>-.432**</b>	<b>.005**</b>	-.141	.386
Working with Team	17	2.5	1.34	.220	.381	-.206	.413	-.205	.415
Fair Treatment	19	2	.93	.090	.707	<b>-.462*</b>	<b>.040*</b>	-.239	.311
Pay & Benefits	23	2	.97	.273	.207	-.287	.185	-.049	.823

\* sig. p<.05(also sig. at an adjusted Bonferoni level) \*\*sig. p<.01 (also sig. at an adj. Bonferoni level)

Table 5.6: The Relationship between Careerism, Type of Exchange and both Employee and Employer Obligations on the Realistic/ Not Realistic Feature

Table 5.6 outlines the relationship between careerism, type of exchange and the extent to which each obligation was considered realistically fulfilled. The total number of participants who selected each obligation is outlined. The strength of the correlation (Spearman's correlation coefficient) and level of significance is recorded. Significant relationships are highlighted in bold. In terms of careerism, there was no correlation between careerism and employee obligations relating to *Loyalty* or *Ethical Behaviour*. This does not support Proposition 12. Similarly, there was no relationship with employer obligations relating to *Pay & Benefits* or *Development*. This finding does not support Proposition 13. Therefore, level of careerism had no effect on these obligations (or any of the other obligations) in terms of their extent to which they are considered realistically fulfilled.

In terms of economic exchange, there was no correlation with employee obligations relating to *Loyalty* or *Extra Role Behaviour*. This finding does not support Proposition 14. There was no relationship with employer obligations relating to *Pay & Benefits*. This finding does not support Proposition 15. Also, there was no relationship with employee obligations relating to *Ethical Behaviour*. This finding does not support Proposition 16. Finally, there was no relationship with employer obligations relating to *Development*. This finding does not support Proposition 17. Therefore, level of economic exchange does not have a relationship with these five obligations in terms of the extent to which they are considered realistically fulfilled.

In terms of social exchange, there was a weak correlation with employee obligations relating to *Flexibility*,  $\rho = -.460$ ,  $n = 25$ ,  $p = .021$  ( $p < .05$ ), with a high level of social exchange associated with a lower level of '*Flexibility* realistic' (i.e. realistic). This finding implies that those with a social exchange believe the employer can realistically expect them to fulfil obligations relating to *Flexibility*. This finding supports Proposition 18. However, there was no relationship with employee obligations relating to *Loyalty*. This finding does not support Proposition 18. However, in relation to employee obligations concerning *Extra Role Behaviour*, there was almost a significant relationship ( $\rho = -.377$ ,  $N = 25$ ,  $p = .63$  ( $p < .05$ )). In a sample this small, this result can be treated as significant. This finding suggests that those with a high level of social exchange believe the employer can realistically expect them to fulfil obligations relating to *Extra Role Behaviour*. This finding supports Proposition 18. In terms of employer obligations, there was a modest correlation with obligations relating to *Development*,  $\rho = -.394$ ,  $n = 33$ ,  $p = .023$  ( $p < .05$ ), where a high level of social exchange is associated with a lower level to '*Development* realistic' (i.e. realistic). This finding suggests

that those with a social exchange believe the employer can realistically fulfil obligations relating to *Development*. This finding supports Proposition 19. However, there was no relationship with employer obligations concerning *Training & Support* or *Working with Team*. This result does not support Proposition 19.

<i>Employee Obligations</i>	Novice (N)	Median	Veteran (N)	Median	Asymp. Sig. (2-tailed)	Mann Whitney U Value	Z Value
<b>Teamwork</b>	18	1.5	21	1	.841	182.5	-.200
<b>Job Performance</b>	15	1	26	2	.086	137	-1.719
<b>Flexibility</b>	10	2	15	3	.264	55.5	-1.117
<b>Loyalty</b>	8	1.5	14	1.5	.882	54	-.149
<b>Ethical Behaviour</b>	14	1	24	2	.130	121.5	-1.516
<b>Extra Role Behaviour</b>	8	2	17	2	.738	62.5	-.334
<i>Employer Obligations</i>							
<b>Work Environment</b>	13	1	19	1	.584	111	-.548
<b>Job Content</b>	9	1	12	3	.077	28.5	-1.767
<b>Work/Life Balance</b>	5	2.5	10	2.5	.572	25	-.566
<b>Development</b>	11	2	22	2.5	.386	99.5	-.866
<b>Training &amp; Support</b>	15	2	25	2	.638	171.5	-.470
<b>Working with Team</b>	8	3	9	2	.364	30.5	-.908
<b>Fair Treatment</b>	4	2	15	2	1	37.5	.000
<b>Pay &amp; Benefits</b>	9	2	14	2	.865	60.5	-.170

Table 5.7: The Relationship between ‘Experience’ and both the Employee and Employer Obligations on the ‘Realistic/Not Realistic’ Feature

Table 5.7 illustrates the responses of both novices and veterans in terms of the perceived ‘realistically fulfilled’ levels of each obligation. The number of novices and veterans and their respective median scores for each obligation are presented. A higher score corresponds with a lower level of ‘realistically fulfilled’. A non-parametric Mann Whitney U test was carried out to determine the significance levels of the relationship between type of experience and the extent to which each obligation was considered realistically fulfilled. The sixth column records this asymptotic significance level. Finally the U values and Z values of this test are outlined. The results show that there was no significant difference between novices and veterans in how they view both the employee and employer obligations in terms of perceived levels of ‘realistically fulfilled’. Therefore, the results indicate that level of

experience has no effect on the extent to which each obligation is considered realistically fulfilled.

### 5.3.2 The Effect of Careerism, Type of Exchange and Experience on the Contingent/Remote Feature

Based on Research Question 2 we have devised the following sub research question which we have labelled ‘Research Question 2B’: *Is there a correlation between the individual antecedents and the extent to which each obligation is considered Contingent/Remote?*

Tables 5.8 and 5.9 outline this relationship.

Employee Obligations	N	Median	S.D.	Careerism		Economic Exchange		Social Exchange	
				Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)
Teamwork	39	3	2.29	-.030	.856	-.253	.120	-.137	.405
Job Performance	41	4	2.01	-.211	.185	<b>-.386</b>	<b>.013*</b>	.114	.476
Flexibility	25	5	2.07	-.311	.130	<b>-.396</b>	<b>.050*</b>	.087	.679
Loyalty	22	3	1.80	-.107	.637	-.093	.682	-.080	.723
Ethical Behaviour	38	5.5	2.15	-.160	.339	-.272	.098	-.095	.569
Extra Role Behaviour	25	3	2.24	.018	.934	<b>-.629</b>	<b>.001**</b>	.092	.661
<b>Employer Obligations</b>									
Work Environment	32	7	1.89	.005	.980	.011	.954	.080	.662
Job Content	21	3	1.92	-.219	.341	.299	.188	.245	.285
Work/Life Balance	15	4	2.19	-.016	.954	.157	.576	-.003	.992
Development	33	2	1.73	.035	.849	.066	.715	.044	.807
Training & Support	40	4.5	1.96	-.082	.614	.282	.078	.007	.965
Working with Team	17	6	1.73	-.371	.143	-.182	.486	.215	.408
Fair Treatment	19	5	2.41	-.071	.773	<b>.463</b>	<b>.046*</b>	-.347	.146
Pay & Benefits	23	4	2.04	-.172	.431	.091	.678	.182	.407

\* sig. p<.05 (also sig. at an adjusted Bonferoni level) \*\*sig. p<.01 (also sig. at an adjusted Bonferoni level)

Table 5.8: The Relationship between Careerism, Type of Exchange and both Employee and Employer Obligations on the Contingent/ Remote Feature

Table 5.8 outlines the relationship between careerism, type of exchange and the extent to which each obligation was considered contingent/remote. In relation to careerism, there was no relationship with employee obligations relating to *Loyalty* or *Ethical Behaviour* suggesting that level of careerism has no effect on these obligations in terms of the extent to which they are considered contingent/remote. This outcome does not support Proposition 12. There was no relationship with employer obligations relating to *Development* or *Pay & Benefits* suggesting that level of careerism has no effect on the extent to which these obligations are considered contingent/remote. This finding does not support Proposition 13.

In relation to economic exchange, there was a moderate relationship with employee obligations relating to *Extra Role Behaviour*,  $\rho = -.629$ ,  $n = 25$ ,  $p = .001$  ( $p < .01$ ), with a high level of economic exchange associated with a low level of 'Extra Role Behaviour contingent (i.e. contingent). This finding indicates that those with a high level of economic exchange consider obligations relating to *Extra Role Behaviour* to be contingent (i.e. not contingent on the employer doing something in return). This result supports Proposition 14. There was no relationship with employee obligations relating to *Loyalty*. This finding does not support Proposition 14. There was no relationship with employer obligations concerning *Pay & Benefits* suggesting that an economic exchange has no effect on this obligation's perceived level of contingency. This finding does not support Proposition 15. There was no relationship with employee obligations relating to *Ethical Behaviour*, a finding which does not support Proposition 16. Finally, there was no relationship with employer obligations concerning *Development* indicating that level of economic exchange has no effect on this obligation's perceived level of contingency. Again, this finding does not support Proposition 17.

In relation to social exchange, there was no relationship with employee obligations relating to *Loyalty*, *Flexibility* or *Extra Role Behaviour* indicating that level of social exchange has no effect on these obligations perceived level of contingency. These findings do not support Proposition 18. In relation to employer obligations, there was no relationship with obligations concerning *Development*, *Training & Support* or *Working with Team*, a result which suggests that level of social exchange does not affect perceived levels of contingency for each of these obligations. These findings do not support Proposition 19.

<i>Employee Obligations</i>	Novice (N)	Median	Veteran (N)	Median	Asymp. Sig. (2-tailed)	Mann Whitney U Value	Z Value
<b>Teamwork</b>	18	3	21	5	.100	131.5	-1.644
<b>Job Performance</b>	15	4	26	4.5	.544	173	-.607
<b>Flexibility</b>	10	2.5	15	3	.843	71.5	-.198
<b>Loyalty</b>	<b>8</b>	<b>5.5</b>	<b>14</b>	<b>3.5</b>	<b>.019*</b>	<b>22.5</b>	<b>-2.337</b>
<b>Ethical Behaviour</b>	14	5	24	6	.421	142	-.804
<b>Extra Role Behaviour</b>	8	3.5	17	3	.812	64	-.237
<i>Employer Obligations</i>							
<b>Work Environment</b>	13	6	19	7	.174	91.5	-1.360
<b>Job Content</b>	9	3	12	3	.883	52	-.147
<b>Work/Life Balance</b>	5	3	10	4	.710	22	-.371
<b>Development</b>	11	2	22	2	.647	109.5	-.457
<b>Training &amp; Support</b>	15	5	25	4	.724	175	-.353
<b>Working with Team</b>	8	5	9	6	.150	21.5	-1.439
<b>Fair Treatment</b>	4	6	15	3	.233	18.5	-1.191
<b>Pay &amp; Benefits</b>	9	5	14	3	.134	39.5	-1.498

\*sig.  $p < .05$  (also sig. at an adjusted Bonferoni level)

Table 5.9: The Relationship between ‘Experience’ and both the Employee and Employer Obligations on the ‘Contingent/Remote’ Feature

Table 5.9 illustrates the responses of both novices and veterans in terms of the perceived contingency levels of each obligation. A Mann-Whitney U test revealed a significant difference between novices ( $Md = 5.5, n = 8$ ) and experts ( $Md = 3.5, n = 14$ ),  $U = 22.5, Z = -2.337, p = .019, (P < .05)$ , on obligations relating to *Loyalty* with novices more likely to believe that such obligations are remote. This finding suggests that in exchange for their loyalty the veteran worker expects something in return from their employer.

### **5.3.3 The Effect of Careerism, Type of Exchange and Experience on the Fair/Not Fair Feature**

Based on Research Question 2 we have devised the following sub research question which we have labelled ‘Research Question 2C’: *Is there a correlation between the individual antecedents and the extent to which each obligation is considered Fair/Not Fair?* Tables 5.10 and 5.11 outline this relationship.

<i>Employee Obligations</i>	N	Median	S.D.	Careerism		Economic Exchange		Social Exchange	
				Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)
Teamwork	39	2	.81.	.123	.461	-.125	.455	-.190	.252
Job Performance	41	2	.97	-.180	.260	-.002	.989	-.264	.095
Flexibility	25	1	.60	.348	.088	.241	.247	-.327	.110
Loyalty	22	3	1.44	.034	.885	.067	.772	-.333	.141
Ethical Behaviour	38	1	.69	-.118	.481	-.239	.148	-.058	.730
Extra Role Behaviour	25	2	1.15	-.034	.870	.061	.772	-.337	.100
<i>Employer Obligations</i>									
Work Environment	32	1	.60	-.202	.269	-.325	.069	.053	.772
Job Content	21	2	1.11	-.195	.385	-.054	.810	.018	.937
Work/Life Balance	15	2	1.33	-.229	.394	-.027	.920	.026	.925
Development	33	2	.95	.000	.999	.192	.283	-.245	.170
Training & Support	40	2	.72	.063	.698	-.244	.130	.089	.583
Working with Team	17	2	.90	.039	.877	-.033	.897	-.194	.441
Fair Treatment	19	1.5	1.04	.019	.938	-.197	.405	-.100	.675
Pay & Benefits	23	2	.85	-.009	.967	-.304	.158	-.012	.956

Table 5.10: The Relationship between Careerism, Type of Exchange and both Employee and Employer Obligations on the Fair/ Not Fair Feature

Table 5.10 outlines the relationship between level of careerism, type of exchange and the extent to which both the employer and employee obligations are considered ‘fair/ not fair’. In relation to careerism there was no correlation between careerism and employee obligations concerning *Loyalty* or *Ethical Behaviour*. This implies that level of careerism does not influence perceptions of obligations in these areas in terms of their level of fairness. This finding does not support Proposition 12. As regards employer obligations there was no correlation with obligations concerning *Development* or *Pay & Benefits*. This outcome does not support Proposition 13.

In relation to economic exchange, there was no correlation with employee obligations relating to *Loyalty* or *Extra Role Behaviour*. This finding indicates that level of economic exchange has no bearing on these obligations in terms of their perceived level of fairness, thus not supporting Proposition 14. There was no correlation with obligations concerning *Ethical Behaviour*. This outcome does not support Proposition 16. In terms of employer

obligations there was no correlation with obligations concerning *Pay & Benefits* or *Development*. These findings do not support Proposition 15 and Proposition 17 respectively.

In relation to social exchange, there was no correlation with employee obligations concerning *Loyalty*, *Flexibility* or *Extra Role Behaviour* suggesting that social exchange has no effect on these obligations in terms of their perceived level of fairness. These findings do not support Proposition 18. As regards employer obligations, there was no correlation with obligations concerning *Development*, *Training & Support* or *Working with Team*. These findings do not support Proposition 19.

<i>Employee Obligations</i>	Novice (N)	Median	Veteran (N)	Median	Asymp. Sig. (2-tailed)	Mann Whitney U Value	Z Value
<b>Teamwork</b>	18	2	21	2	.795	170.5	-.259
<b>Job Performance</b>	15	1	26	2	.191	150	-1.307
<b>Flexibility</b>	10	2	15	3	.492	63	-.687
<b>Loyalty</b>	8	1	14	1	.865	50	-.170
<b>Ethical Behaviour</b>	14	1	24	1.5	.385	142.5	-.868
<b>Extra Role Behaviour</b>	8	2	17	2	.877	65.5	-.154
<b>Employer Obligations</b>							
<b>Work Environment</b>	13	1	19	1	.942	122	-.073
<b>Job Content</b>	9	2	12	2	.175	39.5	-1.357
<b>Work/Life Balance</b>	5	1	10	2.5	.110	16	-1.597
<b>Development</b>	11	2	22	2	.984	120.5	-.020
<b>Training &amp; Support</b>	15	2	25	2	.877	182.5	-.155
<b>Working with Team</b>	8	2	9	2	.485	33	-.698
<b>Fair Treatment</b>	4	1	15	2	.850	35.5	-.189
<b>Pay &amp; Benefits</b>	9	2	14	2	.838	60	-.204

Table 5.11: The Relationship between ‘Experience’ and both Employee and Employer Obligations on the Fair/Not Fair Feature.

Table 5.11 illustrates the responses of both novices and veterans in terms of the perceived ‘fairness’ levels of each obligation. The results show that there was no significant difference between novices and veterans in how they view both the employee and employer obligations in terms of perceived levels of ‘fairness’.

### 5.3.4 The Effect of Careerism, Type of Exchange and Experience on the Important/Not Important Feature

Based on Research Question 2 we have devised the following sub research question which we have labelled ‘Research Question 2D’: *Is there a correlation between the individual antecedents and the extent to which each obligation is considered Important/Not Important?*

Tables 5.12 and 5.13 outline this relationship.

Employee Obligations	N	Median	S.D.	Careerism		Economic Exchange		Social Exchange	
				Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)
Teamwork	39	2	1.01	.023	.889	-.129	.434	-.182	.267
Job Performance	41	2	.94	-.186	.243	<b>-.403**</b>	<b>.009**</b>	<b>.341*</b>	<b>.029*</b>
Flexibility	25	2	1.25	.364	.074	.315	.125	<b>-.602**</b>	<b>.001**</b>
Loyalty	22	2	1.26	.239	.285	.192	.391	-.318	.149
Ethical Behaviour	38	2	1.23	.210	.205	-.154	.357	-.150	.368
Extra Role Behaviour	25	2	1.25	.167	.425	<b>.405*</b>	<b>.045*</b>	<b>-.515**</b>	<b>.008**</b>
<b>Employer Obligations</b>									
Work Environment	32	1.5	.87	.320	.074	.173	.344	.104	.572
Job Content	21	2	1.13	-.284	.201	<b>.421*</b>	<b>.050*</b>	-.286	.197
Work/Life Balance	15	2	1.53	-.363	.167	-.073	.789	-.044	.871
Development	33	2	.80	.099	.585	.103	.569	-.160	.372
Training & Support	40	2	.68	.096	.562	.229	.162	-.193	.239
Working with Team	17	2	.84	-.158	.531	-.218	.385	.000	1
Fair Treatment	19	2	.79	.200	.398	-.211	.371	.158	.507
Pay & Benefits	23	2	.66	-.155	.480	-.135	.539	.195	.372

\*sig. p<.05 (also sig. at an adjusted Bonferoni level)      \*\*sig. p<.01 (also sig. at an adjusted Bonferoni level)

Table 5.12: The Relationship between Careerism, Type of Exchange and both Employee and Employer Obligations on the Important/ Not Important Feature

Table 5.12 outlines the relationship between level of careerism, type of exchange and the extent to which both the employer and employee obligations are considered ‘important/ not important. In relation to careerism there was no correlation with employee obligations concerning *Loyalty* or *Ethical Behaviour*. This implies that level of careerism does not influence perceptions of obligations in these areas in terms of their level of importance. This

finding does not support Proposition 12. As regards employer obligations there was no correlation with obligations concerning *Development* or *Pay & Benefits*. This outcome does not support Proposition 13.

In relation to economic exchange, there was no correlation with employee obligations concerning *Loyalty* indicating that level of economic exchange has no effect on obligations in this area in terms of their perceived level of importance. This finding does not support Proposition 14. However, there was a modest correlation between economic exchange and obligations relating to *Extra Role Behaviour*,  $\rho = .405$ ,  $n = 25$ ,  $p = .045$  ( $p < .05$ ), with a high level of economic exchange associated with a high score on extra role behaviour importance (i.e. not important). This indicates that those with an economic exchange believe it is not important to fulfil obligations relating to *Extra Role Behaviour*. This finding supports Proposition 14. There was no correlation with obligations concerning *Ethical Behaviour*, an outcome which does not support Proposition 16. Regarding employer obligations, there was no correlation with obligations concerning *Pay & Benefits* or *Development*. This implies that level of economic exchange is not a factor in determining these obligations' perceived level of importance. These findings do not support Proposition 15 and Proposition 17 respectively.

In relation to social exchange, there was no correlation with employee obligations concerning *Loyalty*. This finding does not support Proposition 18. However, there was a modest correlation with obligations concerning *Flexibility*,  $\rho = -.602$ ,  $n = 25$ ,  $p = .001$  ( $p < .01$ ), with a high level of social exchange associated with a lower score on flexibility importance (i.e. important). This indicates that those with a social exchange believe it is important to fulfil obligations to the organisation relating to *Flexibility* (e.g. availability to work etc.). Similarly, there was a modest correlation with obligations concerning *Extra Role Behaviour*,  $\rho = -.515$ ,  $n = 25$ ,  $p = .008$  ( $p < .01$ ), with a high level of social exchange associated with a lower score on extra role behaviour importance (i.e. important). Again this suggests that those with a social exchange believe it is important to fulfil obligations to the organisation in the area of *Extra Role Behaviour* (e.g. working beyond call of duty etc.). The findings relating to these dimensions support Proposition 18. In relation to employer obligations, there was no correlation with obligations concerning *Development, Training & Support* or *Working with Team*. These findings suggest that level of social exchange has no bearing on these obligations in terms of their perceived level of importance. Accordingly, these results do not support Proposition 19.

<i>Employee Obligations</i>	Novice (N)	Median	Veteran (N)	Median	Asymp. Sig. (2-tailed)	Mann Whitney U Value	Z Value
<b>Teamwork</b>	18	2	21	2	.867	183.5	-.167
<b>Job Performance</b>	15	2	26	2	.537	174	-.617
<b>Flexibility</b>	10	2	15	3	.151	50	-1.437
<b>Loyalty</b>	8	2	14	1.5	.635	49.5	-.475
<b>Ethical Behaviour</b>	14	2	24	1.5	.516	148	-.650
<b>Extra Role Behaviour</b>	8	2.5	17	2	.522	57.5	-.640
<b>Employer Obligations</b>							
<b>Work Environment</b>	13	1	19	2	.983	123	-.021
<b>Job Content</b>	9	2	12	2	.237	42	-1.182
<b>Work/Life Balance</b>	5	1	10	2	.204	19	-1.270
<b>Development</b>	11	2	22	1.5	.442	102.5	-.769
<b>Training &amp; Support</b>	15	2	25	2	.309	148	-1.016
<b>Working with Team</b>	8	2	9	2	1.000	40.5	.000
<b>Fair Treatment</b>	4	2	15	2	.851	35.5	-.188
<b>Pay &amp; Benefits</b>	9	1	14	2	1.000	63	.000

Table 5.13: The Relationship between ‘Experience’ and both Employee and Employer Obligations on the ‘Important/Not Important’ Feature.

Table 5.13 illustrates the responses of both novices and veterans in terms of the perceived ‘importance’ levels of each obligation. The results show that there was no significant difference between novices and veterans in how they view both the employee and employer obligations in terms of perceived levels of ‘importance’.

### **5.3.5 The Effect of Careerism, Type of Exchange and Experience on the Expected/Not Expected Feature**

Based on Research Question 2 we have devised the following sub research question which we have labelled ‘Research Question 2E’: *Is there a correlation between the individual antecedents and the extent to which each obligation is considered Expected/Not Expected?*

Tables 5.14 and 5.15 outline this relationship.

				Careerism		Economic Exchange		Social Exchange	
<i>Employee Obligations</i>	N	Median	S.D.	Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)
<b>Teamwork</b>	39	1	1.35	-.131	.425	<b>-.416**</b>	<b>.008**</b>	-.077	.643
<b>Job Performance</b>	41	2	.99	-.233	.143	.071	.659	-.143	.372
<b>Flexibility</b>	25	1	1.46	.275	.183	<b>.489*</b>	<b>.013*</b>	<b>-.503*</b>	<b>.010*</b>
<b>Loyalty</b>	22	2	1.58	.136	.555	-.062	.789	-.298	.189
<b>Ethical Behaviour</b>	38	1	.73	-.068	.684	-.310	.058	.142	.394
<b>Extra Role Behaviour</b>	25	2	1.62	-.040	.849	.203	.329	<b>-.498*</b>	<b>.011*</b>
<i>Employer Obligations</i>									
<b>Work Environment</b>	32	1.5	.71	-.028	.881	-.314	.080	.131	.474
<b>Job Content</b>	21	3	1.26	-.093	.680	-.039	.862	.023	.920
<b>Work/Life Balance</b>	15	2	1.48	-.462	.072	-.403	.122	.054	.842
<b>Development</b>	33	2	1	-.158	.381	.117	.515	-.163	.364
<b>Training &amp; Support</b>	40	2	1.29	.154	.154	-.267	.095	.220	.172
<b>Working with Team</b>	17	2	1.07	-.060	.819	-.036	.890	-.123	.638
<b>Fair Treatment</b>	19	1	.88	.048	.842	-.425	.062	-.101	.671
<b>Pay &amp; Benefits</b>	23	2	1.39	.069	.755	-.197	.368	-.164	.454

\*sig. p<.05 (also sig. at an adjusted Bonferoni level) \*\*sig. p<.01 (also sig. at an adjusted Bonferoni level)

Table 5.14: The Relationship between Careerism, Type of Exchange and both Employee and Employer Obligations on the Expected/ Not Expected Feature

Table 5.14 outlines the relationship between level of careerism, type of exchange and the extent to which both the employer and employee obligations are considered ‘expected/ not expected. In terms of careerism there was no correlation with any of the obligations (both employee and employer) in terms of their perceived level of ‘expectedness’. This indicates that level of careerism has no effect on obligations in terms of whether they were perceived as expected or not expected.

In terms of economic exchange there was a modest correlation with obligations relating to *Teamwork*, rho= -.416, n= 39, p= .008 (p<.01), with a high level of economic exchange associated with a lower response to teamwork expected (i.e. expected). This indicates that those with an economic exchange expect to have obligations to the employer concerning *Teamwork*. There was also a modest correlation with obligations concerning *Flexibility*, rho= .489, n= 25, p= .013 (p<.05), with a high level of economic exchange associated with a high response to flexibility expected (i.e. high unexpected). This indicates

that those with an economic exchange to do not expect to have obligations to the employer relating to Flexibility (i.e. working at short term notice etc.). In relation to employer obligations, there was no correlation between economic exchange and any of the obligations in terms of whether they were perceived to be expected or not expected.

In terms of social exchange, there was a modest correlation with obligations relating to *Flexibility*,  $\rho = -.503$ ,  $n = 25$ ,  $p = .01$  ( $p < .05$ ), with a high level of social exchange associated with a lower level of flexibility expected (i.e. expected). This suggests that those with a social exchange expect to have obligations to the employer relating to *Flexibility*. There was a modest correlation with obligations concerning *Extra Role Behaviour*,  $\rho = -.498$ ,  $n = 25$ ,  $p = .011$  ( $p < .05$ ), where a high level of social exchange associated with a lower level of extra role behaviour expected (i.e. expected). Again, this suggests that those with a social exchange expect to have obligations to the organisation concerning *Extra Role Behaviour* (e.g. working additional hours if necessary). In relation to employer obligations, there was no correlation between social exchange and any of the obligations in terms of their perceived level of ‘expectedness’.

<i>Employee Obligations</i>	Novice (N)	Median	Veteran (N)	Median	Asymp. Sig. (2-tailed)	Mann Whitney U Value	Z Value
Teamwork	18	1	21	1	.374	161	-.889
Job Performance	15	1	26	2	.295	159.5	-1.047
Flexibility	10	2	15	2	.563	65	-.578
Loyalty	8	1	14	1	.413	39.5	-.818
Ethical Behaviour	14	1	24	1	.142	126.5	-1.467
Extra Role Behaviour	8	1.5	17	2	.710	62	-.372
<i>Employer Obligations</i>							
Work Environment	13	1	19	2	.090	83.5	-1.694
Job Content	9	3	12	3	.916	57	-.105
Work/Life Balance	5	1.5	10	2	.382	22.5	-.874
Development	11	2	22	2	.779	114	-.281
Training & Support	15	2	25	2	.781	178	-.279
Working with Team	8	2	9	2	.313	26	-1.010
Fair Treatment	4	1	15	1	.593	32	-.534
Pay & Benefits	9	2	14	2	.449	51.5	-.758

Table 5.15: The Relationship between ‘Experience’ and both Employee and Employer Obligations on the Expected/Not Expected Feature.

Table 5.15 illustrates the responses of both novices and veterans in terms of the perceived ‘expected’ levels of each obligation. The results show that on each of the fourteen dimensions novices had an equal or lower median than veterans suggesting that a greater level of experience does not result in an obligation being considered more ‘expected’ by the employee. This finding does not support Proposition 20.

### 5.3.6 The Effect of Careerism, Type of Exchange and Experience on the Familiar/Novel Feature

Based on Research Question 2 we have devised the following sub research question which we have labelled ‘Research Question 2F’: *Is there a correlation between the individual antecedents and the extent to which each obligation is considered Familiar/Novel?* Tables 5.16 and 5.17 outline this relationship.

<i>Employee Obligations</i>	N	Median	S.D.	Careerism		Economic Exchange		Social Exchange	
				Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)
Teamwork	39	1	1.04	.110	.506	.005	.977	-.234	.152
Job Performance	41	2	1.23	.006	.972	-.047	.771	-.149	.352
Flexibility	25	1.5	1.56	.286	.176	.245	.249	-.398	.054
Loyalty	22	2	1.81	.137	.542	.112	.619	<b>-.647**</b>	<b>.001**</b>
Ethical Behaviour	38	1	1.14	.040	.810	.042	.803	-.073	.665
Extra Role Behaviour	25	2	1.44	.061	.773	.286	.165	<b>-.418*</b>	<b>.038*</b>
<i>Employer Obligations</i>									
Work Environment	32	2	1.28	.203	.265	.185	.312	-.225	.216
Job Content	21	3	1.76	.414	.056	.021	.925	-.012	.956
Work/Life Balance	15	2	1.09	-.156	.564	.179	.508	.304	.252
Development	33	3	1.80	<b>.394*</b>	<b>.023*</b>	.120	.507	-.303	.086
Training & Support	40	2	1.88	.027	.871	-.063	.704	-.083	.616
Working with Team	17	2	.96	-.092	.715	-.010	.969	.084	.741
Fair Treatment	19	2	1.43	.123	.605	.141	.554	-.194	.412
Pay & Benefits	23	2	1.56	.181	.409	-.111	.615	-.021	.924

\*sig. p<.05 (also sig. at an adjusted Bonferoni level) \*\* sig.p<.01 (also sig. at an adj. Bonferoni level)

Table 5.16: The Relationship between Careerism, Type of Exchange and both Employee and Employer Obligations on the Familiar/ Novel Feature

Table 5.16 outlines the relationship between careerism, type of exchange and the extent to which each obligation is considered familiar. In relation to careerism, there was no correlation with any of the employee obligations in terms of their perceived level of 'fairness'. However, in relation to employer obligations, there was a modest correlation between careerism and obligations concerning *Development*,  $\rho = .394$ ,  $n = 33$ ,  $p = .023$  ( $p < .05$ ), with a high level of careerism associated with a high score on development familiar (i.e. unfamiliar). This result indicates that careerists are not likely to be familiar with employer obligations relating to *Development*.

In relation to economic exchange, there was no correlation with any of the obligations (both employer and employee) in terms of perceived levels of 'familiarity'. This outcome suggests that economic exchange has no effect on obligations perceived as familiar/not familiar.

In relation to social exchange, there was a modest correlation with obligations relating to *Loyalty*,  $\rho = -.647$ ,  $n = 22$ ,  $p = .001$  ( $p < .05$ ), where a high level of social exchange is associated with a lower score on 'loyalty familiar' (i.e. high familiar). Similarly, there was a modest correlation between social exchange and obligations concerning *Extra Role Behaviour*,  $\rho = -.418$ ,  $n = 25$ ,  $p = .038$  ( $p < .05$ ), where a high level of social exchange is associated with a lower score on 'extra role behaviour familiar' (i.e. high familiar). Both these results indicate that employees with a social exchange are more likely to be familiar with obligations concerning *Loyalty & Extra Role Behaviour*. In relation to employer obligations, there was no correlation with any of the obligations in terms of perceived levels of 'familiarity'.

<i>Employee Obligations</i>	Novice (N)	Median	Veteran (N)	Median	Asymp. Sig. (2-tailed)	Mann Whitney U Value	Z Value
<b>Teamwork</b>	18	1.5	21	1	.112	141	-1.589
<b>Job Performance</b>	15	2	26	2	.724	183	-.354
<b>Flexibility</b>	10	1.5	15	1.5	.681	61	-.411
<b>Loyalty</b>	8	2	14	2	.768	52	-.295
<b>Ethical Behaviour</b>	14	1.5	24	1	.345	139.5	-.944
<b>Extra Role Behaviour</b>	8	2.5	17	2	.119	42.5	-1.558
<b>Employer Obligations</b>							
<b>Work Environment</b>	<b>13</b>	<b>3</b>	<b>19</b>	<b>2</b>	<b>.020*</b>	<b>65.5</b>	<b>-2.334</b>
<b>Job Content</b>	9	4	12	3	.309	43.5	-1.017
<b>Work/Life Balance</b>	5	1	10	2	.243	20	-1.166
<b>Development</b>	11	4	22	3	.181	86.5	-1.339
<b>Training &amp; Support</b>	15	2	25	2	.506	158	-.665
<b>Working with Team</b>	8	2	9	2	.644	35.5	-.463
<b>Fair Treatment</b>	4	2	15	2	.487	30	-.695
<b>Pay &amp; Benefits</b>	<b>9</b>	<b>3</b>	<b>14</b>	<b>2</b>	<b>.037*</b>	<b>31</b>	<b>-2.085</b>

\*sig.  $p < .05$  (also sig. at an adjusted Bonferoni level)

Table 5.17: The Relationship between ‘Experience’ and both Employee and Employer Obligations on the Familiar/Not Familiar Feature.

Table 5.17 illustrates the responses of both novices and veterans in terms of the perceived ‘familiar’ levels of each obligation. The results indicate that for seven obligations veterans had a lower median score on levels of familiarity than novices. A lower score means a higher level of familiarity. For six other obligations they had the same median score as novices with only obligations concerning *Work/Life Balance* having a higher median (i.e. lower level of familiarity). These findings partially support Proposition 21. In relation to employer obligations, a Mann-Whitney U test revealed a significant difference between novices ( $Md = 3, n = 13$ ) and veterans ( $Md = 2, n = 19$ ),  $U = 65.5, Z = -2.334, p = .020 (P < .05)$ , on obligations concerning *Work Environment*, with veterans more familiar than novices. Similarly, a significant difference was revealed between novices ( $Md = 3, n = 9$ ) and experts ( $Md = 2, n = 14$ ),  $U = 31, Z = -2.085, p = .037 (P < .05)$ , on obligations concerning *Pay & Benefits*, with veterans more ‘familiar’ with these obligations than novices.

### 5.3.7 The Effect of Careerism, Type of Exchange and Experience on Same for every Employee/Unique to me Feature

Based on Research Question 2 we have devised the following sub research question which we have labelled ‘Research Question 2G’: *Is there a correlation between the individual antecedents and the extent to which each obligation is considered Same for every employee /unique to me?* Tables 5.18 and 5.19 outline this relationship.

Employee Obligations	N	Median	S.D.	Careerism		Economic Exchange		Social Exchange	
				Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)
Teamwork	39	2	1.12	-.172	.303	<b>-.398</b>	<b>.013*</b>	.058	.729
Job Performance	41	2	1.32	-.095	.554	-.035	.830	.070	.665
Flexibility	25	1.5	1.29	.230	.268	-.211	.311	.096	.649
Loyalty	22	4	1.36	.172	.444	-.380	.081	-.340	.121
Ethical Behaviour	38	2	1.36	-.159	.342	<b>-.405</b>	<b>.012*</b>	.137	.411
Extra Role Behaviour	25	3	1.59	-.029	.891	-.163	.436	.051	.808
<b>Employer Obligations</b>									
Work Environment	32	1	1.21	-.012	.949	-.161	.380	-.138	.451
Job Content	21	3	1.72	.088	.696	-.210	.348	-.096	.671
Work/Life Balance	15	2	1.61	-.070	.803	.160	.570	.045	.873
Development	33	2	1.44	.242	.175	-.001	.995	-.059	.746
Training & Support	40	2	1.26	.081	.614	-.058	.720	.029	.858
Working with Team	17	2.5	1.24	-.030	.907	.078	.758	-.134	.595
Fair Treatment	19	1.5	1.59	-.173	.467	-.438	.054	.025	.916
Pay & Benefits	23	2	1.46	.228	.295	.137	.532	<b>-.443</b>	<b>.034*</b>

\*sig. p<.05 (also sig. at an adjusted Bonferoni level)      \*\*sig. p<.05 (also sig. at an adjusted Bonferoni level)

Table 5.18: The Relationship between Careerism, Type of Exchange and both Employee and Employer Obligations on the Same for every Employee/ Unique to me Feature

Table 5.18 outlines the relationship between careerism, type of exchange and the extent to which each obligation is considered the same for every employee/unique to me. In terms of careerism, there was no correlation with employer obligations concerning *Development* or *Pay & Benefits*. This outcome indicates that level of careerism has no effect on these obligations in terms of their level of ‘uniqueness’. These findings do not support Proposition 22.

In relation to economic exchange, there was a modest correlation with employee obligations concerning *Ethical Behaviour*,  $\rho = -.405$ ,  $n = 38$ ,  $p = .012$  ( $p < .05$ ), with a high level of economic exchange associated with a lower score on ‘ethical behaviour uniqueness’ (i.e. same for every employee). This result suggests that those with an economic exchange believe obligations to the employer relating to *Ethical Behaviour* should be the same for every employee. This finding supports Proposition 23. A similar result was found with obligations relating to *Teamwork*,  $\rho = -.398$ ,  $n = 39$ ,  $p = .013$  ( $p < .05$ ). However, there was no relationship with employer obligations concerning *Pay & Benefits*. Therefore, this finding does not support Proposition 23.

In relation to social exchange, there was no correlation with employee obligations concerning *Loyalty*, *Flexibility* or *Extra Role Behaviour*. This outcome implies that social exchange does not affect the perceived levels of ‘uniqueness’ of each of these dimensions. Therefore, these findings do not support Proposition 24. Similarly, there was no correlation with employer obligations concerning Development, Training & Support or Working with Team. These findings do not support Proposition 24.

<i>Employee Obligations</i>	Novice (N)	Median	Veteran (N)	Median	Asymp. Sig. (2-tailed)	Mann Whitney U Value	Z Value
<b>Teamwork</b>	<b>18</b>	<b>1</b>	<b>21</b>	<b>2</b>	<b>.014*</b>	<b>100.5</b>	<b>-2.469</b>
<b>Job Performance</b>	15	2	26	2	.932	192	-.085
<b>Flexibility</b>	10	4	15	4	.932	73.5	-.086
<b>Loyalty</b>	8	1	14	2	.187	38	-1.320
<b>Ethical Behaviour</b>	14	1.5	24	2	.641	153.5	-.467
<b>Extra Role Behaviour</b>	8	3	17	3	.635	60	-.475
<i>Employer Obligations</i>							
<b>Work Environment</b>	13	1	19	1	.745	116	-.325
<b>Job Content</b>	9	3	12	3	.474	48	-.716
<b>Work/Life Balance</b>	<b>5</b>	<b>1</b>	<b>10</b>	<b>3</b>	<b>.029*</b>	<b>9</b>	<b>-2.183</b>
<b>Development</b>	11	2	22	2.5	.364	98	-.908
<b>Training &amp; Support</b>	15	2	25	2	.613	177	-.506
<b>Working with Team</b>	8	3	9	2	.481	33	-.705
<b>Fair Treatment</b>	4	1	15	2	.962	37	-.047
<b>Pay &amp; Benefits</b>	9	1	14	2	.375	49.5	-.887

\*sig.  $p < .05$  (also sig. at an adjusted Bonferoni level)

Table 5.19: The Relationship between ‘Experience’ and both Employee and Employer Obligations on the Same for every Employee/Unique to me’ Feature.

Table 5.19 illustrates the responses of both novices and veterans in terms of the perceived uniqueness levels of each obligation. In terms of employee obligations, a Mann-Whitney U test revealed a significant difference between novices ( $Md = 1, n = 18$ ) and veterans ( $Md = 2, n = 21$ ),  $U = 100.5, Z = -2.469, p = .014, (P < .05)$ , with novices more likely to believe obligations relating to *Teamwork* are ‘the same for every employee’ when compared to veterans. This supports Proposition 25. In terms of employer obligations, a Mann-Whitney U test revealed a significant difference between novices ( $Md = 1, n = 5$ ) and experts ( $Md = 3, n = 10$ ),  $U = 9, Z = -2.183, p = .029 (P < .05)$  on obligations concerning *Work Life Balance* with veterans believing these obligations are more unique to them when compared to novices. However, there was no significant difference between the two groups on obligations concerning *Training & Support* or *Working with Team*, indicating that novices are not more likely than veterans to consider these obligations the ‘same for every employee’. These last two findings do not support Proposition 25.

#### **5.4 Overall Pattern of Employee and Employer Obligations Explicated**

It is a useful exercise to report which obligations tend to be reported together. Rather than staying at the level of one-by-one analysis, an examination of the overall pattern allows us to interpret the data from a schema theory perspective. Understanding which elements are linked together allows us to analyse the schematic structure of the psychological contract. However, the limited sample size of our study prevents us from performing a meaningful analysis of which obligations and which features are associated with each other.

Nevertheless, understanding which content dimensions are reported together is useful as it illustrates the interplay between employee and employer obligations, an avenue of enquiry which is largely absent from psychological contract research (Conway & Briner, 2005).

Figure 5.5 below illustrates which obligations tend to cluster together as represented by the dendrogram.

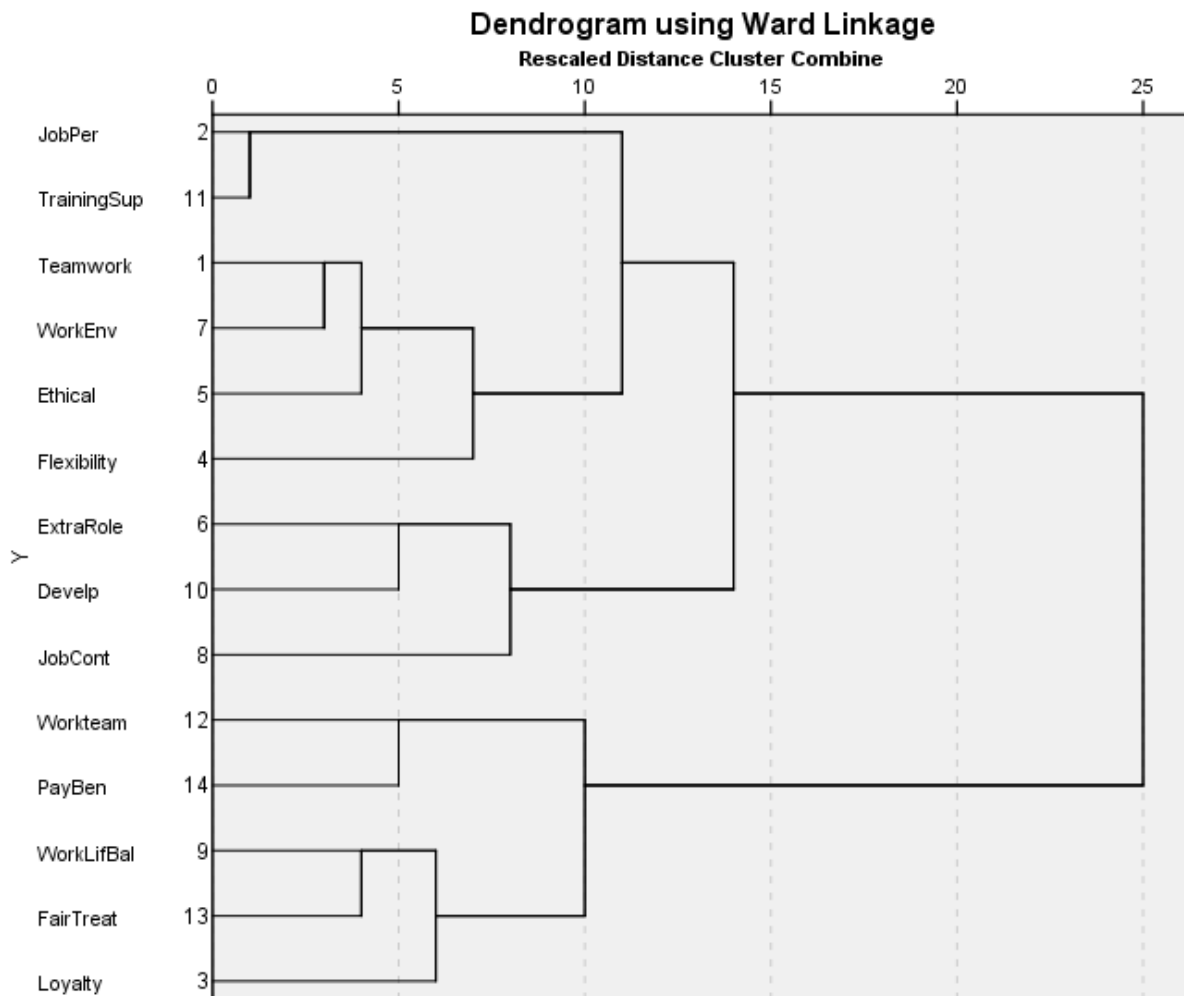


Figure 5.5: Dendrogram showing Cluster Analysis of the Employee Obligations and Employer Obligations

Dendrograms are useful in that they can be used to assess the cohesiveness of the clusters formed and can provide information about the appropriate number of clusters to keep. A Hierarchical Cluster Analysis of the fourteen employee and employer obligations using Ward's method for binary data (squared Euclidean distance) was carried out using SPSS. The resulting dendrogram (Figure 5.5 above) suggests that a clear three cluster solution is evident at a rescaled distance of approximately 12. Table 5.20 (below) shows the variables to be clustering as follows:

Group	Obligation
Cluster/Group 1	Job Performance Training & Support Teamwork Work Environment Ethical Behaviour Flexibility
Cluster/Group 2	Extra Role Behaviour Development Job Content
Cluster/Group 3	Working with Team Pay & Benefits Work/Life Balance Fair Treatment Loyalty

Table 5.20: Three structure solution following cluster analysis of employee and employer obligations

The results suggest that a three structure solution is most appropriate for this data. Accordingly, an overall pattern emerges for both employer and employee obligations. Obligations concerning Job Performance, Training & Support, Teamwork, Work Environment, Ethical Behaviour and Flexibility group together. Obligations concerning Extra Role Behaviour, Development and Job Content group together. Finally, obligations concerning Working with Team, Pay & Benefits, Work/Life Balance, Fair Treatment and Loyalty group together. The implications of this outcome are discussed in the next chapter.

## 5.5 Summary

This chapter presented the results of both Stage A and Stage B in our study. As regards Stage A, the Mann-Whitney U tests revealed that level of careerism affected employee obligations

concerning *Loyalty*; economic exchange influenced employee obligations concerning *Extra Role Behaviour* and employer obligations concerning *Pay & Benefits* and *Development*; and social exchange affected employee obligations concerning *Ethical Behaviour* and employer obligations concerning *Development*. While not every proposition was supported, these outcomes do lend full or partial support to a considerable number of propositions. Similarly, Fisher's Exact Test revealed that level of experience had an effect on obligations concerning *Teamwork* but not on obligations concerning *Training & Support* or *Working with Team*, lending partial support to Proposition 11. Overall, careerism had a minor effect on the content dimensions. Exchange Type had a moderate effect on dimensions explicated, albeit with some unexpected results and level of experience had a minor effect on the content dimensions. Taken together, these findings lend partial support to Proposition A.

As regards Stage B, there was minor support for our propositions being tested. Spearman's Test revealed that level of careerism had no association with any of the dimensions across the proposed features; economic exchange had a modest association with certain dimensions across the 'Contingent/Remote' and 'Important/Not Important' features; social exchange had a modest association with certain dimensions across the 'Realistic/Not Realistic' and 'Important/Not Important' features respectively. Similarly, the Mann Whitney U tests revealed that level of experience affected responses across the 'Familiar/Novel' feature but not the 'Expected/Not Expected' feature. Finally, economic exchange and experience had some association with dimensions across the 'Same for every employee/Unique to me' feature. Taken together, the results in Stage B of our study lend minor support to the proposition that the features of the content dimensions would be influenced by the three antecedents. Therefore, Proposition B is partially supported by these findings. Tables 6.1 and 6.2 in the next chapter provide a summary of these results from both Stage A and Stage B respectively. These summaries frame the discussion of our findings.

## Chapter 6: Discussion

### 6.1 Introduction

Having analysed the results of our study in the last chapter, this chapter provides a detailed discussion of these findings. Firstly, in Section 1 we evaluate the results related to Stage A of our study whereby the effect of the three antecedents (i.e. level of careerism, type of exchange, and level of experience) on the content dimensions of the psychological contract is examined. Secondly, in Section 2 we discuss the findings relating to Stage B of our study where the effect of these antecedents on the content dimensions across seven features (i.e. ‘Realistic/Not Realistic’; ‘Contingent/Remote’; ‘Fair/Not Fair’; ‘Important/Not Important’; ‘Expected/Not Expected’; ‘Familiar/Novel’; ‘Same for every employee/ Unique to me’) is appraised.

### 6.2 Section 1: Results relating to Stage A in our Study

In this section, we discuss the effect of the three antecedents on the content dimensions of the psychological contract. Our discussion is guided by ‘Research Question 1’: *What is the relationship between newcomers’ individual antecedents and the content of their psychological contract at organisational entry?* Specifically, we identified ‘level of careerism’, ‘type of exchange’, and ‘level of experience’ as possible factors that affect the content of the psychological contract. The effect of each of these antecedents is discussed in turn. Firstly, we evaluate the findings relating to ‘level of careerism’. Secondly, we discuss the findings relating to ‘type of exchange’ and finally we appraise the findings regarding ‘level of experience’. Table 6.1 outlines both the propositions being tested and the outcomes of these propositions as they relate to Stage A in our study.

<b>Proposition Number</b>	<b>Proposition</b>	<b>Outcome</b>
<b>1</b>	<i>Those participants with a lower level of careerism will explicate employee obligations of 'loyalty' and 'ethical behaviour' as content dimensions of their psychological contract.</i>	<b>Partially Supported</b>
<b>2</b>	<i>Those participants with a higher level of careerism will explicate employer obligations of 'development' and 'pay &amp; benefits' as content dimensions of their psychological contract.</i>	<b>Not Supported</b>
<b>3</b>	<i>Those participants with a lower level of economic exchange will explicate employee obligations of 'loyalty' and 'extra role behaviour' as content dimensions of their psychological contract.</i>	<b>Partially Supported</b>
<b>4</b>	<i>Those participants with a higher level of economic exchange will explicate an employee obligation of 'ethical behaviour' as a content dimension of their psychological contract.</i>	<b>Not Supported</b>
<b>5</b>	<i>Those participants with a higher level of economic exchange will explicate employer obligations of 'pay and benefits' as content dimensions of their psychological contract.</i>	<b>Supported</b>
<b>6</b>	<i>Those participants with a lower level of economic exchange will explicate an employer obligation of 'development' as a content dimension of their psychological contract.</i>	<b>Partially Supported</b>
<b>7</b>	<i>Those participants with a higher level of social exchange will explicate employee obligations of 'loyalty', 'flexibility' and 'extra role behaviour' as content dimensions of their psychological contract.</i>	<b>Not Supported</b>
<b>8</b>	<i>Those participants with a higher level of social exchange will explicate employer obligations of 'development', 'training &amp; support' and 'working with team' as content dimensions of their psychological contract.</i>	<b>Partially Supported</b>
<b>9</b>	<i>Careerism is positively correlated with the preference for an economic exchange and negatively related to the preference for a social exchange.</i>	<b>Supported</b>
<b>10</b>	<i>There will be a difference in the content of the psychological contracts between veterans and novices</i>	<b>Supported</b>
<b>11</b>	<i>Novices will be more likely than veterans to choose employer obligations relating to 'training &amp; support' and 'working with team' and employee obligations relating to 'teamwork' as content dimensions of their psychological contract.</i>	<b>Partially Supported</b>
<b>A</b>	<i>Level of Careerism, Type of Exchange and Level of Experience will influence which content dimensions of the psychological contract are explicated and which are not.</i>	<b>Partially Supported</b>

**Table 6.1: Summary of Results in relation to Propositions being tested in Stage A in our Study**

### 6.2.1 The Effect of Careerism on the Content Dimensions of the Psychological Contract.

The discussion in this section is guided by Research Question 1A which asks: ‘*What is the relationship between newcomer’s level of ‘careerism’ and the content of their psychological contract at organisational entry?*’

We found that for each employee obligation there was a difference in levels of careerism between those who picked it and those who did not. However, as proposed, *Loyalty* is the only employee obligation where this difference is significant ( $p = .006$ ,  $p < .01$ ). Those participants who did not choose *Loyalty* as an employee obligation had a higher level of careerism than those who did (‘NO’  $Md = 2.8$ ; ‘YES’  $Md = 1.6$ ). As discussed in Chapter 3, those with a high level of careerism see their current organisation as a stepping stone to future opportunities elsewhere (Rousseau, 1990). They do not have a long-term commitment to the organisation. One would expect that those participants who did not explicate *Loyalty* as an obligation would have a higher level of careerism than those who did. This supports Proposition 1. Proposition 1 also states that those who choose *Ethical Behaviour* as an employee obligation would have a lower level of careerism than those who did not. However, the results do not support this claim (*Ethical Behaviour* ‘YES’  $Md = 2.3$ ; ‘NO’  $Md = 2.3$ ). This indicates that there was no difference in levels of careerism between those who picked the obligation and those who did not. This is surprising as De Vos *et al.*, (2009) found a negative association between level of careerism and obligations relating to *Ethical Behaviour*. As stated in Chapter 3, those with a high level of careerism tend to have a narrow investment with the organisation and their obligations to the employer are expected to reflect this relationship, in that they will be less willing to make promises about contributions that involve the broader relationship with the organization (Rousseau, 1990). While we are surprised at this result we may be able to offer an explanation. Firstly, it must be stated that the sample size in our study is extremely small. It is difficult to draw significant inferences from a sample of 50 participants. While, a larger sample size would not guarantee a different outcome (or an outcome that would support our proposition) the results would at least be more meaningful. While we still expected those who did not pick *Ethical Behaviour* as an employee obligation to have a higher level of careerism than those who did pick it, perhaps a larger sample size would facilitate such an outcome. Therefore, the results of our study partially support Proposition 1. Obligations relating to *Loyalty* are associated with a lower level of careerism. However, there was no significant difference in levels of careerism between those who explicated *Ethical Behaviour* as an obligation and those who did not.

It is worth highlighting the result relating to obligations concerning *Teamwork*. There was almost a significant difference in levels of careerism between those who see *Teamwork* as an obligation ('YES' Md = 2.6) and those who do not ('NO' Md = 1.6) ( $p = .088$ ,  $p < .05$ ). In a sample this small this result is of some consequence. This indicates that those who feel an obligation to the organisation in terms of 'contributing to team effectiveness' for example, are more likely to have a higher level of careerism. In some ways, this is at odds with our results in relation to *Loyalty*. In effect, our findings suggest that those with a lower level of careerism are more likely to feel obligations relating to *Loyalty* but are less likely to feel obligations relating to *Teamwork*. This seems to indicate that careerists do not have a strong sense of loyalty to their organisation but during their brief stay they feel they obligations to the organisation in terms of contributing to *Teamwork*. This is an unexpected finding, as is evidenced by our lack of hypotheses in this area. Further research, incorporating a larger sample, is needed to better understand the relationship between level of careerism and obligations relating to *Teamwork*.

In terms of employer obligations, for each obligation there was a different level of careerism for those who specifically selected it and for those who did not. However, this difference was not significant for any obligation. As regards obligations concerning *Pay & Benefits*, those who explicated it as an employer obligation had a higher level of careerism than those who did not. However, as regards *Development* those who explicated it as an employer obligation had a lower level of careerism than those who did not. This is surprising considering previous research has shown that a high level of careerism is associated with a desire for career opportunities and financial reward (Larwood *et al.*, 1998; De Vos *et al.*, 2009). The fact that the difference was not significant as regards *Pay & Benefits* could be explained by the small sample size. That those who selected *Development* had a lower level of careerism than those who did not is surprising, given the findings in previous research (e.g. Robinson & Rousseau, 1994). While this difference was not significant it does not take from the fact that the finding was unexpected. Again, a larger sample may have produced different results. Therefore, the results of our study do not support Proposition 2. There was no significant difference in levels of careerism between those who selected *Development* and *Pay & Benefits* as employer obligations and those who did not.

In general, these findings suggest that level of careerism only has a moderate effect on the content dimensions of the psychological contract. By and large, the psychological contracts of the careerist and non-careerist are comparable in terms of their respective content

dimensions. Thirteen out of the fourteen obligations were shared by both types of employee. If one wanted to discern differences in employees understanding of their new employment then measuring careerism levels would not be particularly revealing in this regard.

### **6.2.2 The Effect of ‘Type of Exchange’ on the Content Dimensions of the Psychological Contract.**

The discussion in this section is guided by Research Question 1B which asks: ‘*What is the relationship between newcomer’s ‘type of exchange’ and the content of their psychological contract at organisational entry?*’

In terms of economic exchange, in relation to obligations concerning *Loyalty* those who explicated it as an obligation and those who did not had a similar level of economic exchange (Md = 1.43). Such a finding is surprising as it seems plausible that those with a higher level of economic exchange would be less willing to feel a sense of loyalty to the organisation. This outcome does not support Proposition 3. Further study, with a larger sample, might better specify the relationship between an economic exchange and obligations involving *Loyalty*. As regards obligations concerning *Extra Role Behaviour*, those participants who chose it as an employee obligation (‘YES’ Md= 1.14) had a lower level of economic exchange than those who did not (‘NO’ Md = 1.57). The difference between these groups was significant ( $p = .021$ ,  $p < .05$ ). This supports Proposition 3. As expected, those who did not pick *Extra Role Behaviour* as an employee obligation had a higher level of economic exchange than those who picked it. This finding strengthens the idea of an economic exchange coinciding with a transactional psychological contract (e.g. Barling & Cooper, 2008) as those with a transactional psychological contract are less willing to make contributions to the organisation that go above and beyond the specific terms of their agreement (i.e. *Extra Role Behaviour*) (e.g. Rousseau, 2000, Robinson & Rousseau, 1994)

Therefore the findings to some extent align with Proposition 3. The difference between those who explicated *Loyalty* as an employee obligation and those who did not could not be explained by their level of economic exchange. Yet, as expected, those participants who selected obligations relating to *Extra Role Behaviour* had a lower level of economic exchange than those who did not. Therefore, Proposition 3 is partially supported.

In relation to Proposition 4, our findings do not support our contention that obligations concerning *Ethical Behaviour* would be selected by those with a higher level of economic exchange. While those who explicated it as an employee obligation had a higher level of economic exchange than those who did not, the difference between the two groups was not statistically significant. As explained in Chapter 3, the literature is somewhat contentious in terms of the link between obligations concerning ethics and type of psychological contract (transactional/relational). Our findings suggest that *Ethical Behaviour* is not associated with a narrow, more specific relationship. This contradicts the findings of the De Vos *et al.*, (2009) study who found that *Ethical Behaviour* was associated with a transactional psychological contract. Therefore, the findings do not support Proposition 4.

In relation to the employer obligations, those who explicated *Pay & Benefits* as an employer obligation had a higher level of economic exchange ('YES' Md = 1.57) than those who did not ('NO' Md = 1.21). The difference was significant ( $p = .036$ ,  $p < .05$ ). As expected, an economic exchange is associated with employer obligations relating to *Pay & Benefits*. Since the focus of an economic exchange is almost exclusively monetary (Blau, 1964, Taylor & Tekleab, 2003) it is not surprising to see those with an economic exchange expecting obligations relating to *Pay & Benefits* from the employer. While one would assume each participant expects certain obligation from their employer in relation to *Pay & Benefits* it is interesting that less than half the sample specifically explicated it ('YES' N = 22). These participants had a higher level of economic exchange than the 'NO's (N = 28).

Therefore our findings fully support Proposition 5. Those participants who specifically mentioned *Pay & Benefits* as an employer obligation had a higher level of economic exchange than those who did not.

In relation to Proposition 6, there was a difference in level of economic exchange between those who selected *Development* as an employer obligation ('YES' Md = 1.43) and those who did not ('NO' Md = 1.86). While the difference was not significant ( $p = .092$ ,  $p < .05$ ), it was almost significant. In a sample this small, it merits reporting. Of course, a larger sample may have improved significance levels. As proposed, those who feel the employer is obliged to provide them with obligations relating to their personal development (i.e. opportunities for further education etc.) had a lower level of economic exchange than those who did not. The desire to be provided with development opportunities is atypical of someone with an economic exchange (Rousseau, 2000). Such a need would require the

employee to make a reciprocal, broader contribution to the relationship which is beyond the specific narrow terms of an economic exchange. While the level of significance in the difference between those who selected this obligation and those who did not is outside the required standard, in a sample this small it is somewhat consequential. Therefore, Proposition 6 is partially supported. Those who believe the employer has made promises to them relating to *Development* have a lower level of economic exchange than those who do not share these beliefs.

In relation to social exchange, Proposition 7 deals with the broader employee obligations that one might assume to be at the heart of a social exchange. It proposes that those who explicate *Loyalty*, *Flexibility* or *Extra Role Behaviour* as employee obligations will have a higher level of social exchange than those who do not. The findings in relation to this proposition are surprising. Firstly, in relation to those who did not explicate *Loyalty* as an employee ('NO' Md = 3), they had a marginally higher level of social exchange than those who did ('YES' Md = 2.86). While the difference is not statistically significant one would expect the opposite effect. Certainly, a relational psychological contract is characterised by relational obligations (e.g. loyalty) (Rousseau (1990). If a social exchange is synonymous with a relational psychological contract (Shore *et al.*, 2006) then it would seem credible to expect those who explicitly feel a sense of loyalty to the organisation to have a higher level of social exchange than those who do not. While the difference between the two groups is minimal the finding is nonetheless unexpected. The relationship between social exchange and obligations relating to *Extra Role Behaviour* follows a similar path. Again the 'YES' group (Md= 2.86) had a lower median score than the 'NO' group (Md = 3). The literature on social exchange emphasises the personal investment one makes in the organisation. In return for desirable inducements from the employer (e.g. personal development etc.) an employee with a social exchange may work above and beyond the agreed terms of the contract (Shore & Barksdale, 1998.). In light of the relationship between economic exchange and *Extra Role Behaviour* (Proposition 3) the finding is even more surprising. Those who specifically mentioned *Extra Role Behaviour* as an employee obligation had a lower level of economic exchange. Accordingly, it seems reasonable to assume that *Extra Role Behaviour* would be associated with a higher level of social exchange when you consider that the two types of exchanges have been operationalized as contrasting ends of a continuum (Blau, 1964). Further study, with a larger sample may result in a more expected outcome. There was no statistically significant difference between those who selected *Flexibility* as an employee

(‘YES’ Md = 3) and those who did not (‘NO’ Md = 3). Once again this finding was not anticipated.

In relation to *Ethical Behaviour*, those who chose it as an employee obligation had a lower level of social exchange (‘YES’ Md= 2.93) than those who did not mention it (‘NO’ Md = 3.43). The difference between the two groups was also statistically significant ( $p = .036$ ,  $p < .05$ ). This finding was not hypothesised. Obligations concerning *Ethical Behaviour* are typical of an employee who has a more narrowly defined relationship with his organisation (i.e. an economic exchange). However, the findings relating to Proposition 4 suggest that obligations relating to *Ethical Behaviour* were not associated with an economic exchange. In relationships involving an economic exchange both parties are very clear on what is expected of them as the terms of the agreement are specific and closed-ended (Molm, 2003). Given the nature of the exchange itself, the employee is more attuned to the specific terms of what is expected of them and is therefore more conscious of ethical concerns relating to the job (i.e. protection of proprietary information, Rousseau, 1990). In some ways these findings relating to Proposition 7 appear to contradict the findings of Proposition 4 as our study has shown that a social exchange is negatively associated with an economic exchange. The finding certainly seems to support the findings in previous studies that obligations concerning *Ethical Behaviour* are more evident in a narrow, specific termed relationship (i.e. transactional psychological contract/economic exchange) (e.g. De Vos *et al.*, 2009). When one examines this finding and the outcome of Proposition 4, the findings seem to suggest that obligations concerning *Ethical Behaviour* do not reside exclusively in one specific type of psychological contract. Perhaps *Ethical Behaviour* can be considered a ‘neutral’ content dimension and that it is typically to be found in a ‘balanced’ contract, as coined by Rousseau (2000). In general, the relationship between ‘ethics’ and exchange type (psychological contract type) is an area that requires further research.

Overall, Proposition 7 is not supported by the findings as those who explicated *Loyalty*, *Flexibility*, and *Extra Role Behaviour* did not have a higher level of social exchange than those who did not select it.

As regards the employer obligations investigated for Proposition 8, there was a statistically significant difference between those who explicated *Development* as an employer obligation (‘YES’ Md =3.14) and those who did not (‘NO’ Md =2.43) ( $p = .002$ ,  $p < .05$ ). As expected a higher level of social exchange is associated with employer obligations relating to

development opportunities (i.e. improve skillset etc.) (Shore *et al.*, 2006). In terms of obligations corresponding to *Training & Support*, there was a difference in levels of social exchange between those who explicated it as an employer obligation ('YES' Md =3) and those who did not ('NO' Md =2.86). However, this difference was not statistically significant. In relation to obligations concerning *Working with Team* there was a difference in levels of social exchange between those who explicated it as an employer obligation ('YES' Md = 2.86) and those who did not ('NO' Md = 3). Further study into the relationship between social exchange and employer obligations relating to support and a supportive environment is needed.

Accordingly, Proposition 8 is partially supported. Those who explicated *Development* as an employer obligation had a higher level of social exchange than those who did not. This strengthens the argument that development opportunities are of particular importance to those who have made a substantial personal investment in the organisation (Conway & Briner, 2005). However, this finding was not repeated for obligations relating to *Training & Support* and *Working with Team* respectively. This raises questions about employer contributions in a social exchange. More study is needed to better understand this party's offerings in the exchange.

Previous studies have shown that careerism is positively correlated with a transactional psychological contract and negatively associated with a relational psychological contract (e.g. Rousseau, 1990). Given the link between the economic/social divide and the transactional/relational divide we proposed that careerism is positively correlated with an economic exchange and negatively correlated with a social exchange. The findings in our study support this assertion. There was a weak positive association between careerism and economic exchange ( $r = .287$ ,  $p = .044$ ,  $p < .05$ ). There was a weak negative association between careerism and social exchange ( $r = -.258$ ,  $p = .70$ ,  $p < .05$ ). While this finding is not statistically significant, it is almost significant. In a sample this small ( $N=50$ ), it is meaningful. In what is a recurring theme in this discussion, a larger sample may have produced a more statistically significant result. Therefore, the findings of our study support Proposition 9.

### 6.2.3 The Effect of ‘Level of Experience’ on the Content Dimensions of the Psychological Contract.

The discussion in this section is guided by Research Question 1C which asks: ‘*What is the relationship between newcomer’s ‘level of experience’ and the content of their psychological contract at organisational entry?*’

Across each employee obligation veterans differ from novices in terms of the number who selected it and the number who did not select it. This pattern is repeated when one examines the employer obligations. For example, in terms of *Development 22*, out of 31 veterans (71%) explicated it as an employer obligation while 11 out of 19 novices chose it (58%). While this difference between the two groups is not significant for this obligation, it is clear that obligations relating to *Development* are perceived differently by the employee depending on their level of experience. As mentioned, there is a clear contrast between the content of their respective psychological contracts. Therefore, Proposition 10 is supported. The content of the psychological contract is different between veterans and novices.

Proposition 11 contends that employee obligations relating to *Teamwork* and employer obligations relating to *Training & Support* and *Working with Team* are more likely to form part of the psychological contract of novices than veterans. The findings in our study partially support this proposition. Firstly, in relation to *Training & Support* there was no statistically significant difference between veterans and novices in terms of who selected it and who did not. This is somewhat surprising. Much of the literature on employee socialisation points to the novice recruit lacking assuredness in a new surrounding (e.g. Louis, 1990; Thomas & Anderson, 1998; Nikolaou & Tomprou, 2011 etc.). The idea of the novice worker expecting the employer to provide proper training and place her in a supportive environment to assuage this period of uncertainty, we believe, is a credible notion (Laufer & Glick, 1996). While it would be wrong to assume that the veteran does not require training and support from the employer upon organisational entry, it seems plausible that they would be less likely than the novice to expect employer obligations in this area. Perhaps the most valid explanation for this outcome is the small sample size. Any future study in this area should incorporate a larger number of participants. In respect to obligations relating to *Working with Team* a similar outcome emerged. While there was a slight difference between the two cohorts in terms of the obligation being selected and not selected, there was no statistically significant difference. Again this finding was not expected as a number of studies

have demonstrated how new recruits value the support of co-workers or ‘organisational insiders’ as they are known (e.g. Morrison, 1993a; Major *et al.*, 1995 etc.). Our proposition that veterans are less likely than novices to expect employer obligations relating to team socialisation is well founded when you consider they are generally regarded to be better equipped to deal with a new environment (Dokko *et al.*, 2009). This finding is even more surprising when you examine the relationship between experience and employee obligations relating to *Teamwork*. There was a statistically significant difference in terms of experience between those who did explicate it as an obligation (‘YES’ Novice (N) = 18 Veteran (N) = 21 and those who did not (‘NO’ Novice (N) = 1 Veteran (N) = 10) ( $p = .035$ ,  $p < .05$ ). This result indicates that novices are more likely than veterans to feel obligations to the employer relating to *Teamwork* (i.e. ‘be active member of team’). It is unclear why novices and veterans differ in the matter of employee obligations relating to *Teamwork* but not in employer obligations relating to *Working with Team*. Given the central role of reciprocity and contingency in psychological contract theory we expected that an obligation to the employer to actively participate in team activities would be contingent on the employer ensuring they are placed into an effective team. Accordingly, we assumed any difference between veterans and novices in terms of obligations relating to *Teamwork* would be evident in both parties’ contributions. Again, a larger sample may have produced a more expected outcome.

Therefore, Proposition 11 is partially supported. There was no statistically significant difference between veterans and novices in relation to employer obligations of *Training & Support* and *Working with Team*. However, in relation to employee obligations of *Teamwork* there was a statistically significant difference in terms of experience between those who did explicate it as an obligation and those who did not, with the novice more likely than the veteran to explicate it as an obligation to the organisation. We must acknowledge the rudimentary cut-off point of one year to determine category of experience may have affected results. This is, of course, a highly contentious approach to take, something that has been acknowledged in Section 4.3.3. Perhaps, a broader categorisation of novice and veteran would result in different findings.

Overall, the three antecedents affected the content dimensions in different ways. Level of careerism had a minor effect on dimensions reported. This suggests comparability of psychological contracts across careerism. Type of Exchange had a stronger effect on dimensions reported. However, some of these outcomes were not proposed. This perhaps suggests that the configuration of the psychological contract across an economic/social divide

is not clear. Such a conclusion echoes that made by Conway & Briner (2005) in their examination of the transactional/relational divide. Finally, type of experience had a minor effect on the content dimensions with novices and veterans differing on only obligations relating to *Teamwork*. Therefore, the antecedents all influenced the content dimensions but this influence was moderate at best.

### **6.3 Section 2: Results relating to Stage B in our Study**

In this section, we discuss the results relating to Stage B of our study, whereby the effect of the three antecedents on the underlying ‘features’ of the content dimensions of the psychological contract is explored. Our discussion is guided by ‘Research Question 2’: *What do new workers believe about the content of their psychological contracts at the post-induction phase?* The seven features and how they relate to the individual antecedents are discussed in turn. Table 6.2 outlines both the propositions being tested and the outcomes of these propositions as they relate to Stage B in our study.

<b>Proposition</b>	<b>Proposition</b>	<b>Outcome</b>
<b>12</b>	<i>Those participants with a high level of careerism will consider employee obligations relating to 'loyalty' and 'ethical behaviour' to be 'contingent', 'not realistic', 'not fair', and 'not important'</i>	<b>Not Supported</b>
<b>13</b>	<i>Those participants with a high level of careerism will consider employer obligations relating to 'development' and 'pay &amp; benefits' to be 'remote', 'realistic', 'fair' and 'important'.</i>	<b>Not Supported</b>
<b>14</b>	<i>Those participants with a high level of economic exchange will consider employee obligations relating to 'loyalty' and 'extra role behaviour' to be 'contingent', 'not realistic', 'not fair' and 'not important'.</i>	<b>Partially Supported</b>
<b>15</b>	<i>Those participants with a high level of economic exchange will consider employer obligations relating to 'pay &amp; benefits' to be 'remote', 'realistic', 'fair' and 'important'.</i>	<b>Not Supported</b>
<b>16</b>	<i>Those participants with a high level of economic exchange will consider employee obligations relating to 'ethical behaviour' to be 'remote', 'realistic', 'fair' and 'important'.</i>	<b>Not Supported</b>
<b>17</b>	<i>Those participants with a high level of economic exchange will consider obligations relating to 'development' as 'contingent', 'not realistic', 'not fair', and 'not important'.</i>	<b>Not Supported</b>
<b>18</b>	<i>Those participants with a high level of social exchange will consider employee obligations relating to 'loyalty', 'flexibility' and 'extra role behaviour' to be 'remote', 'realistic', 'fair' and 'important'.</i>	<b>Partially Supported</b>
<b>19</b>	<i>Those participants with a high level of social exchange will consider employer obligations relating to 'development', 'training &amp; support' and 'working with team' to be 'remote', 'realistic', 'fair' and 'important'.</i>	<b>Partially Supported</b>
<b>20</b>	<i>The veteran will consider each of the employee and employer obligations to be more 'expected' than the novice.</i>	<b>Not Supported</b>
<b>21</b>	<i>The veteran will be more 'familiar' with each of the employee and employer obligations than the novice.</i>	<b>Partially Supported</b>
<b>22</b>	<i>Those participants with a high level of careerism will consider employer obligations relating to 'development' and 'pay &amp; benefits' to be the 'same for every employee'.</i>	<b>Not Supported</b>
<b>23</b>	<i>Those participants with a high level of economic exchange will consider employee obligations relating to 'ethical behaviour' and employer obligations relating to 'pay &amp; benefits' to be the 'same for every employee'.</i>	<b>Partially Supported</b>
<b>24</b>	<i>Those participants with a high level of social exchange will consider employee obligations relating to 'loyalty', 'flexibility' and 'extra role behaviour' and employer obligations relating to 'development', 'training &amp; support' and 'working with team' to be the 'same for every employee'.</i>	<b>Not Supported</b>
<b>25</b>	<i>Novices will be more likely than veterans to consider employee obligations relating to 'teamwork' and employer obligations relating to 'training &amp; support' and 'working with team' as 'same for every employee'</i>	<b>Partially Supported</b>
<b>B</b>	<i>Level of Careerism, Type of Exchange and Level of Experience will affect the seven different features of the content dimensions of the psychological contract.</i>	

**Table 6.2: Summary of Results in relation to propositions being tested in Stage B of our Study**

### **6.3.1 The Effect of Careerism on the Content Dimensions across the Contingent/Remote'; 'Realistic/Not Realistic'; 'Fair/Not Fair' and 'Important/Not Important' Features**

Propositions 12 and Proposition 13 examine the relationship between level of careerism and the content dimensions across the 'Realistic/Not Realistic'; 'Contingent/Remote'; 'Fair/Not Fair' and 'Important/Not Important' features respectively.

Firstly, the results confirmed that each obligation had a different level of contingency, a theory proposed by Conway & Briner (2005). In relation to employee obligations, contingency mean levels ranged from 3 (*Flexibility*) to 4.61 (*Ethical Behaviour*). In relation to employer obligations, mean scores ranging from 2.55 (*Development*) to 5.81 (*Work Environment*). One would perhaps expect that development opportunities would be more contingent on the employee's contributions than the type of work environment into which the employee is placed, considering development opportunities is usually a response to satisfactory levels of performance (Garavan, 2007). Therefore, the results demonstrate that some obligations are more contingent than others. While the significance of these results is somewhat limited when examined without the role of individual antecedents in determining the levels of contingency, the results do raise questions about the 'quid pro quo' nature of the psychological contract. For example, our results seem to suggest that employees expect less from the employer in return for fulfilling some obligations (e.g. *Ethical Behaviour*) than they do for fulfilling other obligations (e.g. *Flexibility*). Much more work is needed in this area but future research, incorporating a larger sample may tell us more about the interchange of obligations between both parties.

In relation to the 'Realistic/Not Realistic' feature, each obligation has a different level of 'realistically fulfilled' with mean scores ranging from 1.76 (*Ethical Behaviour*) to 2.64 (*Flexibility*). In terms of employer obligations, each obligation has a different level of 'realistic' with mean scores ranging from 1.53 (*Work Environment*) to 2.57 (*Working with Team*). The range of these scores is somewhat low, indicating that the new employee believes both the employee obligations to which she is bound and the obligations to which the employer is bound are realistically fulfilled. What is somewhat surprising is that the mean scores for the employer obligations are not lower. Many scholars have argued that employees expect more from the employer while overestimating their contributions (e.g. Coyle Shapiro & Kessler, 2000; Shore & Tetrick, 1994). Therefore, one might expect participants to believe

the employer can realistically fulfil their obligations to the employee. While these scores do not legislate for the effect of individual antecedents, the findings are still of some interest. It seems plausible to assume that a person will only agree to the terms of the psychological contract if they believe they can realistically fulfil them. Our study empirically confirms this notion.

In relation to the 'Fair/Not Fair' feature, we believed it credible to argue that not all obligations would have the same level of 'fairness' (i.e. being expected to fulfil certain obligations would be considered less fair than others). In terms of employee obligations each obligation had a different level of fairness with mean scores ranging from 1.43 (*Loyalty*) to 2.68 (*Flexibility*). In terms of employer obligations each obligation has a different level of 'fairness' with mean scores ranging from 1.34 (*Work Environment*) to 2.19 (*Work/Life Balance*). For both groups of obligations the scores are quite low. This indicates that new employees believe their obligations and their employer's obligations are both fairly fulfilled. Again, the results are more meaningful if the influence of individual antecedents is introduced. From a psychological contract perspective, the results seem to suggest that new employees will not be bound to obligations to which they believe to be not fair. Once again, it is somewhat surprising that the level of fairness for employer obligations is not lower considering the employee tends to expect more from the employer (Shore & Tetrick, 1994). Of course, using a larger sample may have produced a different outcome for each obligation. While there was not a huge divergence among the obligations in terms of levels of fairness we believe it is important to empirically show this measure for each obligation. Gaining an insight into how a new recruit understands his role is pivotal to managing the employment relationship (De Vos *et al.*, 2009). While one would not expect an employee to be bound by an obligation which they consider to be not fair, from a HR perspective, it is still important to know the extent to which obligations are considered 'fair' in terms of fulfilment.

Regarding, the 'Important/Not Important' feature, we proposed that each obligation would have a different level of 'importance' in terms of fulfilment. In terms of employee obligations, each obligation had a different level of importance with mean scores ranging from 1.85 (*Teamwork*) to 2.48 (*Flexibility*). In terms of employer obligations, each obligation had a different level of importance with mean scores ranging from 1.61 (*Pay & Benefits*) to 2.06 (*Work/Life Balance*). We believe our study is the first to empirically demonstrate that the obligations at the heart of the psychological contract have different levels of importance in terms of fulfilment. The relatively low scores on obligations across both groups indicate

that each obligation was deemed important to fulfil. Accordingly, the findings suggest that broadly speaking, both employee and employer obligations are considered important in terms of whether they should be fulfilled or not. We expected a larger range in terms of mean scores as participants in the pilot study indicated that they were bound by some obligations that they believed were not really that important in terms of fulfilment. What are also somewhat surprising are the low scores across the employer obligations. As has been repeated several times, in an exchange relationship employees tend to expect more from the employee (Shore & Tetrick, 1994). Perhaps, future study using a larger sample might produce a difference outcome. It must be stated that any analysis of these results is limited without legislating for the effect of individual antecedents. However, there is a practical relevancy to these findings. Understanding which employer obligations are considered important in terms of fulfilment, line managers can guide their own behaviour to appease the employee needs. For example, if an employee believes obligations relating to *Work/life Balance* are of particular importance in terms of fulfilment, then the manager knows that providing time off to the employee when possible is a significant step to maintaining relations between both parties. Therefore, we believe determining the levels of ‘importance’ for each dimension could be a significant step in the fulfilment of the psychological contract.

We proposed that level of careerism would affect perceptions of the content dimensions across these four features. For Proposition 12, in relation to obligations concerning *Loyalty* and *Ethical Behaviour* there was no significant relationship with level of careerism in terms of perceived level of contingency. This was not expected as in previous studies, as well as in this study, level of careerism has been shown to affect the content of the psychological contract (Robinson & Rousseau, 1994; De Vos *et al.*, 2009). For example, one might expect a high level of careerism to affect perceptions obligations relating to *Loyalty* in terms of their level of contingency. It seems reasonable to assume that careerists would expect something in return from the employer in exchange for their loyalty, considering that remaining loyal to an organisation is atypical of the careerist.

As regards the ‘Realistic/Not Realistic’ feature, in terms of employee obligations, once again there was no association with obligations concerning *Loyalty* or *Ethical Behaviour*. This is surprising considering one could argue that an employee who intends on leaving the organisation sooner rather than later might feel obligations to the organisation in terms of loyalty to be unrealistically fulfilled.

Across the 'Fair/Not Fair' feature, there was no significant relationship with obligations in terms of *Loyalty* or *Ethical Behaviour*. This is surprising as one might expect an employee with a high level of careerism to consider it not fair to expect him to fulfil obligations to the organisation relating to *Loyalty* or *Ethical Behaviour*. The findings of our study do not support this contention. In relation to the 'Important/Not Important' feature, there was no significant relationship with obligations concerning *Loyalty* or *Ethical Behaviour*. Again one might expect a careerist to consider it not important to fulfil obligations relating to *Loyalty* for example. However, the findings do not support this argument. Perhaps a larger sample may have produced a more statistically significant result.

Overall, the results did not support Proposition 12. It is clear that careerism had no effect of employee obligations concerning *Loyalty* or *Ethical Behaviour* in terms of them being considered 'realistically fulfilled', 'contingent' 'fair' or 'important'. As explained, this outcome was not expected. Further study into the effect of careerism on these features of the content dimensions might yield different results.

In relation to the employer obligations, for Proposition 13 we argued that those with a high level of careerism would influence obligations relating to *Pay & Benefits* and *Development* in terms of these four features. Across the 'Realistic/Not Realistic' feature, we proposed that careerists would consider it 'realistic' for the employer to provide them with *Pay & Benefits* and *Development* opportunities while they work for the organisation. However, the results do not support this argument. Perhaps, this finding is not too surprising when you consider that in Stage A in our study we found no association between these obligations and level of careerism. However, in terms of employer obligation relating to *Work/Life Balance* there was almost a significant relationship ( $\rho = -.457, n = 15, p = .075, p < .05$ ). In a sample this small this finding carries some degree of merit. It indicates that those with a high level of careerism believe it is realistic of them to expect the employer to fulfil obligations concerning *Work/Life Balance*. The literature does not appear to support the link between *Work/Life Balance* and level of careerism (e.g. De Vos *et al.*, 2009). However, this finding seems to suggest that while obligations relating to *Work/Life Balance* are not typically found in the psychological contracts of those with a high level of careerism, when they are explicated as an employer obligation careerists believe they should be realistically fulfilled. By and large, careerism has no effect on which obligations are considered realistically fulfilled. However, there is a tenuous link with obligations related to *Work/Life Balance* which imply that careerists have certain expectations of the employer in this regard.

In terms of the ‘Contingent/Remote’ feature, there was no association with obligations relating to ‘*Pay & Benefits*’ or ‘*Development*’. One might expect the contingency levels of employer obligations relating to *Development* to be affected by level of careerism given how important opportunities for career development are to careerists. However, this was not the case. We suggest that more research in this area using a larger sample be conducted. Across the ‘Fair/Not Fair’ feature, there was no significant relationship with obligations relating to *Pay & Benefits* or *Development*. Considering there was no significant difference between those who explicated it as an employer obligation and those who did not (see Table 5.1) it is perhaps to be expected that no significant relationship between the two variables was found. The findings for this ‘feature’ suggest that level of careerism has no effect on which obligations are considered ‘fair’ in terms of fulfilment. A larger sample may have produced a different result.

In terms of the ‘Important/Not Important’ feature, again there was no significant relationship with *Pay & Benefits* or *Development*. There was almost a significant relationship with obligations concerning *Work Environment* ( $\rho = .364$ ,  $n = 25$ ,  $p = .074$ ), suggesting careerists do not consider it important that the employer fulfils obligations relating to *Work Environment* (e.g. good facilities etc.). However, the strength of the correlation is weak, undermining the value of this finding.

Overall, level of careerism had little influence on obligations concerning *Development* or *Pay & Benefits* in terms of them being considered ‘realistically fulfilled’, ‘contingent’ ‘fair’ or ‘important’. Further study is needed to understand the relationship between level of careerism and employer obligations across these four features.

### **6.3.2 The Effect of Exchange Type on the Content Dimensions across the ‘Realistic/Not Realistic’; ‘Contingent/Remote’; ‘Fair/Not Fair’/ and ‘Important/Not Important’ Features**

This section explores the relationship between ‘type of exchange’ and content dimensions across the ‘Realistic/Not Realistic’; ‘Contingent/Remote’; ‘Fair/Not Fair’/ and ‘Important/Not Important’ features respectively.

Proposition 14 contended that those participants with a high level of economic exchange will consider employee obligations relating to *Loyalty* and *Extra Role Behaviour* to

be 'contingent', 'not realistic' 'not fair' and 'not important'. This proposition was partially supported. Obligations relating to *Loyalty* and *Extra Role Behaviour* were not considered 'not realistic'. This is surprising given that the results from Stage A of our study indicate that an employee with an economic exchange is less likely to feel obligations to the employer in terms of *Extra Role Behaviour*. It follows that one would expect the same employee to consider such obligations as unrealistic. However, across the 'Contingent/Remote' feature those with an economic exchange considered obligations concerning *Extra Role Behaviour* to be contingent on the employer doing something in return. This outcome was expected as obligations such as 'additional duties' etc. are not typically found within the narrow terms of an economic exchange (Shore *et al.*, 2006). However, this result was not repeated for obligations concerning *Loyalty*. In light of the fact there was no significant difference in levels of economic exchange between those who explicated *Loyalty* as an obligation and those who did not (Stage A in our study), the finding here is perhaps not that surprising. In terms of the 'Fair/Not Fair' feature there was no association between an economic exchange and obligations of *Loyalty* and *Extra Role Behaviour* in terms of fairness. Again, this is quite surprising as one would assume that an employee with an economic exchange would consider being compelled to fulfil these obligations as unfair. Interestingly, a negative correlation with *Job Performance* ( $\rho = -.386$ ,  $n = 41$ ,  $p = .013$ ) was found. This means that those with an economic exchange believe fulfilment of employee obligations relating to *Job Performance* are contingent on the employer fulfilling their obligations. Similarly, those with an economic exchange believe fulfilment of employee obligations relating to *Flexibility* is contingent on the employer fulfilling their obligations ( $\rho = -.396$ ,  $n = 25$ ,  $p = .050$ ). An example of this might be making one's self available at weekends but expecting something in return from the employer (e.g. time off etc.) While this study does not specifically explore what the employee wants in return (e.g. overtime payment etc.) it does highlight that fulfilment of certain obligations are more contingent on the other party's actions than other obligations. Across the 'Important/Not Important' feature, there was no association with obligations relating to *Loyalty*. It seems plausible that those with an economic exchange would not consider these obligations as being particularly important. Our results indicate that this was not the case. However, those with a high economic exchange consider it not important to fulfil obligations relating to *Extra Role Behaviour* ( $\rho = .405$ ,  $n = 25$ ,  $p = .045$ ,  $p < .05$ ). This finding supported our proposition. Those employees with a high level of economic exchange consider it important to fulfil obligation relating to *Job Performance* ( $\rho = -.403$ ,  $n = 41$ ,  $p = .009$ ,  $p < .01$ ). Proposition 16 contended that those with a high level of economic exchange would attach a

high level of importance to obligations relating to *Ethical Behaviour*. However, this was not the result. Similarly, there was no relationship between the two variables across the other 3 features. Considering in Stage A in our study we found that there was no significant difference between those who explicated it as an obligation and those who did not in terms of their level of economic exchange, it is perhaps not too surprising that there was no association between the two variables.

Overall, an economic exchange had little effect on obligations concerning *Loyalty* across the four dimensions but had quite a significant influence on these underlying properties of obligations relating to *Extra Role Behaviour*.

As regards the effect of an economic exchange on employer obligations, there was no association with obligations concerning *Pay & Benefits* or *Development* in terms of the 'Realistic/Not Realistic' feature. These findings did not support Proposition 15 and Proposition 17 respectively. Firstly, one might reasonably assume that those whose relationship is monetary in focus would believe it is realistic to expect the employer to financially compensate them for work done. Similarly, one might expect those employees to consider employer obligations such as 'improve my skill level' as unrealistically fulfilled due to the narrow and limited terms of their exchange. Such an obligation is likely to be outside the terms of an economic exchange (Blau, 1964). The small sample may have distorted results. There were a number of significant relationships with employer obligations. Firstly, those with a high level of economic exchange believe employer obligations concerning *Training & Support* are realistically fulfilled ( $\rho = -.432$ ,  $n = 40$ ,  $p = .005$ ,  $p < .01$ ). Interestingly, Rousseau (1990) argues that a need for personal support reflects a more relational psychological contract. Our results seem to suggest that not every employee with an economic exchange believes the employer has obligations in terms of *Training & Support*, but those who do, feel they are being realistic in expecting the employer to fulfil any such obligations. Similarly, those with a high level of economic exchange believe employer obligations concerning *Fair Treatment* are realistically fulfilled ( $\rho = -.462$ ,  $n = 19$ ,  $p = .040$ ). This finding suggests that those with an economic exchange are likely to believe that *Fair Treatment* from the employer is a realistic obligation to fulfil. In Stage A in our study, obligations concerning *Fair Treatment* were not associated with an economic exchange. However, this finding here seems to suggest that there is a correlation between an economic exchange and this obligation. This relationship merits further study.

Across the 'Contingent/Remote' feature, again there was no association with obligations concerning *Pay & Benefits* and *Development*. It seemed plausible that those with an economic exchange would consider the employer rewarding their performance as remote in light of the founding principles of their relationship. Conversely, we expected those with an economic exchange to consider an obligation such as 'improving my capabilities' as contingent on their own performance. Again, the small sample size may have been a factor in these findings. What is interesting is that those with a high level of economic exchange consider obligations relating to *Fair Treatment* as remote. This aligns with the finding on the 'Realistic/Not Realistic' feature. Taken together the findings suggest that there is a relationship between economic exchange and this obligation. Again this merits further study.

Across the 'Fair/Not Fair' feature, there was no association with obligations concerning *Pay & Benefits* or *Development*. Again, this is surprising considering employer obligations relating to *Pay & Benefits* in this study are associated with an economic exchange. One could reasonably assume that an employee with a high level of economic exchange might consider it fair to expect their employer to fulfil obligations relating to *Pay & Benefits*. Again, the small sample size may have influenced results. Understanding what is considered fair by the employee in terms of obligations allows us to gain more insight into how they understand their employment relationship. There is an opportunity for much more study in this area as to date it has been under-researched.

Across the 'Important/Not Important' feature, there was no relationship with obligations concerning *Pay & Benefits* or *Development*. Again one might have expected an economic exchange to be associated with a high level of *Pay & Benefits* 'importance'. Conversely, one might expect those with an economic exchange to consider it not important for the employer to fulfil obligations concerning *Development* as such an obligation would run counter to the terms of the exchange. The results do not support this argument. However, those with a high economic exchange believe obligations concerning *Job Content* ( $\rho = .421$ ,  $n = 21$ ,  $p = .050$ ,  $P < .05$ ) are not important in terms of fulfilment. This finding suggests that those with an economic exchange are not overly concerned with the content of their job (i.e. provide challenging work etc.). This is typical of someone with a transactional psychological contract (Shore & Tetrick, 1994).

Overall, economic exchange had no effect on obligations concerning *Loyalty* or *Development* across the four features. As explained this outcome was not anticipated as it

seemed likely that there would be a relationship with these properties. Further study, incorporating a larger sample might yield more expected results.

In relation to social exchange, Proposition 18 and Proposition 19 were partially supported. Firstly, in terms of employee obligations across the 'Realistic/Not Realistic' feature, we explored whether obligations relating to *Loyalty*, *Flexibility*, and *Extra Role Behaviour* would be considered realistically fulfilled. There was no relationship with obligations concerning *Loyalty*. This finding was not expected as many scholars argue that those with a broad relationship with the organisation are willing to show loyalty to their employer (e.g. Rousseau, 1995, Cavanaugh & Noe, 1999). However, those with a high level of social exchange believe it is realistic of the employer to expect them to fulfil obligations relating to *Flexibility* ( $\rho = -.460$ ,  $n = 25$ ,  $p = .021$ ,  $p < .05$ ). This finding is to be expected considering employee obligations concerning *Flexibility* reflect a broad relationship with the employer (e.g. Rousseau, 2000). There was no significant relationship with obligations relating to *Extra Role Behaviour*. In light of the result above, where those with an economic exchange consider these obligations as not realistically fulfilled, it is surprising that those with an economic exchange do not consider it realistic to be expected to fulfil an obligation such as 'working additional hours if necessary'. Interestingly, those with a high level of social exchange believed obligations relating to *Teamwork* could be realistically fulfilled ( $\rho = -.350$ ,  $n = 39$ ,  $p = .029$ ,  $p < .05$ ). In other words, those employees with a high level of social exchange believe it is realistic of the employer to expect them to contribute to team performance. However, in Stage A of our analysis the results indicated that social exchange could not account for differences between those who selected it as an obligation and those who did not. The results seem to indicate that while obligations relating to *Teamwork* are not necessarily to be found in every social exchange, those who explicate it as an employee obligation believe it is realistic of the employer to expect the employee to fulfil that obligation. This seems to suggest that employees with a social exchange see the necessity of teamwork but do not necessarily feel they have obligations to the firm in that area. The relationship between this exchange type and obligations concerning *Teamwork* merits further investigation.

Across the 'Contingent/Remote' feature, surprisingly, there was no correlation with obligations relating to *Loyalty*, *Flexibility*, and *Extra Role Behaviour*. Considering those with a social exchange tend to have a loosely-termed agreement and are less focused on contributions from each party (Shore *et al.*, 2006), it is surprising that these employee

obligations characterising a broader relationship with the organisation were not considered remote. The reason for this could be the small sample size. Regarding the 'Fair/Not Fair' feature, there was no significant relationship with obligations concerning *Loyalty*, *Flexibility*, and *Extra Role Behaviour*. This is somewhat surprising given the fact that a social exchange is characterised by employee obligations relating to a broader relationship with the organisation. One would assume that an employee with a social exchange would feel it is fair of the employer to expect her to be loyal to the company, to be flexible in their availability or to be willing to work beyond the agreed terms of negotiation. Perhaps, the small sample size had an effect of the results.

In relation to the 'Important/Not Important' feature, there was a significant relationship with obligations relating to *Flexibility* ( $\rho = -.602$ ,  $n = 25$ ,  $p = .001$ ,  $p < .01$ ) and *Extra Role Behaviour* ( $\rho = -.515$ ,  $n = 25$ ,  $p = .008$ ,  $p < .01$ ). Those employees with a high level of social exchange consider it important to fulfil both of these obligations. One might expect such a result considering employee obligations concerning *Flexibility* and *Extra Role Behaviour* are typical of someone with broad investment in the organisation (i.e. a relational psychological contract, a social exchange etc.) (Shore *et al.*, 2006). However, those employees with a social exchange did not think fulfilment of obligations concerning *Loyalty* was important. Interestingly, those employees with a high level of social exchange consider obligations relating to *Job Performance* as not important ( $\rho = .341$ ,  $n = 41$ ,  $p = .029$ ,  $p < .05$ ). This suggests that those with a broader relationship with the organisation consider obligations relating to *Job Performance* (e.g. carry out my duties etc.) not important as regards fulfilment. While the finding does not indicate that the employee will not fulfil the obligation, it does illustrate that they consider fulfilling the more routine tasks of their role to be not that important. We also found that those with an economic exchange consider obligations concerning *Job Performance* as important to fulfil. Taking these findings together, there is a suggestion that obligations concerning *Job Performance* is important to some employees and not to others. In the interest of predicting employee behaviour we believe such an issue requires further study.

In terms of employer obligations, on Proposition 19 we explored whether those with a social exchange consider obligations relating to *Development*, *Training & Support* and *Working with Team* as 'remote', 'realistic', 'fair' and 'important'. Across the 'Realistic/Not Realistic' feature, those with a high level of social exchange believe it is realistic to expect the employer to fulfil obligations relating to *Development* ( $\rho = -.394$ ,  $n = 33$ ,  $p = .023$ ,

$p < .05$ ). Obligations to the employee reflect a broad relationship between both parties which one would associate with a social exchange. Therefore, this finding is to be expected. However, there was no such relationship with obligations concerning *Training & Support* or *Working with Team*. Considering these obligations were not associated with a social exchange in Stage A in our study, it is perhaps not completely surprising that no association was found here either.

In relation to the ‘Contingent/Remote’ feature, there was no significant relationship with obligations relating to *Development, Training & Support* or *Working with Team* indicating that those employees with a social exchange do not consider these obligations to be remote. Again, this finding was not expected considering these types of employer obligations are typical of someone with a social exchange. However, when you reflect on the fact that in Stage A of our study, only obligations relating to *Development* were associated with a social exchange, perhaps the association between this exchange type and obligations concerning *Training & Support* and *Working with Team* is not that strong. If so, it follows that it is unlikely that a social exchange would affect these obligations’ underlying properties. Perhaps, a larger sample may have produced a different outcome.

As regards the ‘Fair/Not Fair’ feature, there was no association with any of the three obligations in our proposition. Again, this is somewhat surprising as a social exchange is characterised by employer obligations in the area of development, supportive environment etc (Cavanaugh & Noe, 1999). It seems credible that an employee with a social exchange would believe it is fair of them to expect the employer to fulfil obligations in these areas. Given that our research has shown that level of social exchange affects which obligations are explicated and which are not, it is odd that this antecedent did not influence the extent to which each obligation was considered fair. A larger sample size may have produced a different result.

Across the ‘Important/Not Important’ feature, those with a social exchange did not believe that obligations concerning *Development, Training & Support* or *Working with Team* were important in terms of fulfilment. When you consider that in Stage A of our study we found that obligations concerning *Development* were associated with a social exchange, it is very surprising that such an obligation is not considered important in terms of fulfilment. Does this finding suggest that employees have certain expectations of their employers in terms of obligations being fulfilled even if they do not think it is important that they are

fulfilled? In the interest of understanding employee perceptions of their 'deal' with the organisation we believe this question requires further study.

Overall, social exchange has somewhat of an effect on obligations relating to *Development* in terms of them being considered 'remote', 'realistic', 'fair' and 'important'. Obligations concerning *Training & Support* and *Working with Team* across these four features were not affected by level of social exchange. As potential antecedents of fulfilment or violation, we believe it is important to study the content dimensions of the psychological contract in light of these features. The results of our study suggest that these features are somewhat affected by the employee's type of exchange.

### **6.3.3 The Effect of Level of Experience on content dimensions across the 'Expected/Not Expected' and 'Familiar/Novel' Feature.**

The veteran and novice were expected to differ in their understanding of the content dimensions across these two features. While any analysis of the findings is somewhat limited without controlling for the effect of individual antecedents on these expectations, they do provide an insight into how the organisational entrant understands his relationship with the organisation. Across the 'Expected/Not Expected' feature, in terms of employee obligations, each obligation had a different level of expectedness with mean scores ranging from 1.50 (*Ethical Behaviour*) to 2.64 (*Flexibility*). In terms of employer obligations, each obligation had a different level of expected with mean scores ranging from 1.63 (*Work Environment*) to 2.64 (*Job Content*). For both types of obligation, mean scores were somewhat low, indicating a high level of expectedness. The results portray the new employee as well-informed upon organisational entry. This could be attributed to the new recruit being active in terms of information gathering or the organisation (and organisational insiders) providing him with accurate information (Morrison, 1993a). Either way, the findings indicate that the specific terms of the psychological contract were to a large extent expected. Further study, using a larger sample may produce different results. Nonetheless, by examining the extent to which each obligation is considered expected allows us to gain an insight into a new employee's understanding of his employment relationship.

Proposition 20 contended that the more experienced you are the less likely you are to consider obligations unexpected. This was not supported by the results. In terms of employee obligations and employer obligations, there was no difference between novices and veterans in the extent to which each obligation was expected. This finding was certainly unforeseen. It seems likely that veterans and novices would significantly differ in terms of their contributions and the employers' contributions being expected. One would assume that when novices encounter an unfamiliar role or work environment, they would have obligations to the employer which they would not have expected. Similarly, given the significant experience built up by the veteran in the work environment, we believed that they would have had the foresight to anticipate the obligations at the heart of the relationship with their employer. Perhaps a larger sample size may have produced different results. The 'Expected/Not Expected' feature was not particularly revelatory in terms of the differences between novices and veterans' understanding of the content dimensions of the psychological contract.

The 'Familiar/Novel' feature measures the extent to which each obligation is familiar to the employee. The level of familiarity could be dependent on the extent to which relevant information was relayed to the new recruit or it could also be dependent on their level of experience. This issue is explored in turn. In terms of employee obligations each obligation has a different level of 'familiarity' with mean scores ranging from 1.59 (*Teamwork*) to 2.38 (*Flexibility*). In terms of employer obligations each obligation has a different level of familiar with mean scores ranging from 1.88 (*Work/Life Balance*) to 3.36 (*Job Content*). The range of scores is quite low for both types of obligations indicating a high level of familiarity with the content of their psychological amongst the participants. It is surprising that some obligations were not considered more 'unfamiliar' considering each participant had just joined a new organisation. Once again the findings are somewhat limited if one ignores the impact of individual antecedents. However, there is some merit in reporting these findings. Although there is no evidence in the literature to support this claim, it does seem possible for an employee bound to an obligation with which they are not familiar to experience difficulties fulfilling it further down the line. If an employee is unsure how to perform a task etc. it is likely that fulfilling that obligation will be problematic. Similarly, if an employee is unfamiliar with what to expect from their employer (e.g. healthy work/life balance) they might not be sure how to react to or even recognise when the employer is not keeping up their side of the bargain. Accordingly, if a manager can determine which aspects of the agreement are considered unfamiliar, they are then in a better position to manage their performance.

Proposition 21 contended that the veteran would be more familiar than the novice with both sets of obligations. The results lean partial support for this proposition with veterans having a lower score (i.e. more familiar) on seven obligations and having an equal score on six obligations. This finding empirically demonstrates that veterans and novices differ in terms of the level of familiarity of certain obligations. In light of the finding that veterans are less likely than novices to have perceived obligations to the employer relating to *Teamwork*, one might reasonably expect a significant difference to exist between the two cohorts as regards perceptions of ‘familiarity’ of obligations relating to *Teamwork*. However, the findings do not support this argument. In relation to the employer obligations, there was a significant difference between veterans and novices on obligations relating to *Work Environment* (Novices N = 13 Md = 3; Veterans N = 19 Md = 2;  $p = .020$ ,  $p < .05$ ) with veterans more familiar than novices with employer obligations relating to the *Work Environment*. One could argue that because of greater experience veterans are more familiar with obligations such as ‘safe work environment’ ‘up to date equipment’ etc.) Similarly, veterans were more familiar than novices with obligations relating to *Pay & Benefits* (Novices N = 9 Md = 3; Veterans N = 14 Md = 2;  $p = .037$ ,  $p < .05$ ). While we did not predict this outcome, it perhaps makes sense when you consider that veterans would have gained significantly more experience with issues like pay, reward etc. than novices. Overall, the findings confirm that veterans are more familiar than novices with a lot of employer and employee obligations. We would argue that level of familiarity with an obligation would influence behaviour in relation to that obligation. For example, if a novice employee is unfamiliar with employer obligations concerning *Work/Life Balance*, then they may be unsure how to deal with a situation where they are working far more than was originally negotiated. Learning which obligations are familiar to an employee may allow a manager to better manage employee performance. Overall, the ‘Familiar/Novel’ feature was particularly effective in illustrating the differences between veterans and novices in how they understand their employment relationship.

#### **6.3.4 The Effect of Careerism, Type of Exchange and Experience on the ‘Same for every employee/Unique to me’ Feature**

Propositions 22 to 25 examine the effect of the three antecedents on the ‘Same for every employee/Unique to me’ feature. Firstly, in terms of employee obligations, each obligation

had a different level of uniqueness with mean scores ranging from 1.87 (*Teamwork*) to 3.52 (*Flexibility*). In terms of employer obligations, each obligation had a different level of uniqueness with mean scores ranging from 1.78 (*Work Environment*) to 3.09 (*Job Content*). Therefore, our findings empirically confirm that each obligation has a different level of uniqueness. One would expect obligations relating to *Work Environment* to be the same for every employee (e.g. provide a safe working environment). However, our study demonstrates that certain obligations are considered more unique than others. For example, employer obligations relating to *Job Content* (e.g. opportunities where I can be challenged) had the highest level of uniqueness. This raises questions about our understanding of the employment relationship. For instance, when obligations considered more unique to the person in question are violated (such as those relating to job content), does the employee react differently? This issue has been examined by Rousseau (2005) in her work on the negotiation of 'i-deals'. She suggests that a breach or violation of individualised agreements can evoke a strong reaction in the employee. From a managerial perspective, establishing which obligations are considered unique to the employee will ensure they are better positioned to manage the psychological contract. The findings also raise questions about our understanding of employee contributions to an exchange. Do employees work harder to fulfil obligations that have been individually negotiated (such as those related to *Flexibility*) as opposed to the more universal obligations (e.g. *Teamwork*)? Rousseau (2005) suggests employees are very attuned to what is expected of them and what they can expect from the employer in an individualised agreement.

Proposition 22 argues that those participants with a high level of careerism will consider employer obligations relating to *Development* and *Pay & Benefits* to be the 'same for every employee'. In relation to the effects of careerism, there was no association with either of these obligations. This result suggests that careerists do not believe that employer obligations most relevant to them (i.e. *Development* and *Pay & Benefits*) are the same for every other employee. When you consider that level of careerism had no effect on each employer obligation in terms of it being explicated (or not explicated) as an obligation (Stage A in our study) it is perhaps not surprising that it did not affect the perceived levels of uniqueness of each obligation. A larger sample may have produced a more significant outcome.

In relation to Proposition 23, we claimed that those with an economic exchange would consider employee obligations concerning *Ethical Behaviour* and employer obligations

concerning *Pay & Benefits* to be the same for every employee. The results partially confirmed this argument. There was an association with obligations concerning *Ethical Behaviour* ( $\rho = -.405$ ,  $n = 38$ ,  $p = .012$ ,  $p < .05$ ). Those employees with an economic exchange believe obligations concerning *Ethical Behaviour* should be collectively applied across the workforce. This supports the finding of Research Question 1B where obligations relating to *Ethical Behaviour* were associated with a higher level of economic exchange. Taken together, both of these results emphasise the importance of obligations in the area of *Ethical Behaviour* (i.e. uphold confidentiality) to an employee with an economic exchange. This finding raises questions about how an employee with an economic exchange views the contributions of his co-workers. For example, what happens to relations between employees when one perceives the other as not fulfilling an obligation which is considered universal to all employees? This is an area which we believe merits further attention. Another finding of note is the relationship with obligations concerning *Teamwork*. Those with an economic exchange believe they are the same for every employee ( $\rho = -.398$ ,  $n = 39$ ,  $p = .013$ ,  $p < .05$ ). Simply put, those whose relationship with the organisation is monetary in focus believe that every employee is obliged to contribute to effective teamwork within the company. This is surprising when you consider our study has shown that there is no association between an economic exchange and the selection of *Teamwork* as an employee obligation (See Research Question 1B). One way of interpreting this finding is as follows: An employee with an economic exchange does not get paid unless she fulfils her obligations. When you consider that successful performance in her particular role is often dependent on the team working together, it is perhaps to be expected that she believe obligations relating to *Teamwork* should be universally applied to every employee in order for her to reach her financial goal. As regards obligations concerning *Pay & Benefits*, there was no significant association. This is surprising given our study found that obligations concerning *Pay & Benefits* are associated with a high level of economic exchange. Perhaps a larger sample may have resulted in a more expected outcome. In relation to obligations concerning *Fair Treatment* there was almost a significant correlation ( $\rho = -.438$ ,  $n = 19$ ,  $p = .054$ ,  $p < .05$ ). In a sample of this size this result can be considered meaningful. It indicates that those with an economic exchange believe that obligations concerning the fair treatment of employees should be applied across the workforce. Again, one might assume that all employees believe in this idea. However, our study empirically has shown that those with a more narrow, specific termed relationship with the employer are more likely to explicitly believe in it. When you consider that those employees with an economic exchange have a more clearly negotiated agreement, it seems

credible that they would pay particular attention to how they are treated in terms of equity and fairness (e.g. Shore & Barksdale, 1998; Bunderson *et al.*, 2001).

Proposition 24 argued that those participants with a high level of social exchange would consider employee obligations relating to *Loyalty, Flexibility and Extra Role Behaviour* and employer obligations relating to *Development, Training & Support and Working with Team* to be the 'same for every employee'. There was no association with any of these employee obligations. This finding was not anticipated. However, the small sample in this study may have restricted any significant correlations being discovered. In terms of these employer obligations, there was also no significant relationship found. Again, this is surprising considering obligations related to *Development* were found to be associated with a high level of social exchange. Most surprisingly, there was a negative association with obligations relating to *Pay & Benefits* ( $\rho = -.443, n = 23, p = .034, p < .05$ ). This finding suggests that those with a social exchange believe obligations relating to *Pay & Benefits* are the same for every employee. We had anticipated that such a relationship would be associated with an economic exchange. Considering that a social exchange is not financial in focus, this result was not expected. This finding raises questions about the role financial rewards play in a social exchange between employee and employer. If we take the results from both stages in our study, it seems that while obligations concerning *Pay & Benefits* are less likely to be found in the psychological contract of an employee with a social exchange, these employees believe the employer providing rewards should be universally applied to the entire workforce. We feel the relationship between social exchange and financial rewards merits further assessment. This is a view shared by Coyle Shapiro & Kessler (2000a)

Proposition 25 contended that novices would be more likely than veterans to consider employee obligations relating to *Teamwork* and employer obligations relating to *Training & Support and Working with Team* as 'same for every employee'. The results partially support this claim. As expected, novices were more likely than veterans to consider obligations relating to *Teamwork* to be the same for every employee. Our study demonstrates that this obligation is particularly relevant to those who lack experience. In line with the false consensus effect, the inexperienced worker is likely to think that contributing to teamwork is an obligation that is applicable to all employees. However, there was no association with obligations concerning *Training & Support* or *Working with Team*. In light of the fact that we found in Stage A that these obligations were not associated with the novice worker it is perhaps not too surprising that no relationship with these obligations across this feature was

found. However, the results did indicate that in terms of obligations relating to *Work/Life Balance*, the veteran worker believes these types of obligations are more unique to him when compared to the novice worker. The results of Research Question 1C did not indicate that obligations relating to *Work/Life Balance* are more associated with the experienced worker. These findings seem to suggest that while employer obligations relating to *Work/Life Balance* are not more or less desired by the veteran worker, whenever they are part of their psychological contract, the expert believes that these employer contributions are unique to him. Previous research has shown the younger worker particularly values a healthy work/life balance (e.g. Martin, 2005) but in times of recession they lower their expectations in this area (De Hauw & De Vos, 2010). This might explain why obligations concerning *Work/Life Balance* are not associated with the novice worker in our study. Generally speaking, our study illustrates that whenever obligations such as ‘appropriate working hours’ are part of the psychological contract of the veteran worker, they believe that such obligations are unique to them and are different from the rest of the workforce.

Overall, the three antecedents had a limited effect on the different features with only the *Important/Not Important* feature strongly influenced by the antecedents. Therefore, the ‘features’ explored in our study provided us with a minor understanding of the content dimensions. This is not to say that the ‘content dimensions features’ approach is without value to psychological contract theory. It is reasonable to argue that alternative features’ may have provided us with a different understanding of employee and employer obligations.

#### **6.4 Analysis of Employee and Employer Obligations Clustering Pattern**

We can identify the schematic characteristics of the cluster patterns. The overall pattern of which obligations occur together illustrates the linkages between the different elements of a new employee’s typical schema (Horowitz, 1992). The broad, higher level of the schema can be considered the exchange agreement the employee has with organisation in terms of employment. The lower level schema is less abstract and comprises the specific elements of this agreement (e.g. the six employee obligations and eight employer obligations). They are all interconnected in that they are the elements of the psychological contract (Rousseau, 2001). Within that interconnection of elements, a number of patterns exist. These patterns have been identified through our cluster analysis. For example, representing Cluster 2 as schema, an obligation concerning *Development* is an element in the employee’s schema. It

has linkages with another employer obligation *Job Content* and an employee obligation *Extra Role Behaviour*. This cluster is one pattern within a larger arrangement of elements (i.e. obligations).

Following the cluster analysis of employee and employer obligations, an interesting pattern has emerged. Firstly, this analysis illustrates which obligations tend to be reported together, which is a useful starting point in assessing the interplay between psychological contract content dimensions. Cluster 1 in Table 5.20 sees a combination of both ‘social/relational’ (e.g. *Flexibility*) and ‘economic/transactional’ (e.g. *Job Performance*) obligations. It is likely that an employee obligation of *Job Performance* would be associated with an employer obligation of *Work Environment*. Both these dimensions refer to a basic type of contribution each party makes in an exchange (e.g. performing a job in a safe work environment). Apart from this possible interchange, it is difficult to determine other discernible relationships in Cluster 1. Cluster 2 is perhaps the most interesting of the three groups. Firstly, there are only three obligations in this group (i.e. *Extra Role Behaviour*, *Development & Job Content*). On a surface level, what immediately strikes you is that each of these dimensions would normally be associated with a ‘social/relational’ psychological contract (i.e. *Extra Role Behaviour* (working above and beyond terms of contract), *Development* (employee looking for opportunities to develop skills in an effort to increase employability), *Job Content* (employee looking to work in a challenging, interesting role). It is reasonable to argue that one would expect an employee obligation of *Extra Role Behaviour* to be associated with employer obligations of *Job Content* and *Development*. The idea of an employee voluntarily working above and beyond the terms of the agreed employment contract but expecting to work on challenging projects where he can learn new skills and knowledge has been widely reported in the literature (e.g. Robinson, 1996, Herriot *et al.*, 1997 etc.). However, the majority of this work seems to be lacking empirical evidence to support such a claim. This finding in our study represents a tentative step in empirical support for this assertion. Cluster 3 is quite similar to Cluster 1 in that it is somewhat difficult to identify obvious or expected patterns of interplay between content dimensions. What is immediately striking about this cluster is that four out of the five dimensions are employer obligations. A combination of broad contributions (e.g. *Work/Life Balance*) and narrow contributions (e.g. *Pay & Benefits*) are evident here. The sole employee obligation is *Loyalty*. Do employees who feel obliged to demonstrate a sense of loyalty to the organisation expect

quite a lot from the employer in return (e.g. *Pay & Benefits, Work/Life Balance, Working with Team and Fair Treatment*)? We believe this is a reasonable argument to make.

If one examines the six employee obligations in this thesis, four have been used to assess organisational citizenship behaviour (OCB) (*Loyalty, Ethical Behaviour, Flexibility and Extra Role Behaviour*) (e.g. Robinson & Morrison, 1995). One way of assessing these obligations is arguing that OCB is expected of each employee in the organisation itself. Accordingly, one might expect them to group together. However, this is not the case. The obligations occur across the three groups. Therefore, it is difficult to identify an obvious pattern amongst the employee obligations that is relatable to other constructs in the organisational behaviour literature.

Overall, the cluster analysis allows us to visualise the schematic nature of the psychological contract. The exchange agreement at the higher level is made up of the different employee and employer obligations at the lower level. A number of discernible clusters of obligations occur within this system. Cluster 2 has been hypothesized in many previous psychological contract studies and we believe we have contributed somewhat to lending an empirical foundation to this claim. Unfortunately, our sample is too small to determine why these dimensions occur together (an analysis of the obligations and features together would facilitate this (e.g. *Flexibility* and *Work/Life Balance* occur together because they are *important/realistic*) etc.). Further study in this area would allow us to better understand the complexities of the psychological contract as schema.

## **6.5 Summary**

This chapter comprehensively discussed the key findings of our study. In relation to Stage A, we investigated the effect of level of careerism, type of exchange and level of experience on the content dimensions of the psychological contract. Firstly, as expected we found that those participants with a high level of careerism were less likely to explicate obligations relating to *Loyalty*. However, there was no association with employer obligations concerning *Development* or *Pay & Benefits*. As explained, this was somewhat surprising in light of findings in previous research (e.g. De Vos *et al.*, 2009). While careerism is a well established antecedent in psychological contract research (e.g. Rousseau, 1990, 1995) it had a limited affect on the content dimensions in our study. Accordingly, our study suggests that the

schema of the careerist and non-careerist are very similar as they only differ one obligation (e.g. lower order factor). As regards type of exchange, both economic exchange and social exchange had varying degrees of influence on the employer and employee obligations. Firstly, as expected, those participants with an economic exchange were less likely to explicate employee obligations relating to *Extra Role Behaviour* and more likely to explicate employer obligations relating to *Pay & Benefits*. This is in keeping with the specific termed, monetary focus of their exchange with the employer. These findings lend support to the idea put forward by Barling & Cooper (2008) that an economic exchange is synonymous with a transactional psychological contract. Secondly, a social exchange had a limited effect on the content dimensions in our study. There was no association with the broader obligations of *Loyalty*, *Flexibility* or *Extra Role Behaviour*. However, those with a higher level of social exchange were less likely to feel obligations relating to *Ethical Behaviour* and more likely to feel the employer has obligations concerning *Development*. Nonetheless, social exchange had a narrow effect on the content dimensions which detracts from the proposition that a social exchange tantamount to a relational psychological contract. Therefore, we conclude that the schema of those with an economic exchange and social exchange are different but the unexpected nature of the composition of their lower-order factors (i.e. content dimensions) suggest that the social/economic divide requires further analysis. Finally, our study confirms that the content of the psychological contract of veterans and novices is different. However, the difference is minimal and was only discernible across one obligation. Such a finding suggests relative comparability between the schemas of novices and veterans. Nonetheless, this finding addresses the oft cited lacuna in psychological contract research that the difference between the experienced worker and inexperienced worker is theoretically assumed rather than empirically confirmed (Rousseau, 2001). Specifically, we found that the novice is more likely than the veteran to explicate obligations relating to *Teamwork*. This finding raises a number of interesting questions. For example, are veterans less likely to commit to a team? If so, is it because they feel they have gained enough experience to meet any tasks or challenges on their own without the help of colleagues? What are the implications for relations between employees but also for managers when designing work etc? We believe there is a great opportunity for further research in this area.

Overall, our study demonstrates that to varying degrees, level of careerism, type of exchange and level of experience can be considered viable antecedents of the psychological contract lending moderate support to Hypothesis A.

In relation to Stage B of our study we explored what new employees believed about the content of the psychological contract. We proposed that the three antecedents would affect the underlying features of these content dimensions. We argued that each antecedent would render certain obligations to be considered ‘Realistic/Not Realistic’; ‘Contingent/Remote’; ‘Fair/Not Fair’; or ‘Important/Not Important’. For example, we proposed that those with an economic exchange would consider obligations concerning *Extra Role Behaviour* to be ‘not important’ in terms of fulfilment. While this contention was supported, the other propositions we had for these four features were either partially supported or not supported. Therefore, these four features varied in their effectiveness of illustrating what new employees understand about the content dimensions of their psychological contracts.

In relation to the ‘Expected/Not Expected’ and ‘Familiar/Novel’ features, we proposed that level of experience would influence employees responses to these features. We argued that in comparison to the novice, the veteran would be able to better anticipate the employee and employer obligations at the heart of the employment relationship and as a result would have a lower score (i.e. highly expected) on this feature. However, the results did not support this contention. There was no significant difference between the two groups on any obligation across this feature. Therefore, this feature is ineffective at illustrating how the experienced and inexperienced worker perceives their employment relationship. However, we found that veterans were more ‘familiar’ than novices with half the obligations in our study. Specifically, we found that the veteran is more familiar with employer obligations concerning *Work Environment* and *Pay & Benefits*. We believe this finding has a number of practical implications. For example, is an employee less likely to fulfil an obligation with which they are not familiar? Again, we believe this is an area that merits further study. While it is a little surprising that there was no significant difference between the two groups on any employee obligations, we believe the results indicate that the ‘Familiar/Novel’ feature is an effective means of capturing the difference between veterans and novices in terms of the content of the psychological contract.

Finally, we proposed that each individual antecedent would affect the perceived ‘uniqueness’ levels of certain obligation. This effect was examined on the ‘Same for every employee/Unique to Me’ feature. For example, we argued that those with a high level of careerism would consider obligations concerning *Development* (i.e. relevant to careerists) to be the ‘same for every employee’ as they view other employee’s relationship with the

employer through this ‘careerist’ lens. However, this proposition was not supported. Similarly, the results in relation to the other antecedents across this feature were mixed with very few significant relationships found. Overall, this feature did not provide much insight into how a new employee understands his employment relationship. We believed the features approach would allow us to address the dynamics of schema at a deeper level. While we have gained some insight into the linkages between the lower-order factors (e.g. *Extra Role Behaviour* is associated with *Development* and *Job Content*), we still require significantly more information about the complexities of psychological contract as schema.

In general, the features used in this study had only a marginal effect on the content dimensions lending minor support for Hypothesis B.. That all fifty participants were from the same organisation may explain this outcome. The lack of variance in the sample perhaps suggests that organisational factors need to be controlled for in future studies. However, had we sourced participants from a number of different organisations we would then be trying to control for different human resource practices (e.g. recruitment process, induction) which, as explained, may have affected the validity of our findings.

In conclusion, we believe our study demonstrates that to varying degrees, level of careerism, type of exchange and level of experience are viable antecedents of the psychological contract. Similarly, to some extent, investigating the ‘features’ of the content dimensions has allowed us to gain a deeper understanding of how the new employee understands the reciprocal obligations at the heart of his relationship with the employer.

## **Chapter 7: Conclusion**

### **7.1 Introduction**

Having discussed the key findings of our study in the last chapter we now draw conclusions from our research. Our study investigated the formation of the psychological contract. We developed two research questions to frame this investigation. Research Question 1 asked: *‘What is the relationship between newcomers’ individual antecedents and the content of their psychological contract at organisational entry?’* Accordingly, we assess the significance of ‘level of careerism’, ‘type of exchange’ and ‘level of experience’ to the formation of the psychological contract. Research Question 2 asked: *‘What do new workers believe about the content of their psychological contracts at the post- induction phase?’* We evaluate the ‘features approach’ as a means of better understanding the content dimensions of the contract and also these features ‘worth’ as viable antecedents of psychological contract outcomes. We consider the implications of our study from a theoretical, methodological and practical perspective. We also assess the limitations of our study and outline the opportunities for further study that have arisen from this research. Finally, we conclude this chapter with a brief reflection on our study as a whole.

### **7.2 The Viability of Level of Careerism, Type of Exchange and Level of Experience as antecedents of the Psychological Contract**

This section examines how viable level of careerism, type of exchange and level of experience are as antecedents of the psychological contract. Each factor is discussed in turn.

#### **7.2.1 The Viability of Level of Careerism as an antecedent of the Psychological Contract**

As has been explained throughout this thesis, level of careerism has been examined in a number of psychological contract formation studies (e.g. Rousseau, 1990; De Vos *et al.*, 2009). These studies have established careerism as an important antecedent in the formation of the psychological contract. However, level of careerism had relatively little impact on the content dimensions in our study. Our study confirmed that careerists are less likely to feel

loyalty to the organisation but we found no association with obligations relating to *Development* or *Pay & Benefits*. We felt that by eliciting the content dimensions rather than presenting them to the participant, we might find new relationships with obligations that may not have been examined in previous studies. However, this was not the case. Similarly, level of careerism had very little influence on the content dimensions across the features in Stage B of our study. While these findings do not refute the importance of careerism as a factor affecting the dynamics of the contract, they do illustrate that psychological contracts are not always generalisable or predictable across organisations (Conway & Briner, 2005). We believe it is necessary to adopt a broader range of obligations to gain a better understanding of the relationship between level of careerism and the psychological contract. While its influence on the dimensions in our study was limited, our research does confirm that level of careerism affects the content of the psychological contract.

### **7.2.2 The Viability of Type of Exchange as an antecedent of the Psychological Contract**

As mentioned, the social/economic exchange divide has been proposed to correspond with the more common relational/transactional divide within psychological contract literature (Barling & Cooper, 2008). Our study confirmed that those with an economic exchange are more likely to explicate certain transactional obligations (e.g. *Pay & Benefits*) and less likely to explicate certain relational obligations (e.g. *Extra Role Behaviour*). Similarly, we found that those with a social exchange are more likely to explicate certain relational obligations (e.g. *Development*). Taken together, these findings lend moderate support to the proposed alignment with the relational/transactional divide and to a certain degree, add to the feasibility of exchange type as an antecedent of the psychological contract. It must be stated that Freese & Schalk (1997) have argued that the ambiguity surrounding the relational/transactional divide presents difficulties to researchers when trying to distinguish between psychological contracts. While the findings in our study suggest that the social/economic divide might be a useful alternative in this instance, this distinction is not totally conclusive. Our study found that those with a social exchange are more likely than those with an economic exchange to explicate *Ethical Behaviour* as an obligation, a finding which contradicted our proposition. This indicates that the social/economic divide is not as clear-cut as first imagined. In relation to the effect of exchange type on the features of the content, there was some support for our contention that the type of exchange would influence

the underlying properties of these dimensions (e.g. those with a social exchange considering social obligations such as *Flexibility* to be ‘important to fulfil’ and ‘realistically fulfilled’). However, not all propositions in this regard were supported. It is clear that much more research is needed to better understand the relationship between exchange type and the underlying properties of the content dimensions.

Overall, the findings support our argument that type of exchange is a relevant individual antecedent of the psychological contract. Therefore, we call for further research investigating the relationship between exchange type and the content of the psychological contract.

### **7.2.3 The Viability of Level of Experience as an antecedent of the Psychological Contract**

The literature has classified experience as a dichotomy of ‘novice’ and ‘veteran’ (e.g. Rousseau, 1995, 2001). It seemed likely that the psychological contracts of the novice and veteran would differ but the research in this area has been largely based on assumption. However, our study empirically confirms this difference. We found that the novice is more likely than the veteran to explicate obligations relating to *Teamwork* suggesting the greater level of employee experience the less inclined they are to feel obligations relating to team performance etc. While we had expected to identify further divergence between the content of their respective psychological contracts, no significant difference was found. This points to a certain level of comparability between the psychological contracts of the novice and veteran worker respectively. Nonetheless, our study illustrated that level of experience does affect the psychological contract. In relation to the effect of experience on the features of these content dimensions, as proposed, we found that the veteran was more ‘familiar’ than the novice with the majority of obligations. While this finding is somewhat limited without investigating its influence on affective behaviours (e.g. fulfilment etc.), it does empirically suggest that a new employee lacking experience is likely to be unfamiliar with the dynamics of the employment relationship, which could affect their behaviour within the context of this relationship. Of course, much more work is needed to gain further insights into how the veteran and novice differ in their understanding of the psychological contract.

Overall, our study demonstrates that level of experience affects the content of the psychological contract, thus strengthening its viability as a legitimate antecedent. However, much more study, incorporating a more scientific measure of experience level, is needed. At this stage in the research, we believe it is important to know how experienced and inexperienced workers differ in their expectations of their new employment.

### **7.3 Evaluating the ‘Features of the Content’ Approach as a means of understanding the Dynamics of the Psychological Contract**

Stage B in our study aimed to discover what new employees believed about the content of their psychological contracts. We proposed that an examination of the features of the content dimensions would allow us to achieve this. Some features were more revealing than others. For example, to our surprise, no relationship was found between any of the antecedents and the content dimension across the ‘Fair/Not Fair’ feature. However, the ‘Important/Not Important’ feature had significant explanatory power in highlighting the difference between a social exchange and an economic exchange. Similarly, we found that the ‘Expected/Not Expected’ feature was not particularly helpful in understanding the differences between the novice and the veteran, yet, the ‘Familiar/Novel’ feature was effective in illustrating these differences. The seven features explored were based on the results of a pilot study. Using different participants in this pilot study could have resulted in different features, which, in turn, would have revealed something different about these content dimensions. Therefore, there is potentially a wide range of features that could be used to explore the psychological contract. Whether these features should be theoretically or empirically driven or even intuitively derived is open to debate (see Guest, 1998). It is clear, however, that there is some merit in the argument that the content dimensions could be examined in multiple ways using this features approach.

The overriding aim for this aspect of our study was to determine the value of the ‘features of the content’ approach as a means of better understanding the dynamics of the psychological contract. To this end, we believe that we have gained fresh insight into the underlying properties of the content dimensions. For example, we now know that certain types of employees (e.g. those with a high social exchange) believe certain employee obligations (e.g. *Flexibility*) and employer obligations (*Development*) can be ‘realistically

fulfilled'. This insight allows us to better predict employee contributions to the exchange and also the expectations of what the employer should be providing in return.

By and large, the features approach only made a limited contribution to understanding the formation of the psychological contract. We have gained some level of understanding into what a new employee believes about the content dimensions of his psychological contract. Therefore, we believe there is some value in the 'features of the content' approach to investigating the psychological contract. Again, we strongly feel that more research examining the psychological contract in this way can lead to new discoveries about employee's understanding of their relationship with the organisation.

## **7.4 Implications of our Study**

This section examines the implications of our study from three perspectives: theoretical; methodological; and practical.

### **7.4.1 Theoretical Implications of our Study**

The results of our study have implications for the conceptualisation of the psychological contract. In light of the fact that the formation process is an underdeveloped area within psychological contract literature, our study did not aim to develop and empirically assess one comprehensive model that captured all the factors that affect this creation process. Instead, we aimed to extend our knowledge of the psychological contract by addressing the individual antecedents that affect the formation process and also examining the new employee's understanding of the fundamental properties of the content of their psychological contract. As outlined, there is no universal agreement as to how it should be defined (Millward & Brewerton, 2000). Our study contributes to the conceptualisation of the psychological contract in a number of ways. Firstly, we have made a significant effort at capturing the multi-faceted nature of the construct. Our results illustrate that the 'content' and 'features' of the psychological contract are conceptually different and are differentially affected by individual antecedents. Accordingly, this distinction needs to be emphasised in any assessment of the psychological contract. Secondly, we have adopted the bilateral perspective of the contract by addressing both parties (i.e. employee and employer) contributions to the

agreement. This assessment of the psychological contract contributes to the research by empirically demonstrating that both party's obligations are interconnected and that contingency and reciprocity are central concerns within the theory. Accordingly, we agree with the views of both Rousseau (1995) and Freese & Schalk (2008) that any comprehensive exploration of the contract must incorporate both parties' contributions. Finally, our study adds to the growing interest into the inherent subjectivity of the psychological contract (De Vos *et al.*, 2009). We have demonstrated that both the content dimensions of the contract and underlying properties are somewhat influenced by individual factors and that this effect is evident even at the early stages of the contract's development. Furthermore, these findings strengthen our conceptualisation of the psychological contract as a 'schema'. By adopting a schema theory perspective, we have gained fresh insight into the cognitive processes inherent in the formation of the psychological contract. However, schema dynamics are complex and much more work is needed to better understand them. Nonetheless, our study contributes to our understanding of the psychological contract as a cognitive schema of the employment relationship (Rousseau, 1995) which is influenced by both organisational and individual factors.

#### **7.4.2 Methodological Implications of our Study**

This is the first study to use the repertory grid technique in a psychological contract formation study. By adopting a schema theory perspective on the formation process, we were faced with a methodological difficulty. By definition, schemata are unconscious and schematic thinking occurs automatically (Xu *et al.*, 2009). Traditional methodologies like surveys or stand-alone interviews would have been inappropriate measures as their design runs counter to these features of the schema. Freese & Schalk (2008) identified the need to broaden the ways in which the psychological contract is measured. We believe our study represents an important step in developing a methodology that effectively investigates the psychological contract. The repertory grid technique allows us to explore the content dimensions of the psychological contract and underlying properties of these dimensions in both a measurable and practical way. For this reason, we believe it has considerable value as a means of assessing the psychological contract. We feel that by examining the psychological contract in a different way, our study has contributed to the methodological debate within the literature. However, we acknowledge that as a measurement tool, it has its limitations in the context of a psychological contract study. By providing the participant with the constructs

(i.e. features), our repertory grid does not specifically show schematic thinking per se, as it does not illustrate how the individual classifies new information. If we had used the dyadic or triadic elicitation process to discover the participant's classification system, as is the case in conventional repertory grids, we would be ignoring the unconscious and automatic features of schema. Therefore, our grid design, while not entirely illustrating the full complexities of schematic thinking, does at least capture some of the features of a schematic understanding of the employment relationship (e.g. classification of information into categories, uncovering the linkages between elements (Rousseau, 2001). Also, we have demonstrated that these features are affected by individual factors, a key characteristic of schemata. On reflection, we believe the repertory grid has significant worth as a tool to measure the psychological contract. Jankowicz (2003) has explained how one of the advantages of the grid technique is its flexibility and adaptability, in that in certain contexts, the design of the grid can be altered to meet the requirements of the study. Only with an increase in the number of studies adopting this technique will we be able to fully gauge its effectiveness as a tool for investigating the psychological contract. It is a departure from methodologies employed in existing research and we believe that an alternative way of measuring the psychological contract is to be welcomed.

### **7.4.3 Practical Implications of our Study**

Sparrow (1996) asserts that employers should be more familiar with the terms of their employees' psychological contracts and that they should incorporate such knowledge into their HR policies. The results of our study could contribute to the effective management of new recruits during the early stages of the employment relationship. Firstly, in the interest of saving costs on the premature departure of new hires, we feel our study is particularly relevant to those responsible for retention management. If management can gain a better understanding of the individual forces driving employee behaviour (e.g. exchange type, level of careerism etc.) they might be able to deal with expectations. For example, learning that a new recruit is likely to make a long term commitment to your organisation (i.e. a high level of social exchange), HR will be aware that focusing mainly on financial rewards and benefits will not satisfy the needs of that employee and that they should be making a concentrated effort at developing and implementing a personal development plan for that employee. Similarly, when managing the relationship with an experienced new employee, it is likely

that he will have a preference for individual projects and HR should address the work design accordingly. In general, the more information the employer has about the expectations of the new recruit, the better positioned they are to effectively manage the employment relationship. Secondly, we believe the results of Stage B of our study have a practical value to the HR function within a firm. The underlying features of the reciprocal obligations provide us with an insight into the new recruits understanding of his new role. While our study does not address the relationship with affective behaviours (e.g. fulfilment etc.) it seems likely that the way in which the employee perceives an obligation will determine his behaviour in relation to that obligation. For example, we found that those with an economic exchange consider obligations relating to *Extra Role Behaviour* to be 'not important' in terms of fulfilment, but also that they believe it is not important for the employer to provide challenging work (i.e. *Job Content*). Accordingly, management should not expect this employee to work extra hours etc. but should also be aware that there is less need to provide him with stimulating or challenging work. Again, having this information allows management to predict employee behaviour but also allows them to anticipate what the employee expects from the organisation.

Thirdly, we have examined the psychological contract at an important episode in the formation process- the induction. Many researchers have argued that the information relayed during the initial stages of the employment relationship is crucial in shaping subsequent behaviour (e.g. Louis, 1990, De Vos *et al.* 2003). Our study supports these claims by empirically demonstrating that within two weeks of entry, new recruits have developed definitive beliefs about what they expect from the employer and what they need to contribute in return. This preliminary psychological contract will act as a frame of reference for the employee as they become more socialised into the organisation (Morrison, 1993a). Therefore, employers should pay more attention to employee beliefs and the information that is shaping these beliefs during the pre- entry and induction phases, as our study demonstrates that the work- related information acquired during this time can have a significant effect on employee's understanding of their new job. Accordingly, our research pinpoints the induction process as an important juncture in the formation process. While the psychological contract is implicit in nature, managers as well as HR-professionals should focus their efforts on making these subjective beliefs inherent in every psychological contract more explicit, as it will allow them to effectively negotiate contract terms (Rousseau, 1989).

## 7.5 Limitations of our Study

While we are satisfied with our research design, there are a number of limitations to our study. Perhaps, the most obvious shortcoming is the sample size. Though 50 participants is a reasonable number to complete the repertory grid aspect of our study, it presents difficulties when one wants to analyse the other measures in our study. While some statisticians (e.g. Pedhazur, 1997) suggest a minimum subject to variable ratio of '15 to 1', other statisticians have suggested 50 participants as 'an absolute minimum sample size' (Barrett & Kline, 1981). If we had adopted the former approach, the minimum number of participants needed for our study would have been 105 (both the 'economic' and 'social' measures had 7 items each). However, recruiting this number within the necessary time constraints proved impossible. It is worth remembering that we required new employees from a single organisation, such was the need to control for different human resource practices. Given the economic climate of the last two years, it proved extremely difficult to find an organisation hiring 105 new employees in a relatively short period of time. We were lucky that the organisation sampled in our study guaranteed a steady influx of new recruits within a short-term period. Nonetheless, the data-gathering stage still lasted 10 months (4 months longer than first anticipated). At the time of writing, in the 14 months since the completion of fieldwork, the organisation's recruitment drive has slowed significantly. Given the time restrictions, it would not have been feasible to reach a sample size of 105. Therefore, we adopted the latter approach of settling on an 'absolute minimum' number of participants. While we fully recognise that our study would be improved with a larger sample size, it does satisfy the minimum acceptable standards outlined above.

Our study does not incorporate the employer's perspective of the psychological contract. The vast majority of researchers in this field neglect to incorporate the employer perspective. In the interest of balance, measuring this perspective may have provided us with a more comprehensive understanding of the formation of the psychological contract. However, the logistics of this would not have been feasible in light of the time restrictions in our study. A similar limitation is our use of self-report measures. Considering we aimed to investigate individual perceptions of the employment relationship, this approach is justified. However, this does not negate the fact that self-report measures present difficulties to researchers such as common method variance due to single-source bias and socially desirable responses (Crampton & Wagner, 1994; Tomprou & Nikolaou, 2011). We attempted

to limit these effects by emphasising the confidential nature of our study and by exploring, in depth, each issue raised during the interviews.

We explained in Chapter 3 that ‘experience’ is a multi- faceted construct, which, in turn, presents measurement difficulties for researchers. We measured the construct by cumulative time spent in employment. Our cut-off point of one year to determine category of experience is admittedly blunt and may have impacted on our findings. Certainly, this approach has been criticised by a number of researchers (e.g. Quinones *et al.*, 1995). However, the literature does not present a more methodologically sound alternative to this approach. This is an area that needs to be addressed in future studies. While time spent in employment is certainly a relevant antecedent of the psychological contract, the ‘type’ of experience an employee has undergone is perhaps more relevant. For example, how satisfied an organisational entrant is with their previous work experience might influence the psychological contract with the new organisation. This idea supports the Tomprou & Nikolaou (2011) contention of emotions as relevant antecedents of the psychological contract. The extent to which prior experience is similar to the current role could also impact on the new employee’s behaviour in the organisation. While we touch on this notion with the ‘familiar/novel’ feature in the repertory grid, we could perhaps have gone further in this regard by measuring the similarity between the different work environments and determining the effect, if any, on the content dimensions of the contract. In general, we needed to adopt a more encompassing measure of experience. However, when you consider that experience has never been measured at any level in a psychological contract study, we believe our study represents a reasonable first attempt at doing so.

The constructs used in the repertory grid were key themes elicited from the pilot study (See Chapter 4). There is, however, a minor discrepancy between the sample used in the pilot study and the sample used in this research. The profile of the sample in the pilot study did not follow a specific demographic, in that the participants were new recruits to organisations in a number of different sectors. This contrasts with the profile of the participants in the main study, who, by and large either worked in the IT sector all their lives or had never worked before. The pilot study was conducted before a host organisation was found. While this does not invalidate the findings of our study, we do admit that the research design would be strengthened if there was a clearer alignment between both samples. Some content dimensions can be organisation specific (Herriot *et al.*, 1997; Levinson *et al.*, 1962). Therefore, a different sample might produce slightly different features. We would

recommend that the profiles of both samples correspond with each other if this study is to be replicated in the future. Finally, we acknowledge that a one-year cut-off to determine category of experience may have affected our findings. Perhaps a different approach to categorising an employee as novice/veteran is needed to better understanding the effect of experience on the psychological contract.

## **7.6 Opportunities for Further Study**

The formation of the psychological contract is a complex process (De Vos *et al.*, 2009). Due to the limited attention it has received from researchers, there is much we don't know about this creation process. While we feel our study is a comprehensive examination of the effect of a number of antecedents on the content of the psychological contract, there is a clear opportunity for further study in this area. Firstly, our study has attempted to broaden the range of individual factors considered relevant to the formation process. Certainly, we have demonstrated that 'exchange type' and 'experience' affects the content of the contract in various ways. However, as is outlined in Chapter 3, there are an infinite number of antecedents whose effect on the dynamics of the contact has never been explored. Tomprou & Nikolaou (2011) have called for an expansion of individual factors considered relevant to the creation of the psychological contract. For example, they propose that emotions, proactive personalities and work ideologies could influence the creation process. Accordingly, there is a wide scope for further study investigating the effects of different antecedents on the psychological contracts. Future research does not have to limit its focus on individual antecedents. There is a need to learn more about the relationship between the creation process and organisational antecedents (e.g. the role of the recruiter (Shore & Tetrick, 1994), sources of information (De Vos *et al.*, 2005), corporate image (Tomprou & Nikolaou, 2011) etc.). It is important to have a deeper understanding of which antecedents, both organisational and individual affect the psychological contract.

Conway & Briner (2005) have called for more research into the relationship between the obligations of both parties. While our study attempts to explore this relationship, much more work is needed in the area. There is a need to address the specific relationship in terms of reciprocity. The question of which obligations are traded off against each other remains unanswered. For example, what does an employee with an obligation to be 'flexible in his availability' expect from the employer in return? What does an employer with an obligation

to create development opportunities expect from the employee in return? One might assume that 'loyalty' is a reasonable answer to the latter question. However, the specifics of the 'quid pro quo' nature of the psychological contract have never been properly explored. From a theoretical perspective, it is important to know the precise details of the exchange agreement of the psychological contract. This would facilitate a better understanding of the concept. From a practical point of view, fully understanding the expectations of a new recruit would allow HR practitioners to effectively manage employee expectations.

The most important challenge for future researchers is developing an appropriate methodology for capturing the dynamics of psychological contract creation (Tomprou & Nikolaou, 2011). Our study is a snapshot of the psychological contract at a specific juncture in the formation process. We have justified the reasons for examining the contract at the post induction period and we believe we have effectively illustrated the landscape of the psychological contract at this stage in the employment relationship. However, cross-sectional approaches to studying the psychological contract have invited criticism from other scholars in the field. For instance, Bolger *et al.*, (2003) argue that a longitudinal design (e.g. longitudinal surveys, diary methods, narrative interviewing etc) is more favourable to capturing the changes to the psychological contract than a cross-sectional approach. This assertion is supported by Tomprou & Nikolaou (2011), in that they argue one-shot cross-sectional surveys cannot fully access the dynamics of the psychological contract within the creation process. However, our study did not aim to capture these changes to the psychological contract as there was enough of a research need to measure the psychological contract at the induction phase to merit a cross-sectional design. There is, however, a great opportunity for future researchers to replicate our study using a longitudinal approach. Adopting this approach would allow us to assess the effect of the three antecedents on the content of the psychological contract over time. For example, it would be interesting to document the effect of experience on the content of the psychological contract of novices after a certain period has passed. Similarly, obligations considered 'important to fulfil' at the beginning of the employment relationship may be deemed less so (or more so) later in the employment relationship. It is also worth investigating how the relationship between obligations across each of the seven features used in our study change over time. The socialisation literature has illustrated that environmental factors can affect the dynamics of the contract (Thomas & Anderson, 1998). We believe there is a great opportunity to examine the longitudinal effects on the content of the psychological contract, and the relationship

between the content dimensions, in terms of the employee's level of careerism, type of exchange and level of experience.

The psychological contract has been investigated longitudinally in the past (e.g. Robinson *et al.*, 1994). However, no study has examined the contract at the post-induction phase. We believe that our study illustrates the importance of the induction period in the creation process. At this time in psychological contract research, a study that adopted a longitudinal approach and charted the changes to the content of the psychological contract from the pre- employment phase (e.g. De Vos *et al.*, 2009), to the post- induction phase (our study) right up to one year's service and beyond would be welcomed.

Perhaps the biggest opportunity for further study is exploring the viability of the features as antecedents of psychological contract outcomes. The features in our study raise a number of key questions about employee's understanding of their relationship with the organisation. For example, is the employee less likely to fulfil an obligation considered 'not realistic'? Similarly, what happens when the employer does not fulfil an obligation considered realistically fulfilled by the employee? It seems reasonable to argue that the extent to which an employer obligation is considered realistically fulfilled would determine the response of the employee if that obligation was fulfilled or not fulfilled by the employer. Similarly, it seems likely that an employer not fulfilling an obligation perceived as 'important' to fulfil would provoke a negative reaction in the employee (i.e. less commitment etc.). Also, if an employee is not familiar with an obligation, are they less likely to fulfil it? At this stage in psychological contract research we can only speculate as to the relationship between these features and psychological contract outcomes. Accordingly, by determining which obligations are considered by the employee to be realistically fulfilled, important or familiar etc., we may be able to predict behaviour around these obligations. Therefore, we believe a longitudinal study which determines the features of the psychological contract at organisational entry and subsequently examines the extent to which each obligation was fulfilled would allow us to better assess the potential of these features as antecedents of the psychological contract outcomes. In light of the economic costs of losing valuable staff we believe such a study is warranted as the findings could allow us to better predict employee behaviour in the context of the employment relationship.

## **7.7 Final Reflection**

This study aimed to further our understanding of the formation of the psychological contract. The results of our study confirm that level of careerism, type of exchange and level of experience are, to varying degrees, viable antecedents of the psychological contract. By examining the features of the content dimensions, we have also acquired new knowledge of the fundamental properties of the contract. We now know more about the reciprocal obligations inherent in every psychological contract and, in turn, the dynamics of the employment relationship itself.

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## Appendix A: Employee Obligations Definitions

Name of Obligation	Definition	Examples (Obligation code)*
Teamwork	The employee is obliged: to make an attempt to integrate with co-workers; to share information with colleagues; to offer support to co-workers when needed; to establish a good working relationship with fellow employees at all times.	Integrate into team (P8.3) Interact with colleagues (P10.3) Make effort with team (P26.3)
Job Performance	The employee is obliged: to complete job tasks and duties as per job description; consistently complete work to a high standard; to work to the best of their ability; to apply expertise and knowledge to benefit the organisation.	Provide a good quality of work (P42.1) Apply knowledge to meet challenges (P17.3) Hardworking (P38.4)
Loyalty	The employee is obliged: to show dedication to the job; to perform reliably; to represent the company in positive light; to be an advocate for work; to provide appropriate notice when leaving the company.	Keep organisation's interest in mind (P26.5) Give appropriate notice when leaving (P36.5) Care for the company (P37.2)
Flexibility	The employee is obliged: to adapt to change; to be flexible as regards availability for work; to work additional hours to ensure the job is done; to perform extra duties when required.	Work beyond call of duty (P1.5) Cover for other people (P44.5) Adapt to change (P50.1)
Ethical Behaviour	The employee is obliged: to make an honest effort at work; to adhere to the rules and regulations of the organisation; to engage in proper use of organisational property; to keep sensitive information regarding the organisation confidential.	Honesty of Effort (P2.4) Confidentiality (P8.7) Not to abuse privileges (P24.3)
Extra Role Behaviour	The employee is obliged: to attempt to perform tasks that surpass the duties as outlined in the job description; to take initiative to benefit the organisation; to take action to improve their skillset; to attempt to improve work practices in their role.	Exceed expectations (P43.3) Try to improve skillset (P13.7) Ask for new opportunities (P4.4)

**\*Obligation Code Example (P8.3 = Participant 8, Obligation 3)**

## Appendix B: Employer Obligations Definitions

Name of Obligation	Definition	Examples (Obligation code)
Work Environment	The employer is obliged: to ensure the employee works in an appropriate and suitable work environment; to provide the necessary tools and equipment so the employee can perform effectively.	Appropriate work environs (P8.1) Provide necessary equipment (P39.6) Decent facilities (P19.2)
Job Content	The employer is obliged: to assign appropriate work; to attempt to provide interesting and challenging work; to ensure the employee has a worthwhile experience while in employment; to allow for employee autonomy.	Gain relevant experience (P16.2) Supply of challenging work (P40.3) Well- designed work (P5.2)
Work/Life Balance	The employer is obliged: to provide opportunities for flexible working; to assign appropriate time off for holidays etc; tolerate employee needs for time off.	Appropriate time- off (P11.4) Flexible work arrangement (P42.1) Provide appropriate exam-time off (P36.1)
Development	The employer is obliged to: provide opportunities for promotion, to provide opportunities for career and personal development within the organisation; to facilitate educational opportunities for the employee.	Options for career progression (P1.5) Provide education facilities (P20.2) Clear career path (P11.1)
Training & Support	The employer is obliged: to support the employee throughout employment; to provide the necessary training to ensure the employee works effectively; to organise timely performance reviews; to recognise employee achievements and contributions.	Provision of feedback (P5.7) Periodic check-ins (P26.5) Provide help when needed (P15.2)
Fair Treatment	The employer is obliged: to treat the employee with fairness and equality; to ensure the role matches the job description; be honest with the employee about the activities of the organisation.	Patience & understanding (P6.3) Keep employees informed (P12.6) Comply with agreed contract (P32.1)
Pay & Benefits	The employer is obliged: to financially reward employees for doing extra work; to offer a competitive financial package; to provide an attractive benefits package; to provide opportunity for extra work.	Reward (P14.6) Compensate for overtime (P44.4) Performance related salary (P39.2)
Working with Team	The employer is obliged: to instigate good social relations between employees; to provide suitably qualified and trained colleagues; to ensure employee integrates with work team; to organise recreational activities for the work team.	Mentor programme (P40.5) Ensure I integrate with team (P26.4) Team-building events (P35.6)

## Appendix C: Summary of Employee Obligations elicited

ID	Employee Obligation	Employee Obligation	Employee Obligation	Employee Obligation	Employee Obligation	Employee Obligation	Employee Obligation	Employee Obligation	Employee Obligation
Par1	Job Performance	Job Performance	Team Work	Loyalty	Flexibility	Ethical Behaviour	Ethical Behaviour		
Par2	Ethical Behaviour	Ethical Behaviour	Team Work	Ethical Behaviour	Ethical Behaviour	Loyalty	Job Performance		
Par3	Ethical Behaviour	Ethical Behaviour	Ethical Behaviour	Team Work	Ethical Behaviour				
Par4	Job Performance	Extra Role Behaviour	Extra Role Behaviour	Extra Role Behaviour	Job Performance	Ethical Behaviour	Team Work		
Par5	Ethical Behaviour	Job Performance	Flexibility	Job Performance	Team Work	Ethical Behaviour			
Par6	Loyalty	Ethical Behaviour	Job Performance	Extra Role Behaviour	Team Work	Loyalty			
Par7	Extra Role Behaviour	Ethical Behaviour	Team Work	Job Performance	Loyalty	Extra Role Behaviour			
Par8	Flexibility	Team Work	Team Work	Job Performance	Loyalty	Ethical Behaviour	Ethical Behaviour		
Par9	Job Performance	Flexibility	Loyalty	Job Performance	Ethical Behaviour	Team Work			
Par10	Job Performance	Job Performance	Team Work	Ethical Behaviour	Job Performance	Extra Role Behaviour	Job Performance	Extra Role Behaviour	
Par11	Ethical Behaviour	Loyalty	Job Performance	Team Work					
Par12	Ethical Behaviour	Ethical Behaviour	Loyalty		Ethical Behaviour	Extra Role Behaviour			
Par13	Job Performance	Flexibility	Team Work	Extra Role Behaviour	Ethical Behaviour	Ethical Behaviour	Extra Role Behaviour		
Par14	Ethical Behaviour	Ethical Behaviour	Job Performance	Job Performance	Job Performance	Job Performance	Team Work	Flexibility	
Par15	Extra Role Behaviour	Loyalty	Extra Role Behaviour	Job Performance	Extra Role Behaviour	Team Work	Job Performance		
Par16	Job Performance	Job Performance	Ethical Behaviour	Team Work					
Par17	Team Work	Team Work	Job Performance	Job Performance	Extra Role Behaviour				
Par18		Team Work	Ethical Behaviour	Flexibility	Flexibility	Extra Role Behaviour	Job Performance	Job Performance	Flexibility
Par19	Ethical Behaviour	Job Performance	Team Work	Ethical Behaviour	Flexibility				
Par20	Team Work	Ethical Behaviour	Ethical Behaviour	Flexibility	Extra Role Behaviour	Extra Role Behaviour			
Par21	Job Performance	Extra Role Behaviour	Team Work	Loyalty	Flexibility	Team Work	Ethical Behaviour	Flexibility	Job Performance
Par22	Team Work	Extra Role Behaviour	Extra Role Behaviour	Team Work	Extra Role Behaviour	Team Work			
Par23	Extra Role Behaviour	Job Performance	Loyalty		Team Work	Ethical Behaviour	Job Performance	Extra Role Behaviour	Ethical Behaviour
Par24	Team Work	Ethical Behaviour	Ethical Behaviour	Team Work	Flexibility	Ethical Behaviour	Ethical Behaviour		
Par25	Ethical Behaviour	Team Work							
Par26	Job Performance	Flexibility	Team Work	Extra Role Behaviour	Loyalty				
Par27	Ethical Behaviour	Job Performance	Job Performance	Loyalty	Ethical Behaviour				
Par28	Ethical Behaviour	Ethical Behaviour	Flexibility	Job Performance	Extra Role Behaviour				
Par29	Job Performance	Job Performance	Ethical Behaviour	Ethical Behaviour	Ethical Behaviour	Flexibility			
Par30	Job Performance	Ethical Behaviour	Flexibility	Team Work					
Par31	Loyalty	Loyalty	Job Performance	Job Performance					
Par32	Job Performance	Ethical Behaviour	Ethical Behaviour	Flexibility	Flexibility	Team Work			
Par33	Team Work		Job Performance				Extra Role Behaviour	Extra Role Behaviour	Extra Role Behaviour
Par34	Job Performance		Extra Role Behaviour						
Par35	Loyalty		Team Work	Job Performance	Flexibility	Job Performance			
Par36	Ethical Behaviour	Ethical Behaviour	Team Work	Ethical Behaviour	Loyalty	Loyalty	Job Performance	Job Performance	
Par37	Loyalty	Loyalty		Loyalty	Flexibility				
Par38	Flexibility	Team Work	Job Performance	Job Performance	Ethical Behaviour	Ethical Behaviour	Team Work	Team Work	Extra Role Behaviour
Par39	Extra Role	Job	Ethical	Ethical	Job	Ethical	Job		

	Behaviour	Performance	Behaviour	Behaviour	Performance	Behaviour	Performance		
Par40	Job Performance	Ethical Behaviour	Ethical Behaviour	Job Performance	Job Performance	Job Performance			
Par41		Job Performance	Extra Role Behaviour	Ethical Behaviour	Extra Role Behaviour				
Par42	Job Performance	Loyalty	Team Work	Extra Role Behaviour	Ethical Behaviour	Job Performance			
Par43	Job Performance	Job Performance	Extra Role Behaviour	Team Work	Job Performance				
Par44	Job Performance	Flexibility	Job Performance	Team Work	Flexibility				
Par45	Team Work	Ethical Behaviour	Job Performance	Flexibility	Extra Role Behaviour	Loyalty			
Par46	Loyalty	Job Performance	Flexibility						
Par47	Job Performance	Team Work	Flexibility	Ethical Behaviour	Extra Role Behaviour				
Par48	Job Performance	Flexibility	Job Performance	Ethical Behaviour	Team Work	Flexibility	Loyalty	Ethical Behaviour	
Par49	Job Performance	Team Work	Ethical Behaviour	Ethical Behaviour	Job Performance				
Par50	Flexibility	Flexibility	Ethical Behaviour		Flexibility	Team Work			

## Appendix D: Summary of Employer Obligations elicited

ID	Employee Obligation	Employee Obligation	Employee Obligation	Employee Obligation	Employee Obligation	Employee Obligation	Employee Obligation	Employee Obligation	Employee Obligation
Par 1	Work Environment	Job Content	Job Content	Work/Life Balance	Development	Training & Support			
Par 2	Work Environment	Training & Support	Work/Life Balance	Fair Treatment	Fair Treatment	Working with Team			
Par 3	Pay & Benefits	Training & Support	Work Environment	Job Content	Job Content	Pay & Benefits	Work/Life Balance		
Par 4	Job Content	Development	Development	Job Content	Training & Support	Job Content			
Par 5	Work Environment	Job Content	Pay & Benefits	Work/Life Balance		Fair Treatment	Training & Support	Training & Support	
Par 6	Job Content	Fair Treatment	Fair Treatment	Work/Life Balance	Working with Team	Working with Team			
Par 7	Pay & Benefits	Pay & Benefits	Pay & Benefits	Pay & Benefits	Pay & Benefits	Pay & Benefits	Development	Development	Training & Support
Par 8	Work Environment	Work Environment	Work Environment	Development	Development	Fair Treatment	Development		
Par 9	Pay & Benefits	Work Environment	Working with Team	Fair Treatment	Development				
Par 10	Work Environment	Training & Support	Work Environment	Development	Development				
Par 11	Development	Development	Training & Support	Work/Life Balance					
Par 12	Pay & Benefits	Work/Life Balance	Working with Team	Pay & Benefits	Pay & Benefits	Fair Treatment	Development	Development	
Par 13	Development	Work Environment	Training & Support	Training & Support					
Par 14	Fair Treatment	Development	Fair Treatment	Development	Job Content	Pay & Benefits	Training & Support	Job Content	Training & Support
Par 15	Work Environment	Training & Support	Work/Life Balance	Fair Treatment	Work Environment	Training & Support		Training & Support	Development
Par 16	Training & Support	Job Content	Working with Team		Work Environment				
Par 17	Fair Treatment	Training & Support	Training & Support	Development	Pay & Benefits	Work Environment		Job Content	
Par 18	Training & Support	Work Environment	Training & Support	Training & Support	Development	Job Content			
Par 19	Pay & Benefits	Work Environment	Work/Life Balance	Job Content	Fair Treatment	Working with Team			
Par 20	Work Environment	Development	Work Environment	Work Environment	Working with Team				
Par 21	Work Environment								
Par 22	Work Environment	Job Content	Development	Pay & Benefits	Working with Team				
Par 23	Work Environment	Fair Treatment	Work Environment	Fair Treatment	Training & Support	Training & Support	Development		
Par 24	Pay & Benefits	Work Environment	Training & Support	Working with Team	Pay & Benefits				
Par 25	Training & Support	Job Content							
Par 26	Fair Treatment	Training & Support	Job Content	Working with Team	Training & Support	Training & Support	Training & Support	Work Environment	Development
Par 27	Pay & Benefits	Pay & Benefits	Work Environment	Working with Team	Training & Support				
Par 28	Fair Treatment	Work/Life Balance	Training & Support						
Par 29	Training & Support	Work Environment	Pay & Benefits	Training & Support	Development				
Par 30	Work Environment	Work Environment	Fair Treatment	Training & Support	Pay & Benefits				
Par 31	Job Content	Training & Support	Work/Life Balance						
Par 32	Fair Treatment	Work Environment	Job Content	Development	Fair Treatment	Fair Treatment			
Par 33	Training & Support	Development	Development	Development	Fair Treatment	Training & Support			
Par 34	Training & Support	Training & Support	Job Content	Development					
Par 35	Training & Support	Development	Pay & Benefits	Work Environment	Training & Support	Working with Team			
Par 36	Work/Life Balance	Pay & Benefits	Training & Support	Working with Team	Working with Team				
Par 37	Training & Support	Development	Training & Support	Work/Life Balance					
Par 38	Work Environment	Fair Treatment	Work Environment						

Par 39	Work Environment	Pay & Benefits	Training & Support	Development	Development	Work Environment	Working with Team	Job Content	
Par 40	Working with Team	Training & Support	Job Content	Training & Support	Working with Team	Development			
Par 41	Pay & Benefits	Training & Support	Development	Job Content	Work Environment	Work/Life Balance			
Par 42	Work/Life Balance	Training & Support	Development	Working with Team	Working with Team	Job Content			
Par 43	Work Environment	Training & Support	Development		Job Content				
Par 44	Pay & Benefits	Training & Support	Working with Team	Pay & Benefits		Pay & Benefits	Pay & Benefits		
Par 45	Training & Support	Pay & Benefits	Work Environment	Job Content					
Par 46	Pay & Benefits	Development	Training & Support	Development					
Par 47	Training & Support	Development	Development	Work Environment	Working with Team				
Par 48	Pay & Benefits	Development	Training & Support	Development	Development	Work Environment			
Par 49	Pay & Benefits	Training & Support	Pay & Benefits	Training & Support					
Par 50	Work/Life Balance	Work/Life Balance	Pay & Benefits	Development	Fair Treatment	Work Environment			

## Appendix E: Careerism Questionnaire

### Questionnaire

The following questions ask you about **your career strategy**. **Your participation is voluntary** and the questionnaire is **anonymous**.

If you have any questions or queries about this questionnaire please contact:

Ultan Sherman ([ultan.sherman@ul.ie](mailto:ultan.sherman@ul.ie))  
Dept. of Management and Marketing  
Kemmy Business School

Prof. Michael Morley ([michael.morley@ul.ie](mailto:michael.morley@ul.ie))  
Dept. of Management and Marketing  
Kemmy Business School

*Please circle which answer best illustrates your response to the following statements:*

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither Agree or Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
1. I took this job as a stepping stone to a better job with another organization	0	1	2	3	4
2. I do not expect to change organizations often during my career	0	1	2	3	4
3. There are many career opportunities I expect to explore after I leave my present employer	0	1	2	3	4
4. I am really looking for an organization to spend my entire career with	0	1	2	3	4
5. I expect to work for a variety of different organizations in my career	0	1	2	3	4

**Thank you for your participation!**

## Appendix F: Type of Exchange Questionnaire

### Questionnaire

The following questions ask you about **your exchange relationship with the company**.  
**Your participation is voluntary** and the questionnaire is **anonymous**.

If you have any questions or queries about this questionnaire please contact:  
Ultan Sherman ([ultan.sherman@ul.ie](mailto:ultan.sherman@ul.ie))      Prof. Michael Morley ([michael.morley@ul.ie](mailto:michael.morley@ul.ie))  
Dept. of Management and Marketing      Dept. of Management and Marketing  
Kemmy Business School      Kemmy Business School

*Please circle which answer best illustrates your response to the following statements:*

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither Agree or Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
1. My company has made a significant investment in me	0	1	2	3	4
2. My relationship with my company is strictly an economic one – I work and they pay me	0	1	2	3	4
3. My relationship with my company is based on mutual trust	0	1	2	3	4
4. I do what my company requires, simply because they pay me	0	1	2	3	4
5. There is a lot of give and take in my relationship with my company	0	1	2	3	4
6. I only want to do more for my company when I see they will do more for me	0	1	2	3	4

7. I know the company will reward my efforts in the future	0	1	2	3	4
8. My relationship with my company is impersonal – I have little emotional involvement at work	0	1	2	3	4
9. I try to look out for the best interests of my company because I can rely on my company to take care of me	0	1	2	3	4
10. I watch very carefully what I get from my company, relative to what I contribute	0	1	2	3	4
11. The things I do on the job today will benefit my standing at the company in the long run	0	1	2	3	4
12. I do not care what the company does for me in the long run, only what is done right now	0	1	2	3	4
13. I do not mind working hard today because I know I will be eventually rewarded by the company	0	1	2	3	4
14. All I really expect from my company is that I be paid for my work efforts	0	1	2	3	4

**Thank you for your participation!**

## Appendix G: Demographic Information Questionnaire

### Supplementary Information

Respondents will remain **anonymous** and all responses are **confidential**.

Please complete the following questions by ticking the relevant box:

1: Age

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2: Sex

- Male
- Female

3: Time spent in Employment in Total

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4: Years working in the technological field

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5: Did you voluntarily leave another organisation for your current position?

- Yes
- No

If No, please indicate the length of time between this position and your last employment

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6: Please indicate the highest level of education that you have completed

- Primary School
- Some Secondary School
- Completed Secondary School
- Additional Training (apprenticeship etc)
- Undergraduate University
- Postgraduate University

Thank you!

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## Appendix H: Declaration of Informed Consent

### Declaration of Informed Consent

I give my informed consent to participate in this study of 'employee perceptions of their new employment'. I consent to publication of study results so long as the information is anonymous and disguised so that no identification can be made. I permit the researcher to quote directly from the 'interview/repertory grid' (this term has been explained to me) and for the researcher to enclose a copy of the transcript of the interview upon presentation, so long as no identification can be made. I further understand that although a record will be kept of my having participated in the study, all data collected from my participation will be identified by number only.

1. I have been informed that my participation in this study will involve me completing three questionnaires and partaking in an 'interview/repertory grid' on a topic that was chosen by the researcher.
2. I have been informed that the general aim of the study is to investigate employee perceptions of their new employment.
3. I have been informed that there are no known expected discomforts or risks involved in my participation in this study, and have been asked about any medical conditions which might create a risk for me when I participate.
4. I have been informed that there are no 'disguised' procedures in this study.
5. I have been informed that the investigator will explain after the interview the precise aims, and will answer any questions regarding the procedures of this study.
6. I have been informed that I am free to not answer a question asked by the investigator for whatever reason I see fit.
7. I have been informed that I am free to withdraw from the study at any time without penalty of any kind. Concerns about any aspect of the study may be referred to Prof. Michael Morley, Department of Management, Kemmy Business School, University of Limerick.

Signed:

..... Investigator

..... Participant

..... Date