CONSEQUENCES OF THE PSYCHOLOGICAL CONTRACT FOR THE EMPLOYMENT RELATIONSHIP: A LARGE SCALE SURVEY

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Coyle-Shapiro, J. & Kessler, I. (2000) Consequences of the psychological contract for the employment relationship: A large scale survey. The Journal of Management Studies, 37 (7) 904-930.

Acknowledgements

The authors would like to thank Mark Fenton-O'Creevy, David Guest, Hyun-Jung Lee, Tim Morris and Stephen Wood for their suggestions on a previous draft of this paper. The helpful comments of the reviewers are gratefully acknowledged. A portion of this paper was presented at the annual meeting of the Academy of Management, San Diego, 1998.

ABSTRACT

The renewed interest in the concept of the psychological contract has come to the fore in attempts to describe, understand and predict the consequences of changes occurring in the employment relationship. Recognising that the employment relationship includes two parties to the exchange process, we set out to examine the content and state of the psychological contract from both the employee and employer perspective. The two perspectives permit an examination of the mutuality of obligations, which has not received much empirical attention to date. The research methodology consists of two surveys conducted in a large local authority directly responsible and accountable for a range of public services including education, environmental health and social care to the local population. The key findings suggest that the majority of employees have experienced contract breach. This view is also supported by managers, as representatives of the employer, who further indicate that the organization, given its external pressures, is not fulfilling its obligations to employees to the extent that it could. Overall, the results indicate that employees are redressing the balance in the relationship through reducing their commitment and their willingness to engage in organizational citizenship behaviour when they perceive their employer as not having fulfilled its part in the exchange process.

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INTRODUCTION

The implications of globalisation, organizational restructuring and downsizing on employment relations have renewed interest in the concept of the psychological contract. It has captured the attention of policy-makers in their efforts to 'change the deal' in response to increasing pressures to adapt to changing circumstances. For academics, the psychological contract presents another opportunity to re-examine the fundamental aspect of organizational life, the employee-employer relationship. The intensified pressures facing organizations have generated major challenges in managing the employment relationship (Noer, 1993; Herriot, Manning and Kidd, 1997). In this context, the psychological contract has been put forward as a framework for understanding the changes occurring in the exchange relationship between employees and employers.

The public sector has been subject to a range of pressures over the last decade that have arguably placed issues of organizational survival and affordability as the driving force behind the treatment of employees. A progressive tightening of financial regimes, the introduction of competitive market forces and a closer monitoring of organizational performance through the use of a battery of measures and targets have challenged the traditional features of employment in the public sector. Old certainties such as job security, pay levels based on 'fair' comparisons, pay increases maintaining living standards, career opportunities founded on clear and stable paths have all been threatened. Moreover, as the protective supports of

the employment relationship have crumbled, these same pressures have forced a tightening of work practices and a general intensification of work. In combination, these changes have challenged the basis of the exchange relationship.

Recognizing that the employment relationship includes two parties to the exchange process, in this study, we set out to examine the content and state of the psychological contract from the employer and employee perspective. The inclusion of the employer's perspective goes someway towards counteracting the exclusive emphasis on the employee perspective adopted in the majority of empirical studies undertaken to date. In capturing the employer's perspective through the lens of managers as representatives of the organization, we remain consistent with the core of the psychological contract as reciprocal obligations while investigating the perception of mutuality, if any, that exists between the two parties to the exchange. We explore employees' and managers' perceptions of employer obligations and how well the employer has fulfilled its obligations to its employees (i.e. contract behaviour). Subsequently, we investigate the consequences of perceived employer contract behaviour on employees' perceived organizational support, organizational commitment and organizational citizenship behaviour (OCB). In doing so, we examine whether the psychological contract contributes to our understanding of the employee-employer exchange relationship beyond that captured by perceived organizational support and organizational commitment.

The origins of the psychological contract and its early development can be traced to the work of Argyris (1960), Levinson, Price, Munden, Mandl and Solley (1962) and Schein (1965). Argyris (1960) used the term 'psychological work contract' to describe the relationship and an implicit understanding between a group of employees and their foreman. In describing the contract, Argyris (1960) states: "*since the foreman realize that this system will tend to*

produce optimally under passive leadership, and since the employees agree, a relationship may be hypothesized to evolve between the employees and the foreman which might be called the "psychological work contract" (p. 97). Levinson et al. (1962) develop the concept further by defining it as *"a series of mutual expectations of which the parties to the relationship may not themselves be dimly aware but which nonetheless govern their relationship to each other*" (p. 21). Building upon the work of Argyris (1960) and Levinson et al. (1962), Schein (1965) states that *"the notion of a psychological contract implies that the individual has a variety of expectations of the organization and that the organization has a variety of expectations of him"* (p. 11). These early definitions highlight the mutuality of expectations between the two parties to the exchange relationship.

Rousseau's (1989) seminal work on the psychological contract has been characterised as representing a transition from early contributions to more recent developments (Roehling, 1996). In defining the psychological contract as *"an individual's beliefs regarding the terms of conditions of a reciprocal exchange agreement between the focal person and another party"* (Rousseau, 1989, p. 23), Rousseau breaks with the early work on two fronts: a focus on the individual level versus the level of the relationship and; a shift from expectations to obligations (Roehling, 1996). While the subsequent work generally remains consistent with Rousseau's definition, there have been attempts to clarify particular features of the psychological contract in an effort to maintain its distinctiveness from related constructs (Robinson and Rousseau, 1994; Rousseau and McLean Parks, 1993; Shore and Tetrick, 1994). Yet, it is the distinguishing features that inherently present conceptual and empirical obstacles (see Guest, 1998 for a review).

Although the majority of the recent empirical work remains consistent with the definition of the psychological contract as an individual's belief about mutual obligations, researchers tend to downplay the aspect of mutuality. Rather than exploring mutuality in the exchange relationship, much of the current work in operationalizing the psychological contract focuses exclusively on the employee perspective (Morrison and Robinson, 1997; Robinson and Rousseau, 1994; Shore and Tetrick, 1994). To capture mutual obligations, the organization is personified; employees view the actions by agents of the organization as actions of the organization itself (Levinson, 1965; Rousseau, 1989; Schein, 1965). Therefore, the organization assumes an anthropomorphic identity for employees yet at the same time the organization does not hold a psychological contract of its own. The near exclusive emphasis on the employee perspective (an exception would be Herriot, Manning and Kidd, 1997) has been to the neglect of the employer perspective. Guest (1998) argues that neglecting the employer's perspective may be misrepresenting the core of the psychological, the reciprocal obligations between the two parties. Furthermore, to assess mutuality between the two parties to the exchange, it is necessary to include the employer's perspective.

The psychological contract is perceptual, unwritten and hence not necessarily shared by the other party to the exchange (Rousseau, 1989; Morrison and Robinson, 1997; Lucero and Allen, 1994). Consequently, employees and employers may hold different views on the content of the psychological contract and the degree to which each party has fulfilled the mutual obligations of the exchange. Furthermore, the creation of a psychological contract may result from implicit means relying on an individual's interpretation of actions and events within an organization. Thus, two employees hired at the same time into the same positions may develop idiosyncratic interpretations of their psychological contract. Second, the focus on perceived obligations is distinct from expectations (Robinson, 1996). However, Guest

(1998) signals a caution that expectations and obligations may not be conceptually distinct with blurred demarcation between the two concepts; where expectations end and obligations begin in the minds of employees. The importance of distinguishing between the two concepts lie in their consequences whereby, in theory, violation of obligations should (if there is a clear difference) produce a more intense and organizationally detrimental response than unmet expectations. Robinson (1996) provides empirical support for the argument that contract violation will produce unmet expectations but unmet expectations alone do not reflect the totality of the effects of contract violation. However, testing the effects of global unmet expectations with the effects of specific unmet obligations may not constitute a rigourous test of their differential consequences. Thus, further empirical work is needed to clarify whether obligations and expectations are indeed conceptually distinct. At the very least, it may be necessary to account for the effects of expectations prior to assessing whether obligations have further predictive power.

Research on the psychological contract has borrowed MacNeil's (1985) typology of contracts as a way of categorizing psychological contracts. Transactional contracts refer to specific, monetizable exchanges over a limited period of time. In operationalizing transactional obligations in the context of the psychological contract, the following have been included: rapid advancement, high pay and merit pay (Robinson, Kraatz and Rousseau, 1994). Relational obligations, in contrast, have included long term job security, career development and support with personal problems (Robinson, Kraatz and Rousseau, 1994). Empirically, the distinction between transactional and relational obligations is used to combine items in the creation of scales that characterise the broad content of the psychological contract. However, as Arnold (1996) notes, the empirical support for such as distinction is not so clear cut. He illustrates this point with the aspect of training which loads with transactional items

in one sample (Rousseau, 1990) and with relational items in another (Robinson, Kraatz & Rousseau, 1994). To avoid this problem, some researchers use individual items rather than creating scales (Porter, Pearce, Tripoli & Lewis, 1998); others use obligations as a general categorization rather than specifying each individual obligation (Lewis-McClear and Taylor, 1998).

It is possible that psychological contracts for a significant number of employees may concurrently contain transactional and relational elements that may not be mutually exclusive. Clearly, most employees would believe that an obligation exists on part of the employer regarding some element of pay. If one accepts that a psychological contract for those employees in paid work would involve a pay component, then the transactional element may be a common element to most psychological contracts. However, it may be worth retaining the distinctiveness of relational obligations as indeed this may vary across employees who have occasional or zero hours contract who may not perceive any commitment from the employer to provide job security or career prospects. Furthermore, this distinction may be useful in understanding how an individual views their relationship with their employer. Coyle-Shapiro and Kessler (1998) found that saliency, affected by the importance attached to employer obligations might be important in explaining employee obligations and contract behaviour. Specifically, the findings suggest that the importance an employee attaches to transactional obligations has a negative effect on their obligations to their employer and the degree to which they fulfil those obligations (i.e. contract behaviour). Conversely, the importance attached to relational obligations has a positive effect on employee obligations and contract behaviour. Therefore, the saliency of employer obligations to employees further illuminates the employee side of the exchange in predicting what they feel they owe their employer and what they do in practice. Further empirical work

is needed in examining the usefulness of the distinction between relational and transactional obligations.

Employer and employee perspectives

Returning to the nature of the psychological contract as reciprocal obligations between the two parties to the employment relationship, it follows that there are two perspectives to the psychological contract; the employer and employee. In turn, this raises the issue of who represents the employer. Given that managers, as agents of the organizations, are in a position to convey promises or future commitments to employees, they themselves can hold psychological contracts regarding the mutual obligations between themselves and employees. This is consistent with Rousseau's interpretation that *'organizations become party to psychological contracts as principals who directly express their own terms or through agents who represent them'* (1995, p. 60). As employees view the actions by agents of the organization as actions of the organization itself, it follows that the agents of the organization can hold psychological contracts. Consequently, while recognizing that managers may not fully represent contract makers in organizations, their interpretation of the psychological contract may provide one way of capturing the employer's perspective thereby remaining consistent with the conceptualization of the psychological contract.

In addition, capturing the employer's perspective may add further to our understanding of employer violation or breach of their obligations. Two potential reasons for employer violation or breach of the psychological contract are put forward in the literature; the unwillingness or inability of the employer to fulfil obligations to employees (Morrison and Robinson, 1997). While this is consistent with the definition of an employee's belief in the

mutual obligations, it does, however, assume that an obligation exists in the first instance. However, if one recognizes the employer perspective, a third potential reason may exist for violation or breach of employer obligations, that is, the employer does not perceive an obligation to exist. Consequently, capturing two perspectives on employer obligations may further illuminate the degree of mutuality that exists between the two parties to the exchange.

The conceptualization and operationalization of the employer has been treated as unambiguous and unproblematic in the literature to date. As such, employee interpretation of who is the employer has not been an issue. This position may be appropriate if the organization is a simple single entity. However, in large complex organizations, the issue of the employer may not be so clear cut in the eyes of employees. The organizational commitment literature is addressing this by recognizing that different foci of commitment may exist that may have a different effect on behaviour (Meyer and Allen, 1997). The pivotal role of the employer in the psychological contract brings to the fore the issue of who is the employer. In the case of large local authorities, several possibilities may exist regarding who employees think of as their employer. They may view the local authority overall as their employer and indeed legally and technically this indeed is the case. However, major departments in any authority such as education and social services, founded upon a highly distinctive service and professional identity, may alternatively be viewed as the employer. It may even be the case that a service or work unit within the department, such as a school, a library or an area housing office is seen as the employer, a possibility reinforced by the recent trend across local government to allow such units to operate on a quasi autonomous basis with considerable operational discretion.

Therefore, who is perceived to be the employer may have a potentially important explanatory role to play in understanding the consequences of the psychological contract. A basic premise of the psychological contract framework is the notion of reciprocity whereby employees reciprocate their employer contingent upon on how well they have been treated. Consequently, employees will target their reciprocation toward the source of the fulfilled or unfulfilled obligations; that is, their perceived employer. The perceived employer and the overall organization may not be one and the same in the minds of employees and this may be important in understanding the target of employees' reciprocation. For example, fulfilment of employer obligations may not affect an employee's commitment to the organization if the employer and the organization are not perceived to be one and the same.

Consequences of psychological contract fulfilment

A driving concern behind the interest in the psychological contract is its consequences on the attitudes and behaviour of organizational members. As organizations cope with an accelerated pace of change by downsizing, outsourcing and embarking upon various efficiency drives, the reported effect has been the demise of the old and the emergence of a new psychological contract as the basis for employer-employee exchange relationship (Rousseau, 1989, 1995; Sims, 1994; Sparrow, 1996). In the process, organizations are faced with the challenge of renegotiating and managing the transition from one exchange basis to another as they become unable or unwilling to continue to provide employees the same inducements. These changes make it less clear what the two parties owe each other as part of the relationship and also the changes have the potential to be interpreted by employees as the employer reneging on their side of the exchange process. Research from the U.S on MBA graduates concludes that psychological contracts are frequently violated by employers (Robinson and Rousseau, 1994) with more recent speculation that employees experiencing

violations will increase (Morrison and Robinson, 1997) and that the consequences are dangerous enough to require remedial action from organizations (Herriot, Manning and Kidd, 1997). Clearly, the state of the psychological contract in terms of fulfilment or breach is of interest to the extent that the theoretical predictions hold true; organizationally desired outcomes will result from contract fulfilment by the employer whereas contract breach by the employer is likely to lead to negative responses with some evidence reporting incidents of retaliatory behaviour in the form of theft or sabotage (Greenberg, 1990; Bies and Tripp, 1995).

Previous empirical work has demonstrated a relationship between employer contract behaviour and outcomes of job satisfaction and organizational commitment (Guest et al., 1996; Robinson and Rousseau, 1994), organizational citizenship behaviour (Robinson and Morrison, 1994), employee contract behaviour (Coyle-Shapiro and Kessler, 1998) and employee performance (Robinson, 1996). None of the empirical studies have examined the relationship between employer contract behaviour and perceived organizational support. This outcome may be of particular relevance in view of its basis in social exchange theory and also in terms of its consequences on employee attitudes and behaviour. The concept of social exchange has been put forward as an explanatory mechanism whereby employees seek to reduce indebtedness through reciprocation efforts directed to the source of the benefits (Greenberg, 1990; McNeeley and Meglino, 1994). However, what is less clear is when or in what form the beneficial action will be reciprocated (Wayne, Shore & Liden, 1997). Social exchange has been operationalized as a global exchange between employees and the organization; the concept of perceived organizational support was developed by Eisenberger et al. (1986; 1990) and is described *" a general perception concerning the extent to which the organization values [employees'] general contributions and cares for their well-being"*

(Eisenberger et al., 1990, p. 51). High levels of perceived organizational support are thought to create the impetus for employees to reciprocate. This reciprocation may take the form of organizational commitment and organizational citizenship behaviour (Eisenberger et al., 1986; 1990; Settoon, Bennett and Liden, 1996; Shore and Wayne, 1993). Therefore, the crux of the argument is that high levels of perceived organizational support would generate an obligation on employees to reciprocate the donor of this benefit; one act of reciprocation would take the form of enhanced commitment to the source of the benefit. Given that the concepts of perceived organizational support and organizational commitment capture the relationship between the 'good general' and the 'good soldier', does the psychological contract offer any further understanding of the employee-employer exchange relationship?

Despite the appealing logic of perceived organizational support, there is little published work on the concept (Shore and Shore, 1995). As yet, it has not been explicitly incorporated into the psychological contract framework. The focus of research attention has been more toward examining the consequences rather then the antecedents of perceived organizational support. Cumulatively, we know little on the influencing factors that affect the development of perceived organizational support. However, recent empirical research has established a positive link between HR practices (training, developmental experiences and promotion), procedural justice and perceived organizational support (Fasolo, 1995; Wayne, Shore and Liden, 1994; Wayne, Shore and Liden, 1997). Drawing on this argument, the fulfilment of obligations or promises to employees would reflect the extent to which the employer values the relationship. Thus, the actions taken by the employer may be interpreted as the employer's commitment to the employee. At a basic level, fulfilling one's obligations may be a precondition to the relationship being seen to be valued. Therefore, we argue that the

specific actions of the employer will influence an employee's global perception of his/her value to the organization. We propose:

> Hypothesis 1. Fulfilment of the psychological contract by the employer will have a positive effect on employees' perceived organizational support.

The prediction from the psychological contract literature is that fulfilment of employer obligations will be reciprocated by employees' commitment to the organization. As a form of attitudinal reciprocation, one would expect greater contract fulfilment to positively affect organizational commitment. There is also considerable support for the positive link between perceived organizational support and employee commitment (Eisenberger, Fasolo and Davis-LaMastro, 1990; Guzzo, Noonan and Elron, 1994; Randall, Cropanzano, Bormann and Birjulin, 1994; Settoon, Bennett and Liden, 1996; Shore and Wayne, 1993). In view of this, we examine whether psychological contract fulfilment explains additional variance in organizational commitment controlling for perceived organizational support. As a supplementary hypothesis, we examine whether the perceived employer (who employees see as their employer) moderates the effect of psychological contract fulfilment on organizational commitment. In other words, the positive relationship between contract fulfilment and organizational commitment would be stronger when the perceived employer is the overall organization rather than a sub-component of the organization. We propose the following:

> Hypothesis 2. Fulfilment of the psychological contract by the employer will have a positive effect on employees' commitment to the organization.

Hypothesis 2b. An employee's perception of who their employer is will moderate the relationship between psychological contract fulfilment and organizational commitment.

Work behaviour that goes beyond traditional job performance or contractual agreements holds promise for long term organizational success (George and Brief, 1992; Katz and Kahn, 1978). As a consequence, interest in extra role behaviour has grown as researchers attempt to understand why it occurs. Particular attention has been given to the nature of organizational citizenship behaviour (OCB), defined as a *'readiness to contribute beyond literal contractual obligations'* (Organ, 1988, p. 22). As this type of behaviour is not formally recognised by the organization's reward system, employees can exercise discretion in terms of engaging in or withholding OCB. The decision to engage in or withhold this discretionary behaviour depends on the organization's treatment of the individual (Organ, 1988, 1990). Therefore, a basic premise of the theory is that employees will engage in OCB to reciprocate the organization for fair treatment and withhold it should the organization fail to provide adequate inducements (Organ, 1990). The concept of OCB is multidimensional (Organ, 1988; Van Dyne, Graham and Dienesch, 1994) and consequently employees may choose to engage in particular categories rather than equally engaging in all forms of citizenship. As the psychological contract focuses on the employee-employer exchange, the category of OCB of most relevance is that which is directed at the organization rather than behaviour directed at colleagues or supervisors (Robinson and Morrison, 1995).

A number of antecedents of OCB have been put forward in the literature. A consistent finding is that there is a positive association between job satisfaction and OCB (Bateman and Organ, 1983; Organ and Ryan, 1995; Van Dyne, Graham and Dienesch, 1994; Williams and

Anderson, 1991). Further antecedents of OCB include commitment (O' Reilly and Chatman, 1986; Organ and Ryan, 1995) and perceived organizational support (Moorman, Blakely and Niehoff, 1998; Randall, Cropanzano, Bormann and Birjulin, 1994; Shore and Wayne, 1993). It has been argued that one of the contributions of the psychological contract is that it focuses on the two parties to the exchange process, something neglected by the literature on organizational commitment and organizational citizenship behaviour (Robinson and Rousseau, 1994). As such, the psychological contract has been put forward as another important predictor of OCB and in particular, civic virtue behaviour (Robinson and Morrison, 1995).

However, as a predictor of OCB, the psychological contract is not viewed as complementary to the predictors of job satisfaction and commitment. Rather, it has been proposed that citizenship behaviour may result from employer fulfilment of their obligations rather than commitment and satisfaction as previously suggested (Robinson et al., 1994). In finding support for the link between psychological contract fulfilment and citizenship behaviour, Robinson and Morrison (1995) offer two potential explanations. The first explanation draws on a procedural justice perspective wherein violation is seen as a form of unfair treatment that leads to diminished trust which has a subsequent negative effect on citizenship behaviour. The second potential explanation is based on equity theory (Adams, 1965) which assumes that employees strive to maintain a perceived equitable balance between what they contribute to the organization and the inducements they receive in return. Therefore, if an employer does not fulfil its obligations thereby creating an inequity, employees in an effort to rebalance the exchange may withhold their discretionary behaviour. However, Shore and Shore (1995) argue that perceived organizational support encapsulates the cumulative effect of distributive and procedural justice of specific decisions. They argue that the " *perceptions*

of the justice of particular decisions contribute to global perceptions of "history of support" (1995, p. 159). If this holds true, it suggest that perceived organizational support captures the underlying justice explanations. As prior empirical work has established a link between perceived organizational support, organizational commitment and OCB, this raises the question of whether the psychological contract adds further to our understanding of the motivational basis of OCB. Controlling for the effects of perceived organizational support and organizational commitment, we explore this question as follows:

Hypothesis 3. Fulfilment of the psychological contract by the employer will have a positive effect on employees' OCB behaviour.

METHOD

Procedure

The research was carried out in a local authority in the South East of Britain. Local authorities are responsible for the provision of a wide range of public services including education, social services, highways maintenance, home care for the elderly and fire fighting. The data used in the present analysis were collected as part of the first phase of a longitudinal study. Two surveys were conducted in the autumn of 1996. The first survey was directed at managers as representatives of the organization assessing employer obligations and the fulfilment of those obligations from the employer perspective. Of the 1130 managers who were surveyed, 703 responded (62% response rate). Subsequently, a second questionnaire was administered to all employees assessing the employee perspective of the psychological contract. Of the approximately 23,000 questionnaires, 6,953 responded (response rate of 30%). Each questionnaire included a code number to identify each employee. The purpose of

this number (to track employees over time) was explained to employees in the covering letter and may have had some negative effect on the response rate. However, the overall respondent sample was found to be representative of the total employee group under investigation along a number of key demographic characteristics.

Sample

The employee sample is confined to employees who work on a part time or full time basis and returned fully completed questionnaires. Of the respondent sample, 82.5% were female and 41.8% union members. The mean age of the sample was 42.4 years with a mean organizational and job tenure of 7.6 years and 5.9 years respectively. 48.3% of respondents were employed on a full time basis. 48.3% of respondents earned less than £10,000, 36.7% between £10-20,000, 14.5% between £20-30,000 and 0.4% earning above £30,000. The composition of the sample in occupational groupings is as follows: 25.4% teachers, 3.7% fire-fighters, 5.6% social workers, 1.2% engineers, 8.5% other professionals, 21.1% administrative/clerical, 2.4% technicians, 5.4% manual/craft and the remaining fell into the 'other' category.

The managerial sample was 47% male with a mean age of 46.6 years. The mean organizational and job tenure was 14.6 years and 9.0 years respectively. The number of individuals managed by this group are as follows: 55% managed between 1-20, 28% between 21-50, 6.9% between 51-70, 2.1% between 71-99 and 7.8% managed 100 or over individuals.

Measures

Psychological contract fulfilment. Two approaches exist to the measurement of psychological contract fulfilment or breach. The first approach involves explicitly asking

respondents to indicate the degree to which the employer has fulfilled its obligations along a scale from ‘not at all’ to ‘very well fulfilled’. This method of measurement has been adopted in a number of studies (Robinson and Morrison, 1995; Robinson and Rousseau, 1994). Arguably, the issue with this method is that there is no indication of the extent to which an obligation was perceived. For example, an individual who responds that the employer has fulfilled an obligation very well may reflect two possible scenarios: an item was not perceived to be obligated yet was well fulfilled by the employer nonetheless or an item was highly obligated and well fulfilled by the employer. The second approach involves separately measuring obligations and the degree to which they are fulfilled. Robinson (1996) in adopting the latter approach argues that it measures both perceived breach and perceived fulfilment thereby capturing a broader range of degrees of breach and fulfilment along items of the psychological contract. We adopt both measures in this study to examine whether the type of measure makes a difference to the results found.

Respondents were asked to indicate the extent to which they believed their employer was obligated to provide a range of items. Participants were provided with a 5 point Likert scale ranging from ‘not at all’ to ‘a very great extent’ (in addition to a ‘not owed/not sure’ category) along with a list of employer obligations taken from Rousseau (1990) and extended to include additional obligations. These obligations included: long term job security, good career prospects, up to date training and development, pay increases to maintain standard of living, fair pay in comparison to employees doing similar work in other organizations, necessary training to do job well, support to learn new skills, fair pay for responsibilities in the job and fringe benefits that are comparable to employees doing similar work in other organizations.

Subsequently, respondents were asked to indicate the extent to which they in practice had been provided with the list of employer obligations. Subtracting the degree to which each item was provided in practice from the degree to which it was perceived to be obligated created the measure of psychological contract fulfilment. Therefore, if an item was perceived to be highly obligated (score of 5) and was not perceived to exist in practice (score of 1), it resulted in low contract fulfilment (score of 4). The more positive the score, the lower the contract fulfilment. Conversely, the more negative the score, the greater the over fulfilment of the psychological contract (-4 would indicate that an item was not perceived to be obligated by the employer yet was provided in practice). Finally, a gap of 0 would indicate perfect contract fulfilment; what was perceived to be obligated was provided in practice. Therefore, this measure is capable of capturing the full range of variance (-4 to +4) in contrast to the truncation of the contract fulfilment measure.

Using the same list of items, respondents were explicitly asked to indicate the degree to which their employer had fulfilled their obligations using a 5 point Likert scale (very poorly fulfilled to very well fulfilled) with an additional category for not obligated to provide. In summary, the fulfilment of the psychological contract was measured in two ways: a discrepancy measure that assesses the gap between what is obligated and what is provided; an explicit contract fulfilment measure that assesses the extent to which an obligation was fulfilled.

Managers were given the same list of employer obligations and asked to indicate the extent to which they believed the employer was obligated to provide employees in their work area/department with the list of items. With the same list of employer obligations, managers were asked to indicate: the extent to which the employer in practice provided each item, and

the extent to which the employer could realistically provide each item given the operating constraints. Managers, in responding, were specifically requested to respond in their position as a manager. They were unaware of the subsequent questionnaire capturing an employee perspective on the psychological contract.

Organizational commitment. Organizational commitment was measured using a scale developed by Cook and Wall (1980) in addition to two items from Meyer and Allen's (1984) scale.

Perceived organizational support. Organizational support was measured using a 7 items taken from a 36-item scale developed by Eisenberger, Huntington, Hutchison and Sowa (1986). The measure assesses how employees judge or evaluate the support of the organization and the discretionary actions the organization might take in situations that would harm or benefit the employee. The former is captured by, for example, 'the organization values my contribution to its well-being' and 'the organization cares about my general satisfaction at work'. The latter component is assessed, for example, by 'even if I did the best job possible, the organization would fail to notice' and 'the organization is willing to help me when I need a special favour'.

Organizational citizenship behaviour. Citizenship behaviour was measured with four items assessing behaviour directed at the organization adapted from Podsakoff, MacKenzie, Moorman and Fetter (1990) and Van Dyne, Graham and Dienesch (1994). These items include, for example, 'I participate in activities that are not required but that help the image of my organization', 'I keep up with developments that are happening in my organization'

and these items were found to be factorially distinct from the items measuring behaviour directed at individuals.

Control variables. Several additional variables were controlled for in the analyses to eliminate alternative explanations. In view of the blurring distinction between expectations and obligations, it is deemed important to control for the effects of unmet expectations in examining the effects of unmet obligations. This is accomplished by using job satisfaction as a proxy for met expectations as implicitly, job satisfaction derives from comparisons and is inherently referential (Folger & Konovsky, 1989) reflecting some judgement about the comparison of expectations to unmet expectations. This scale was adapted from Cook and Wall (1980).

Careerism, defined as the degree to which employees see their career with their employer as a 'stepping stone' to subsequent positions with other organisations. As such, it may influence how employees approach their relationship with their current employer in terms of opportunism. An individual's careerism could potentially affect the degree to which the employer is perceived to have fulfilled their obligations as well as the dependent variables (for example, organisational commitment and citizenship behaviour) and hence is used as a control variable. This scale was adapted from a scale developed by Rousseau (1990). Organizational tenure, job tenure, part-time/full-time status and trade union membership were also included as demographic control variables.

Analysis

To examine the degree of mutuality between the employee and employer perspective, independent sample t-tests were conducted. Due to the large sample size, a randomly selected

(25%) subsample was taken from the two groups. One small department was excluded from this analysis that had managerial respondents without corresponding employee respondents. Therefore, the subsample contained employee and managerial respondents representing the same departments or work areas. The subsequent hierarchical regression analysis utilizes the employee sample exclusively in testing the hypotheses.

RESULTS

The items of the main study variables were factor analyzed (principal components with varimax rotation). The results yielded six factors corresponding to perceived organizational support, organizational commitment, OCB and employer obligations as depicted in Table 1. The factor structure remains stable when employer obligations is replaced with explicit contract fulfilment and what employees feel they get in practice (Appendix 1). Three factors emerged from the items measuring the psychological contract: transactional obligations, training obligations and relational obligations. The presence of three factors is contrary to the findings of previous work in which employer obligations clearly loaded on two factors: transactional and relational obligations (Robinson and Rousseau, 1994). However, as previously noted, Arnold (1996) argues that previous empirical work is inconsistent in terms of whether training is categorised as transactional or relational. Our results suggest that training obligations are neither transactional nor relational but rather a distinct component of the psychological contract.

INSERT TABLE 1 ABOUT HERE

For reasons of consistency with prior research, the labels of transactional and relational obligations are used here. Based on the results of the factor analysis, items were summed to

create two measures of contract fulfilment for each of the three components (transactional, relational and training) of the psychological contract. The first measure explicitly assesses contract fulfilment whereas the second assesses the discrepancy between obligations and fulfilment. Descriptive statistics for these and the other measures are presented in Table 2.

INSERT TABLE 2 ABOUT HERE

Examining the perceived degree of contract fulfilment or breach by employees, overall, there is a strong sense of perceived breach. 89% of employees believe that the employer has fallen short in delivering transactional obligations; 81% hold a similar view of relational obligations while 78% report varying degrees of breach in terms of training obligations (these figures adopt a cut off point of a negative score in terms of obligations minus what is provided in practice). Conservatively, the majority of employees have experienced contract breach. Given the inherent subjectivity of the psychological contract, is this breach only in the eyes of employees? Table 3 presents the independent sample t-tests between managers and employees. Looking first at employer obligations, there are no significant differences between managers and employees with regard to transactional or training obligations. However, managers perceive stronger relational obligations on the part of the employer than employees. While there is agreement between the two parties in terms of the fulfilment of training obligations, managers are more positive in their assessment regarding the fulfilment of transactional and relational obligations. On further examination of the discrepancy between what is obligated and what is provided, the only significant difference is the transactional discrepancy with employees reporting a larger gap than managers. Furthermore, managers do not believe that the employer has fulfilled its obligations to employees to the extent that it is able to. In other words, there is a discrepancy between what managers feel

the employer is providing and what it could realistically provide given the constraints under which the local authority is operating. Hence, there is a degree of consensus between the two parties that the employer has not fulfilled its obligations to employees, at least to the extent that it could within its operating constraints.

INSERT TABLE 3 ABOUT HERE

To test hypotheses 1, the control variables were entered first, followed by the three components of the psychological contract. As Table 4 (col. 1) reveals, psychological contract fulfilment explains an additional 4% of variance in perceived organizational support that was not accounted by the other variables and thereby supports hypothesis 1. Specifically, each dimension of psychological contract fulfilment had a positive effect on perceived organizational support. Thus, the greater the employer fulfils its obligations, the greater the likelihood that employees' will adopt a positive global assessment of the value they hold to the employer.

INSERT TABLE 4 ABOUT HERE

Hypothesis 2 predicted that psychological contract fulfilment would positively affect organizational commitment. As in the previous analysis, the control variables were entered in step 1, perceived organizational support was entered in step 2 followed by the three components of contract fulfilment. The results (Table 4, col. 3) indicate that accounting for perceived organizational support, psychological contract fulfilment explains unique variance in organizational commitment. Fulfilment of transactional obligations (β=. 17, p<. 01) and

training obligations (β=. 09, p<. 01) have a significant effect on organizational commitment. Therefore, hypothesis 2 is supported for transactional and training contract fulfilment.

Hypothesis 2b predicted that the perceived employer would moderate the relationship between psychological contract fulfilment and organizational commitment. As the perceived employer is a categorical variable, it is not possible to test this using interaction terms. Therefore, the sample was subdivided on the basis of perceived employer and the previous analysis was conducted on each of the subsamples. As organizational commitment was measured at the overall organizational level, the hypothesis predicts that the relationship between contract fulfilment and organizational commitment would be stronger where the employer is perceived to be the local authority. As shown in Table 4, where the perceived employer is the local authority, all three components of psychological contract fulfilment have a positive effect on organizational commitment and the overall model explains the greatest variance in organizational commitment (39%) compared to the remaining categories of perceived employer (25% and 13%). However, regardless of who is perceived to be the employer, the fulfilment of transactional obligations has a significant positive effect on organizational commitment.

Hypothesis 3 predicted that contract fulfilment would have a positive effect on OCB. Table 5 reveals that contract fulfilment explains further variance in OCB accounting for other empirically supported predictors. If steps 2 and 3 are reversed where psychological contract fulfilment is entered prior to organizational commitment and perceived organizational support, the amount of variance explained by the two sets of predictors remains the same. This suggests that as an influencing factor on OCB, the psychological contract, perceived organizational support and organizational commitment are complementary rather than

competing predictors. Specifically, the hypothesis only holds true with regard to training obligations. Contrary to our hypothesis, the effect of transactional fulfilment is negative. The effect of transactional obligations on civic virtue found here is inconsistent with previous findings. Robinson and Morrison, (1995) found that violation of transactional obligations had a negative although not significant effect on civic virtue. Similarly, the results here are contrary to the negative effect of pay inequity on the compliance dimension of OCB found in a recent study (Aquino, 1995). To assess whether the effects of transactional obligations are spurious, further analyses were conducted. Specifically, the explicit contract simultaneously captures obligations and what is provided in practice to arrive at level of contract fulfilment. Capturing perceived obligations and the degree to which these obligations are provided in practice separately allows us to examine the independent effects of each. As Table 5 reveals, perceived transactional obligations has no significant effect on OCB (β=. 00). Rather, the negative effect (β= -. 11, p<. 01) is a result of what is being provided in practice in terms of pay and fringe benefits. Two potential explanations may account for this contrary finding: the nature of OCB and the cross sectional methodology employed.

INSERT TABLE 5 ABOUT HERE

First, OCB is assumed to be discretionary, not explicitly recognised by the reward system and hence it is the choice of the individual to engage in such behaviours (Organ, 1988). One of the weaknesses of this study and other studies examining the antecedents of OCB is the assumption that a clear and agreed demarcation exists between in-role and extra-role behaviour. Some dimensions of OCB behaviour may be more in-role than extra-role and in particular, civic virtue may be construed as overlapping in-role and extra-role behaviours (Deluga, 1994; Van Dyne, Cummings and McLean Parks, 1995). Morrison (1994) found

support for different conceptualisations of what employees consider in-role and extra-role behaviours challenging the commonly held assumption that the same behaviours are considered extra-role across diverse occupational and organizational contexts. Therefore, it is conceivable that what is measured in this study as citizenship behaviour and thus discretionary may in actuality be considered as in-role behaviours from employees' viewpoint. This indeed may hold true given the nature of public service work where the boundaries between in-role and extra-role behaviour may not be easily disentangled. Coyle-Shapiro, Kessler and Purcell (1999) found that employees who conceptualized OCB as in-role engage in these behaviours to a greater degree than employees who defined OCB as extra-role. Developing this further, if citizenship behaviour is interpreted by employees as falling within the domain of in-role behaviour, then it is more likely to be linked to extrinsic rewards (Organ, 1988; Puffer, 1987).

If this reflects what is happening in this case; that is, employees are defining OCB as being in-role, then it is plausible that the direction of influence is contrary to our hypothesis. In other words, engaging in citizenship behaviour as part of in-role work behaviour may lead employees to increase their perception of employer obligations in relation to extrinsic rewards resulting in a larger perceived discrepancy. As employees may not have the discretion to choose to engage in citizenship behaviour based on defining it as in-role, one avenue for employees to redress the situation is to adjust their perception of employer obligations. In other words, employees feel that engaging in citizenship behaviour warrants reciprocation from the employer and this takes the form of employees increasing what they believe they are owed in terms of transactional obligations.

DISCUSSION

Our findings suggest that the majority of employees are experiencing contract breach. Furthermore, managers responding as representatives of the employer broadly support this. The extent of perceived employer contract fulfilment has a significant effect on employees' perceived organizational support, organizational commitment and organizational citizenship behaviour. With regard to the two measures of contract fulfilment, the findings were broadly similar.

Two perspectives

This study showed that the employer and employee perspective on the psychological contract are strikingly similar. Although managers are more positive in their assessment of the employer's fulfilment of their obligations, a significant discrepancy exists between what the employer is providing, what it owes and what it could provide given its operating constraints. Previous empirical work amongst MBA students found that the majority experienced violations of the psychological contract. These findings are solely based on employee perceptions and are consistent with defining the psychological contract from the employee perspective. While our results are broadly consistent in terms of psychological contract breach, our inclusion of the employer's perspective adds significant weight to the findings. The congruency between the two parties in terms of the content and state of the psychological contract adds support to the findings of Herriot, Manning and Kidd (1997). From a managerial perspective, the local authority has not fulfilled its obligations to employees to the extent that it could. This suggests that there is scope on the employer's part to improve the delivery of their part of the exchange. Managers may feel that organizationwide policies and practices may be constraining their autonomy and discretion in

terms of the degree that they, as individual managers can fulfil obligations to employees. One manager, for example, commented that they *" put forward some-one for training and it was blocked"*. While managers are contract makers, they maybe constrained by internal forces in terms of the operation of current organizational practices. In particular, middle level managers may not feel that they have the autonomy to take action in fulfilling certain obligations to employees. One avenue for future research would be to examine the degree to which managers can control, or perceive they can control, the delivery of their part in the exchange process.

Consequences of employer contract behaviour

When specific obligations go unmet, this is likely to signal a message to employees that they are not positively valued by the organization eroding perceived organizational support. Therefore, the non-fulfilment of perceived obligations over time may cumulatively and negatively affect employees' global perception of the organization's commitment to them. Two of the three components of contract fulfilment have a positive effect on organizational commitment. Robinson and Morrison (1995) speculate that procedural and distributive justice may explain the effects. In this respect, employees reduce their commitment as a consequence of feeling unfairly treated or experiencing injustice in terms of outcomes received. As the measurement of transactional obligations here has a strong distributive basis, it is likely that the effects of transactional obligations on organizational commitment investigated here may be explained from a distributive justice perspective. The lack of significant effect of fulfilment of relational obligations on organizational commitment suggests that this effect is fully mediated through perceived organizational support. Overall, the findings suggest that accounting for the global assessment of treatment by the organization, specific judgements about the employer's contract behaviour significantly

affect an employee's reciprocation in the form of organizational commitment. In addition, this study found some support for the moderating effect of the perceived employer. Therefore, the effect of contract fulfilment will have greatest effect on organizational commitment when the employer is perceived as the local authority. If this holds true, researchers need to exercise caution in terms of consistency between levels of analysis in terms of perceived employer and the foci of organizational commitment when examining the consequences of perceived employer contract behaviour.

Our results confirm the link between the psychological contract and citizenship behaviour. In this respect, the psychological framework complements the existing work on the nature of OCB and why it occurs by explicitly focusing attention on employee-employer relationships. Furthermore, our study suggests that the psychological contract complements organizational commitment and perceived organizational support as an important antecedent of citizenship behaviour. Hence, by explicitly capturing the effects of the psychological contract, the theoretical basis of OCB is expanded but not fundamentally altered. Overall, this study highlights the importance of employer's contract behaviour regarding the fulfilment of specific obligations in affecting employees' attitudes and behaviour.

Two different although related measures of psychological contract fulfilment were employed in this study. The explicit contract fulfilment measure collapses perceived obligation and fulfilment and at the same time is limited in capturing contract breach. In contrast, the discrepancy measure independently captures perceived obligation and degree of fulfilment thereby capturing and giving equal weight to contract breach and contract fulfilment. The results using the two measures were found to be broadly consistent with a few exceptions. One of the limitations of the discrepancy measure is that it assumes a monotonic relationship

between breach and fulfilment; that is, perceived breach and fulfilment are assigned equal weighting. It would be difficult to assign differential weightings to breach and fulfilment on the premise that breach would have greater negative consequences than fulfilment would have positive consequences. The consistency of the results of the two measures may suggest that the effects of breach and fulfilment are quite monotonic. In view of the methodological issues regarding the use of difference scores (Edwards and Parry, 1993) and if our results hold true in other organizational contexts, it suggests that in examining the consequences of the psychological contract, the explicit contract fulfilment measure may be more appropriate. However, the drawback of this measure is that it does not capture the degree of perceived obligations that exist.

As with the majority of studies, the design of the current study is subject to limitations. The study is correlational in nature and consequently the results cannot indicate causality. It is possible that the relationships between key variables are misspecified and that employees' citizenship behaviour has a subsequent effect on how they perceive employer obligations. Second, our results need to be interpreted in light of the potential for common-method bias, which could be minimised, to some extent with the use of longitudinal data. Third, this study focused solely on public sector employees, which consequently raises the issue of generalizability of the findings. Given the recent changes in the structure and operation of the sector in the pursuit of tighter public expenditure control, public sector employees may be consequently experiencing more violations. Nevertheless, we would expect other employees experiencing violations to react in a similar fashion. Furthermore, these results are broadly in line with previous research (Robinson and Rousseau, 1994; Guest, Conway, Briner and Dickmann, 1996) suggesting that different employees react similarly to contract violations.

Future research could explore the potential moderating effects of the saliency employees attach to particular obligations in how they respond to contract breach.

The study, despite its limitations has some notable strengths. First, in the context of the psychological contract, our contribution lies in the inclusion of the employer perspective. Second, this study investigates the consequences of the psychological contract using an experienced and occupationally diverse sample of employees in the public service sector. In doing so, the results highlight the merit of the psychological contract framework in explaining attitudes and behaviour amongst an experienced sample of employees. Future research could explore several avenues such as the mediating effects of justice on the link between contract breach and outcomes. From an industrial relations perspective, the relationship between trade union membership and the psychological contract would provide valuable insights into the employment relationship in unionised settings.

In the context of declining trade union membership (Waddington, 1992) and the associated collectivist approach to the employment relationship, the psychological contract provides a complementary or alternative framework for examining changes occurring in the employment relationship at the individual level. Furthermore, the psychological contract framework may be of particular value in understanding employer-non traditional employee linkages. The decline in collective responses such as strikes to injustices in the employment relationship diverts attention to individualised responses to unbalanced exchanges with the employer. In this case, employees are redressing the balance in the relationship through reducing their commitment and their willingness to engage in organizational citizenship behaviours, which have been highlighted, as important factors in an organization's survival and well being. The

key issue, therefore, for managers is how to manage the psychological contract so that the dysfunctional consequences of breach are minimised.

The practical implications of the study suggest that employers need to take steps to understand employees' perceptions of the content of the psychological contract and from this alter the terms of the contract where circumstances permit. In light of the importance of training fulfilment in affecting attitudes and behaviour, employers may need to rethink organizational practices such as training and development to facilitate employees' engaging in citizenship behaviour. Clearly, employer obligations vary in terms of the ease and cost by which they can be altered. Consequently, employers may need to communicate to employees the reasons underlying their non-fulfilment of some obligations in conjunction to altering their delivery of others. Whether this organization in its present efforts to explicitly outline a 'new contract' and alter specific policies and practices to reflect this succeeds in generating a more positive psychological contract and consequences awaits future work.

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TABLE 1
Results of factor analysis

	Factor					
Items	1	2	3	4	5	6
My employer really cares about my well-being	**.88**	.17	-.02	-.04	.07	.00
My employer cares about my opinions	**.86**	.15	-.02	-.01	.10	-.02
My employer values my contributions to its well being	**.86**	.17	.00	-.04	.08	-.02
My employer strongly considers my goals and values	**.85**	.19	-.04	-.02	.09	.01
My employer cares about my general satisfaction at work	**.85**	.17	-.02	-.02	.06	-.02
My employer shows very little concern for me	**.81**	.09	-.05	.02	.04	-.04
My employer is willing to help me when I need a special favour	**.79**	.13	-.01	-.03	.04	-.02
Even if I did the best possible job, my employer would fail to notice	**.78**	.06	-.07	.04	.05	-.05
I feel a strong sense of belonging to ___	.21	**.82**	-.04	-.02	.01	.05
I feel myself to be part of ___	.16	**.79**	-.03	.02	.00	.02
I feel like 'part of the family' at ___	.23	**.78**	-.04	-.05	.01	.00
In my work, I like to feel that I am making some effort not just for myself but for ___ as well	.00	**.78**	-.02	.00	.08	-.04
I am willing to put myself out to help ___	.04	**.75**	-.03	.03	.15	-.03
I am quite proud to tell people I work for ___	.25	**.73**	-.02	-.03	.01	.03
To know that I had make a contribution to the good of ___ would please me	-.01	**.71**	.00	.01	.09	.00
I would recommend a close friend to join ___	.30	**.68**	.00	-.05	.03	.02
Fair pay compared to employees doing similar work in other organizations ≅	-.03	-.06	**.81**	.22	.03	.05
Fringe benefits that are fair compared to what employees doing similar work in other orgs. get ≅	-.04	.00	**.79**	.11	.03	.08
Fair pay for the responsibilities I have in my job ≅	-.05	-.05	**.78**	.35	.04	.00
Pay increases to maintain my standard of living ≅	-.07	-.-4	**.71**	.13	.01	.29
The necessary training to do my job well ≅	-.01	.00	.28	**.83**	.05	.01
Up to date training and development ≅	-.03	-.04	.19	**.78**	.10	.23
Support when I want to learn new skills ≅	.00	-.01	.27	**.73**	.06	.06
I frequently make suggestions to improve the work of my department	-.03	-.02	.05	.03	**.74**	.06
Part of my job is to think of better ways of doing my job	.13	.07	.05	.05	**.73**	-.03
I participate in activities that are not required but that help the image of my organization	.16	.10	.00	-.03	**.65**	.09
I keep up with developments that are happening in my organization	.10	.14	-.01	.17	**.55**	-.03
Long term job security ≅	-.03	.00	.22	.04	.00	**.86**
Good career prospects ≅	-.09	.04	.16	.38	.13	**.68**
Eigenvalue	7.6	4.12	3.38	1.69	1.10	1.07
Percentage of variance explained	26.2	14.2	11.7	5.8	3.8	3.7

≅ obligations

TABLE 2
Descriptive statistics and intercorrelations of main study variables

	Mean	S.D	Alpha	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Trade union membership (1=Y 0=N)	0.41	0.49	--																	
2. Work status (2=f/t 1=p/t)	1.48	0.50	--	.36																
3. Job tenure	6.05	5.71	--	.19	.08															
4. Careerism	3.44	1.37	.52	.00	.09	-.24														
5. Organizational tenure	7.70	7.57	--	.23	.09	.69	-.25													
6. Job satisfaction	4.66	0.98	.88	-.11	-.10	-.06	-.14	-.05												
7. Organizational citizenship behaviour	4.93	0.92	.63	.13	.13	-.02	.01	.01	.22											
8. Organizational commitment	4.06	1.14	.90	-.14	-.07	.00	-.16	.00	.30	.19										
9. Perceived organizational support	4.10	1.42	.95	-.14	-.13	-.11	-.06	-.11	.56	.23	.36									
10. Explicit transactional contract fulfilment	2.64	0.85	.88	-.04	-.06	-.02	-.07	.00	.38	.02	.30	.29								
11. Explicit training contract fulfilment	3.20	0.92	.91	.06	.07	.11	-.09	.10	.46	.22	.27	.41	.28							
12. Explicit relational contract fulfilment	2.87	0.86	.62	-.04	.00	-.02	-.06	-.01	.46	.16	.23	.33	.38	.38						
13. Transactional obligations	4.25	0.78	.82	.12	.12	-.03	.07	.01	-.09	.06	-.09	-.11	-.12	-.06	-.03					
14. Training obligations	4.33	0.72	.80	.15	.14	-.06	.09	-.01	-.05	.16	-.06	-.05	-.04	.06	-.02	.54				
15. Relational obligations	3.65	0.92	.62	.11	.11	.06	.05	.04	-.11	.07	.02	-.08	-.11	-.04	.02	.33	.28			
16. Transactional provided	2.53	0.92	.85	.00	-.02	-.01	-.04	.00	.36	.05	.26	.27	.85	.26	..34	-.08	.00	-.08		
17. Training provided	3.24	0.89	.81	-.03	-.01	-.04	-.06	.00	.59	.33	.27	.46	.26	.76	..39	.02	.10	-.02	.30	
18. Relational provided	2.49	0.95	.53	.11	.14	.06	.00	.02	.38	.20	.16	.28	.26	.31	.72	.03	.05	.14	.28	.38

Correlations ≥ .06 are statistically significant at p≤ .01

TABLE 3
Results of independent sample t-tests

Variables **Employer**	**Managers (n=155)**			**Employees (n=484)**		
	Mean	**(S.D)**	**95% CI for mean**	**Mean**	**(S.D)**	**95% CI for mean**
Employer transactional obligations	4.23	(0.64)	4.13 - 4.33	4.22	(0.75)	4.15 – 4.29
Fulfilment – transactional obligations	2.86	(0.85)	2.73 – 3.00	2.55**	(0.86)	2.48 – 2.63
Discrepancy (obligations-provided)	1.36	(1.07)	1.19 – 1.53	1.66**	(1.15)	1.56 – 1.77
Transactional - could fulfil	3.33	(0.81)				
Employer relational obligations	3.72	(0.61)	3.63 – 3.82	3.31**	(0.81)	3.24 – 3.38
Fulfilment - relational obligations	2.93	(0.64)	2.82 – 3.03	2.63**	(0.86)	2.55 – 2.71
Discrepancy (obligations-provided)	0.80	(0.77)	0.68 – 0.92	0.70	(1.04)	0.59 – 0.78
Relational - could fulfil	3.13	(0.68)				
Employer training obligations	4.44	(0.51)	4.35 – 4.51	4.32	(0.62)	4.26 – 4.37
Fulfilment – training obligations	3.27	(0.59)	3.17 – 3.36	3.29	(0.80)	3.22 – 3.37
Discrepancy (obligations-provided)	1.17	(0.79)	1.05 – 1.27	1.03	(1.15)	0.94 – 1.11
Training – could fulfil	3.81	(0.58)				

** significant differences at the .01 level between the managerial and employee group

TABLE 4

Hierarchical regressions predicting the impact of psychological contract fulfilment on perceived organizational support and organizational commitment

	Perceived Organizational Support			Organizational Commitment		Organizational Commitment		
						County Council	Department	Work Unit
	β			β		β	β	β
Step 1: Control variables			**Step 1**: Control variables					
Job satisfaction	.41**	(.45**)	Job satisfaction	.00	(.07**)	-.02	-.05	.04
Careerism	.00	(.00)	Careerism	-.12**	(-.13**)	-.18**	-.02	-.10**
Organizational tenure	-.03	(-.03)	Organizational tenure	.04	(.04)	.07**	.00	-.04
Job tenure	-.06**	(-.06**)	Job tenure	-.02	(-.02)	.03	-.03	.03
Work status	-.05**	(-.05**)	Work status	.02	(.04)	.03	-.03	-.02
Trade union membership	-.04**	(-.03)	Trade union membership	-.12**	(-.10**)	-.07**	-.06	.13**
ΔR^2 / ΔF	.33 / 267.77		ΔR^2 / ΔF	.10 / 66.08		.17 / 47.44	.10 / 10.53	.09 / 21.75
Step 2:			**Step 2**:					
Transactional fulfilment	.06**	(-.06**)	Perceived Org Support	.22**	(.23**)	.45**	.43**	.13**
Training fulfilment	.18**	(-.10**)						
Relational fulfilment	.06**	(-.07**)						
ΔR^2 / ΔF	.04 / 66.22		ΔR^2 / ΔF	.05 / 182.82		.20 / 440.70	.14 / 110.23	.01 / 19.25
			Step 3:					
			Transactional fulfilment	.17**	(-.13**)	.11**	.15**	.16**
			Training fulfilment	.09**	(-.07**)	.13**	.00	.03
			Relational fulfilment	.02	(.08**)	.05*	.04	.04
			ΔR^2 / ΔF	.04 / 50.18		.03 / 25.08	.02 / 5.46	.02 /13.81
Overall adjusted R^2 / N	.37 / 3230			.19 /3230		.39 / 1403	.25 / 570	.13 /1256
** p<.01*p<.05	() beta coefficients using discrepancy measure of contract fulfilment							

TABLE 5

Hierarchical regressions predicting the impact of psychological contract fulfilment on OCB

	Organizational Citizenship Behaviour β		Organizational Citizenship Behaviour		
				Obligations β	Provided β
Step 1: Control variables			**Step 1**: Control variables		
Job satisfaction	.12**	(.14**)	Job satisfaction	.14**	.08**
Careerism	.05**	(.05**)	Careerism	.04*	.05**
Organizational tenure	.03	(.03)	Organizational tenure	.03	.03
Job tenure	-.06**	(-.05**)	Job tenure	-.04*	-.06**
Work status	.09**	(.10**)	Work status	.09**	.09**
Trade union membership	.14**	(.12**)	Trade union membership	.13**	.14**
ΔR^2 / ΔF	.08 / 48.32		ΔR^2 / ΔF	.08 / 51.62	.08 / 51.62
Step 2:			**Step 2**:		
Perceived Org Support	.12**	(.13**)	Perceived Org Support	.14**	.11**
Organizational commitment	.14**	(.12**)	Organizational commitment	.11**	.11**
ΔR^2 / ΔF	.03 / 59.44		ΔR^2 / ΔF	.03 / 55.10	.03 / 55.10
Step 3:			**Step 3**:		
Transactional fulfilment	-.14**	(.12**)	Transactional obligations	.00	----
Training Fulfilment	.11**	(-.05**)	Training obliagtions	.14**	----
Relational fulfilment	.02	(.00)	Relational obligations	.03	----
			Step 3:		
			Transactional provided	----	-.11**
			Training provided	----	.18**
			Relational provided	----	.06**
ΔR^2 / ΔF	.02 / 29.22		ΔR^2 / ΔF	.02 / 29.97	.04 /46.89

Overall adjusted R^2 / N	.14 / 3229	Overall adjusted R^2 / N	.13 / 3229	.15/ 3229
** p<.01*p<.05	() beta coefficients using discrepancy measure of contract fulfilment			

APPENDIX 1

Results of factor analysis using explicit contract fulfilment measure

Items	*Factor* 1	2	3	4	5	6
My employer really cares about my well-being	**.86**	.17	.10	.10	.08	.10
My employer cares about my opinions	**.84**	.15	.11	.13	.10	.05
My employer values my contributions to its well being	**.84**	.17	.10	.11	.09	.10
My employer strongly considers my goals and values	**.83**	.18	.11	.16	.10	.10
My employer cares about my general satisfaction at work	**.82**	.16	.15	.11	.06	.12
My employer shows very little concern for me	**.81**	.09	.07	.12	.04	.00
My employer is willing to help me when I need a special favour	**.78**	.14	.10	.06	.04	.08
Even if I did the best possible job, my employer would fail to notice	**.77**	.06	.07	.14	.03	-.01
I feel a strong sense of belonging to ___	.19	**.82**	.08	.10	.00	.17
I feel myself to be part of ___	.14	**.78**	.11	.12	-.01	.13
In my work, I like to feel that I am making some effort not just for myself but for ___ as well	.03	**.78**	.05	.04	.09	-.21
I feel like 'part of the family' at ___	.21	**.77**	.09	.11	.01	.12
I am willing to put myself out to help ___	.07	**.75**	.09	.05	.17	-.08
I am quite proud to tell people I work for ___	.23	**.72**	.13	.05	.02	.17
To know that I had make a contribution to the good of ___ would please me	.02	**.70**	.08	.00	.12	-.25
I would recommend a close friend to join ___	.27	**.66**	.16	.06	.04	.23
Fair pay compared to employees doing similar work in other organizations ≅	.12	.09	**.87**	.07	.00	.06
Fair pay for the responsibilities I have in my job ≅	.15	.14	**.85**	.08	-.03	.07
Pay increases to maintain my standard of living ≅	.14	.11	**.82**	.11	.02	.13
Fringe benefits ≅	.14	.21	**.74**	.08	-.03	.01
The necessary training to do my job well ≅	.20	.12	.11	**.89**	.09	.09
Up to date training and development ≅	.21	.10	.11	**.87**	.08	.10
Support when I want to learn new skills ≅	.28	.13	.13	**.82**	.12	.09
I frequently make suggestions to improve the work of my department	-.01	-.01	-.07	-.01	**.74**	.05
Part of my job is to think of better ways of doing my job	.10	.05	.10	.09	**.73**	-.01
I participate in activities that are not required but that help the image of my organization	.16	.12	-.06	-.01	**.65**	.13
I keep up with developments that are happening in my organization	.07	.13	.00	.20	**.55**	.00
Long term job security ≅	.15	.03	.09	.08	.09	**.83**
Good career prospects ≅	.21	.10	.29	.32	.12	**.60**
Eigenvalue	9.27	3.37	2.47	2.07	1.52	1.08
Percentage of variance explained	32.0	11.6	8.5	7.2	5.3	3.7

≅ explicit contract fulfilment

Results of factor analysis using what is provided

Items	*Factor* 1	2	3	4	5	6
My employer really cares about my well-being	**.86**	.17	.09	.09	.07	.09
My employer values my contributions to its well being	**.85**	.17	.09	.10	.09	.07
My employer cares about my opinions	**.84**	.15	.12	.11	.10	.06
My employer strongly considers my goals and values	**.83**	.19	.11	.13	.10	.11
My employer cares about my general satisfaction at work	**.83**	.17	.15	.11	.06	.11
My employer shows very little concern for me	**.80**	.10	.06	.10	.02	.04
My employer is willing to help me when I need a special favour	**.78**	.13	.11	.04	.06	.02
Even if I did the best possible job, my employer would fail to notice	**.76**	.07	.05	.14	.02	.04
I feel a strong sense of belonging to ___	.20	**.83**	.07	.09	-.01	.15
I feel myself to be part of ___	.15	**.79**	.10	.11	-.03	.10
I fell like 'part of the family' at ___	.21	**.78**	.07	.08	.00	.10
In my work I like to feel that I am making some effort not just for myself but for___ as well	.02	**.77**	.06	.00	.13	-.21
I am willing to put myself out to help ___	.07	**.74**	.07	.03	.17	-.09
I am quite proud to tell people I work for ___	.23	**.73**	.11	.06	.00	.15
To know that I had make a contribution to the good of ___ would please me	.02	**.69**	.09	-.02	.17	-.25
I would recommend a close friend to join ___	.28	**.68**	.12	.08	.02	.21
I am fairly paid considering the responsibilities I have in my job ≅	.15	.12	**.86**	.08	-.02	.03
I am fairly paid compared to employees in other organizations doing similar work ≅	.11	.05	**.85**	.11	.01	.03
I am given pay increases that maintain my standard of living ≅	.11	.10	**.77**	.10	.03	.18
My fringe benefits are fair compared to what employees doing similar work in other orgs. get ≅	.14	.20	**.74**	.05	.00	.01
My training and development is up to date ≅	.19	.09	.08	**.85**	.11	.13
I have the necessary training to do my job well ≅	.12	.06	.09	**.82**	.13	.08
I am supported when I want to learn new skills ≅	.30	.10	.19	**.72**	.13	.08
I frequently make suggestions to improve the work of my department	-.03	-.01	-.03	.03	**.73**	.09
Part of my job is to think of better ways of doing my job	.11	.07	.10	.11	**.71**	.04
I participate in activities that are not required but that help the image of my organization	.17	.11	-.06	.00	**.65**	.11
I keep up with developments that are happening in my organization	.07	.12	.01	.26	**.54**	-.04
Long term job security ≅	.13	-.03	.07	.06	.11	**.82**
Good career prospects ≅	.20	.11	.21	.24	.13	**.63**
Eigenvalue	8.88	3.38	2.44	2.09	1.32	1.09
Percentage of variance explained	30.6	11.7	8.4	7.2	4.6	3.8

≅ what is provided