

Measuring the psychological contract: Obligations, inducements, breach, and violation

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Overview

- What is the psychological contract?
- Breach and violation
- This research – Method
- Results 1 – Descriptive statistics
- Results 2 – Do obligations (promises) matter?
- Practical implications
- Contributions of the research
 - Theoretical
 - Practical

A model of the Psychological Contract

employer

Promised vs Delivered

Employee

Loyalty
Effort
Collegiality...



Promised vs Delivered

Employer

Pay
Recognition
Skill development...

employee

Examples of Psychological Contracts

Construction – security & balance



| | |
|-----------------|-----------------|
| <u>Employer</u> | <u>Employee</u> |
| Job security | Safe behaviour |
| Flexible hours | Loyalty |

Design – fast track development

| | |
|-----------------|-----------------|
| <u>Employer</u> | <u>Employee</u> |
| Skill develop't | Hours as needed |
| Key clients | Creativity |



Breach versus violation - conceptual issues

- Broken promises have negative effects
- Is it better to measure broken promise as
 - individual elements (obligation MINUS inducement) OR
 - Global assessment ?
- Breach (cognitive) versus violation (emotive)

RQ What relations & effects (prediction) do different elements (measures) of the psychological contract have?

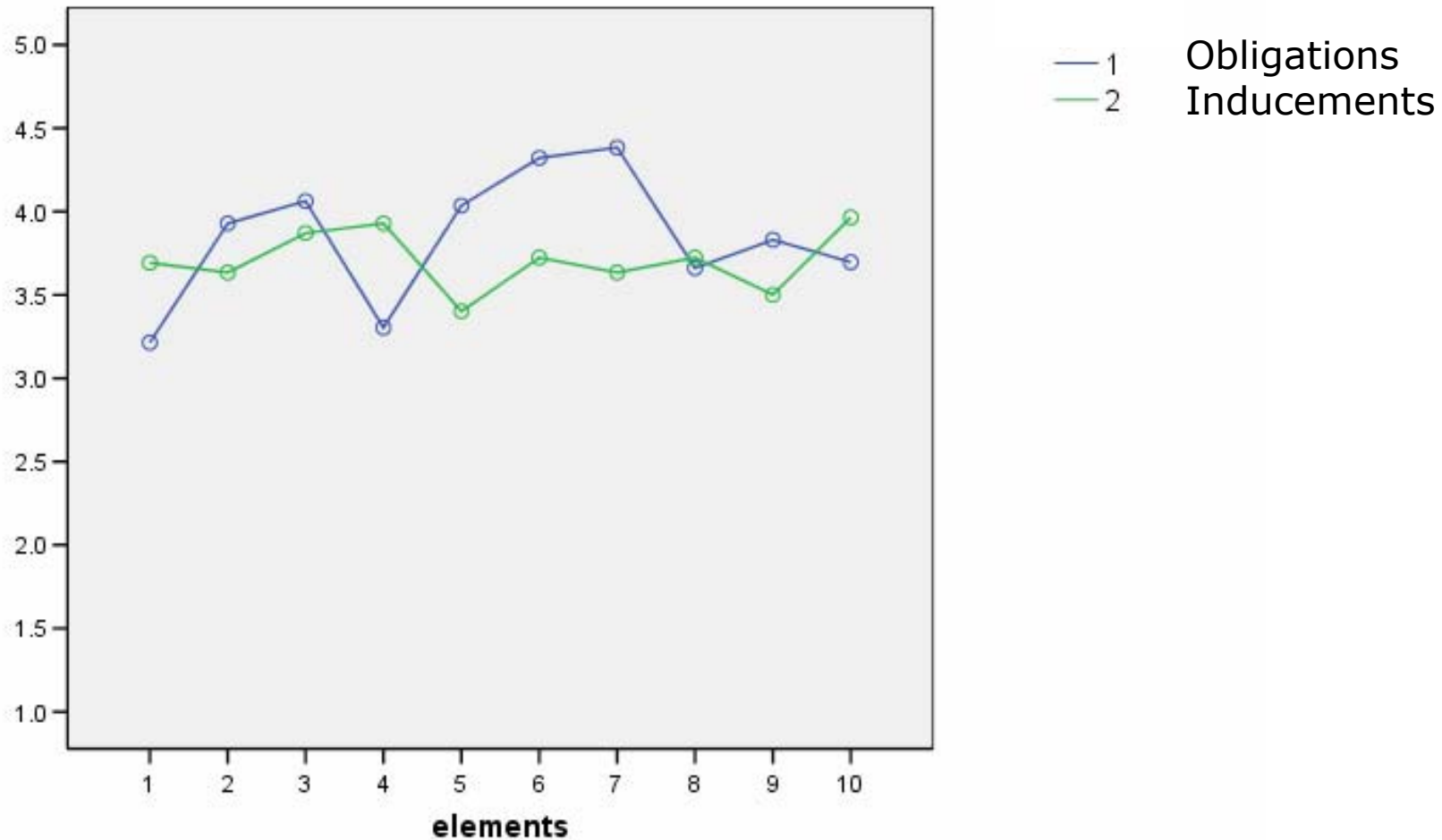
Method

- 8 organisations, public & private sector
- Respondents:
 - 112, 32% men (36) & 68% women (75)
 - Age range: approximately evenly spread across 4 age categories covering the working age population
 - Organizational tenure: 48% 3 years or more, 25% < 1 year, remainder 1-3 years
 - Job tenure: 60% < 2 years, 32% 3 years+
- Procedure: 15 minute phone or f2f survey interview
- Measures: range of attitudinal measures, mostly shortened versions of published scales

Employee Perceptions of Employer Side

| ORGANISATION | <i>Obligations</i> | <i>Inducements</i> | <i>Deficiency</i> |
|-------------------------------------|--------------------|--------------------|-------------------|
| Clear job responsibilities | 4.38 | 3.63 | 0.75 |
| Job training | 4.32 | 3.72 | 0.60 |
| Opportunities to develop new skills | 4.06 | 3.87 | 0.19 |
| A reasonable workload | 4.04 | 3.40 | 0.64 |
| A good rate of pay | 3.93 | 3.63 | 0.30 |
| Recognition for success | 3.83 | 3.50 | 0.33 |
| Job security | 3.70 | 3.96 | -0.26 |
| Control over your work | 3.66 | 3.72 | -0.06 |
| Flexible hours | 3.30 | 3.93 | -0.63 |
| Interesting work | 3.21 | 3.69 | -0.48 |

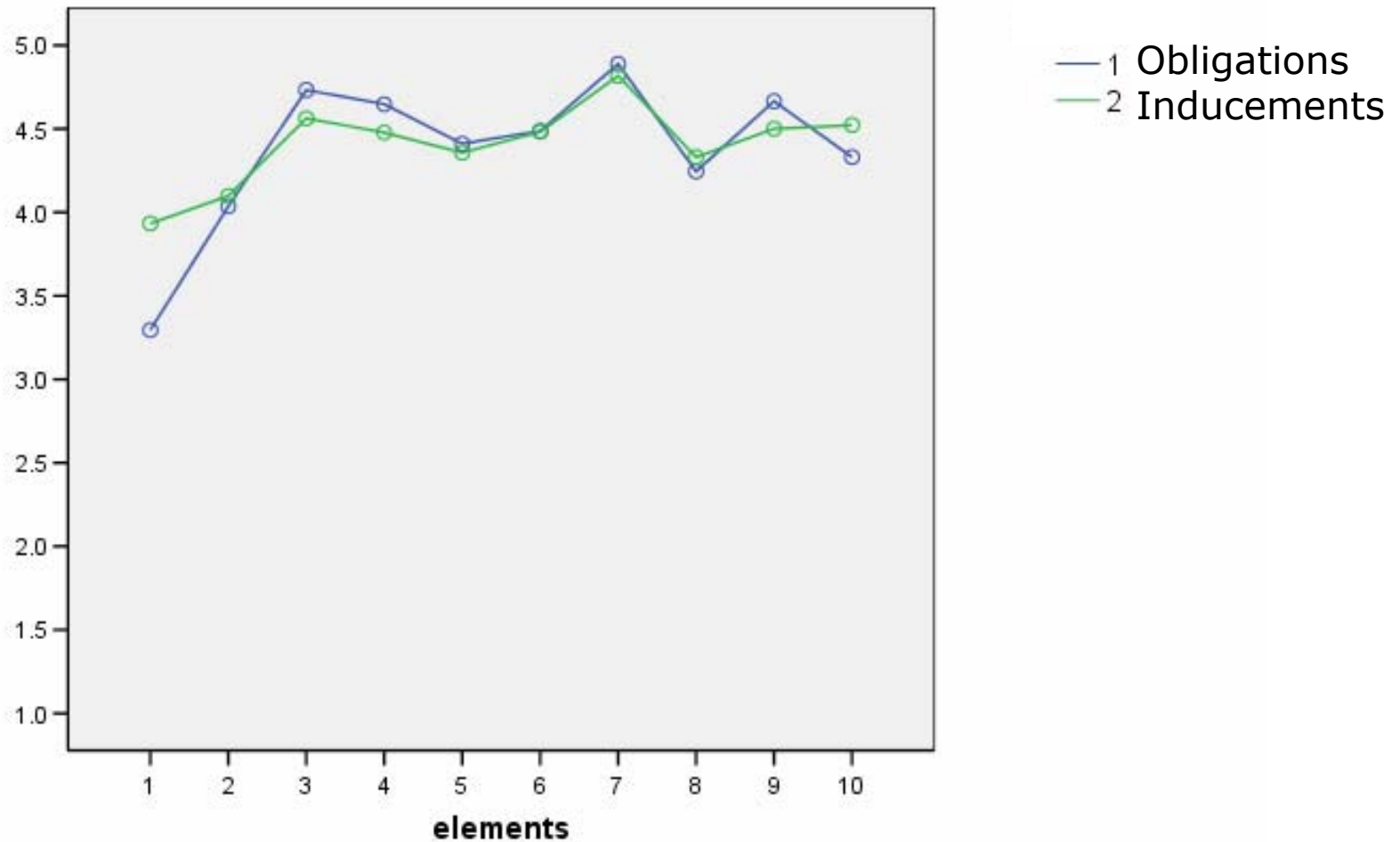
Psychological Contract - Employer



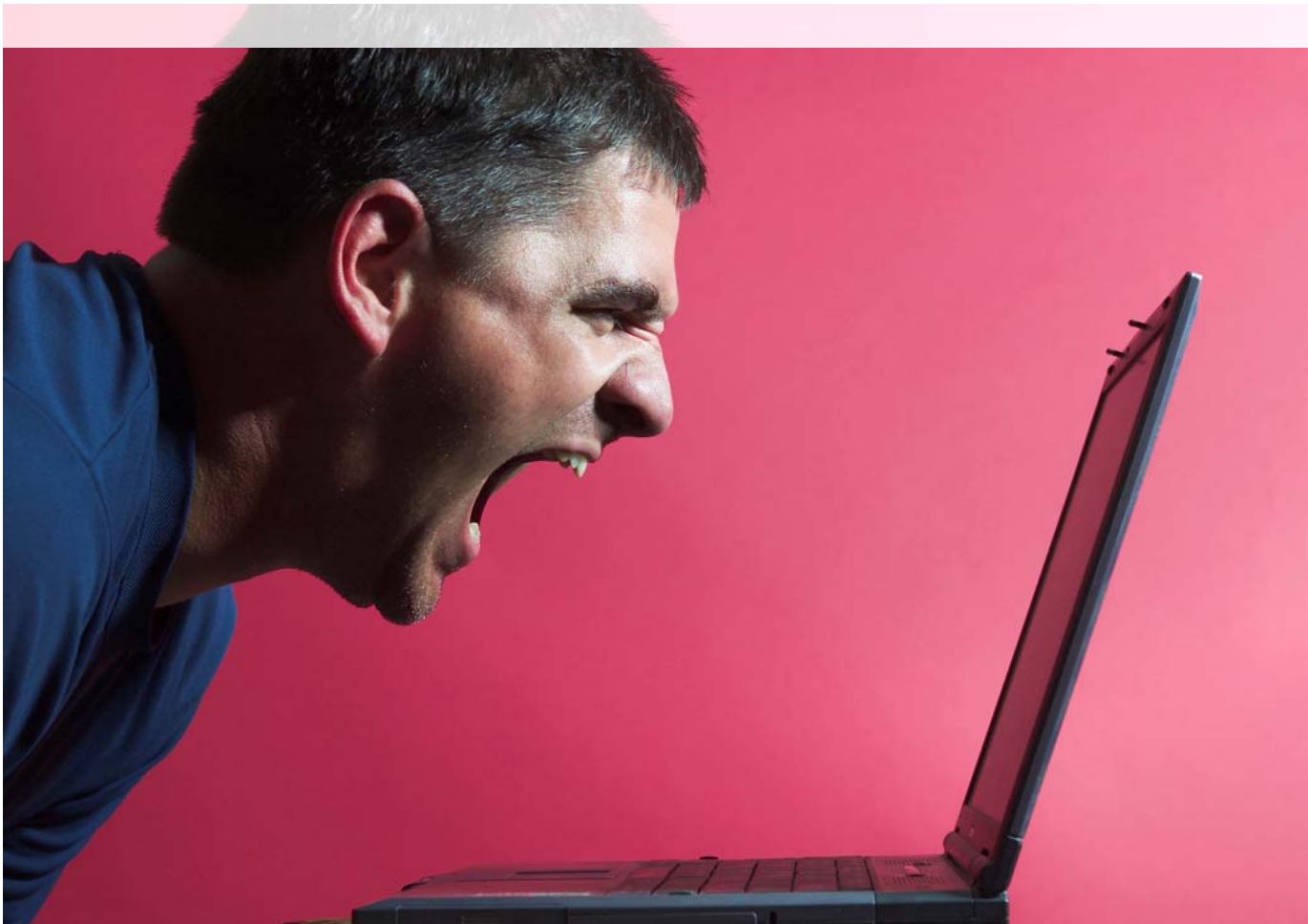
Employee Perceptions of Employee Side

| EMPLOYEE | <i>Obligations</i> | <i>Contributions</i> | <i>Deficiency</i> |
|--|--------------------|----------------------|-------------------|
| Protect confidential information about the company | 4.89 | 4.82 | 0.07 |
| Perform your job reliably | 4.73 | 4.56 | 0.17 |
| Deliver good quality work | 4.67 | 4.50 | 0.17 |
| Follow your company's policies & procedures | 4.65 | 4.48 | 0.17 |
| Co-operate well with colleagues | 4.49 | 4.48 | 0.01 |
| Participate in training | 4.41 | 4.36 | 0.05 |
| Try to get along with colleagues | 4.33 | 4.52 | -0.19 |
| Work fast and efficiently | 4.25 | 4.33 | -0.08 |
| Develop new skills as needed | 4.04 | 4.10 | -0.06 |
| Work extra hours to get the job done | 3.29 | 3.93 | -0.64 |

Psychological Contract - Employee



Perception of Breach & Violation



Employer side: What matters?

CORRELATIONS

Obligations (promises)

A good rate of pay

Fulfilment
(global cognitive)

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Violation
(global emotional)

-.23

Clear job responsibilities

.22

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Recognition for success

.27

-.21

Job security

.28

-.26

Summed employer obligations

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Inducements (delivered)

9 of 10 significant

Weak to Moderate
(.19 to .53)

Weak to Moderate
(-.25 to -.50)

Recognition for success

.55

-.60

Summed employer inducements

.57

-.61

Promises predicting violation: Does breach mediate?

Obligations

Inducements

A good rate
of pay

A good rate
of pay

Recognition
for success

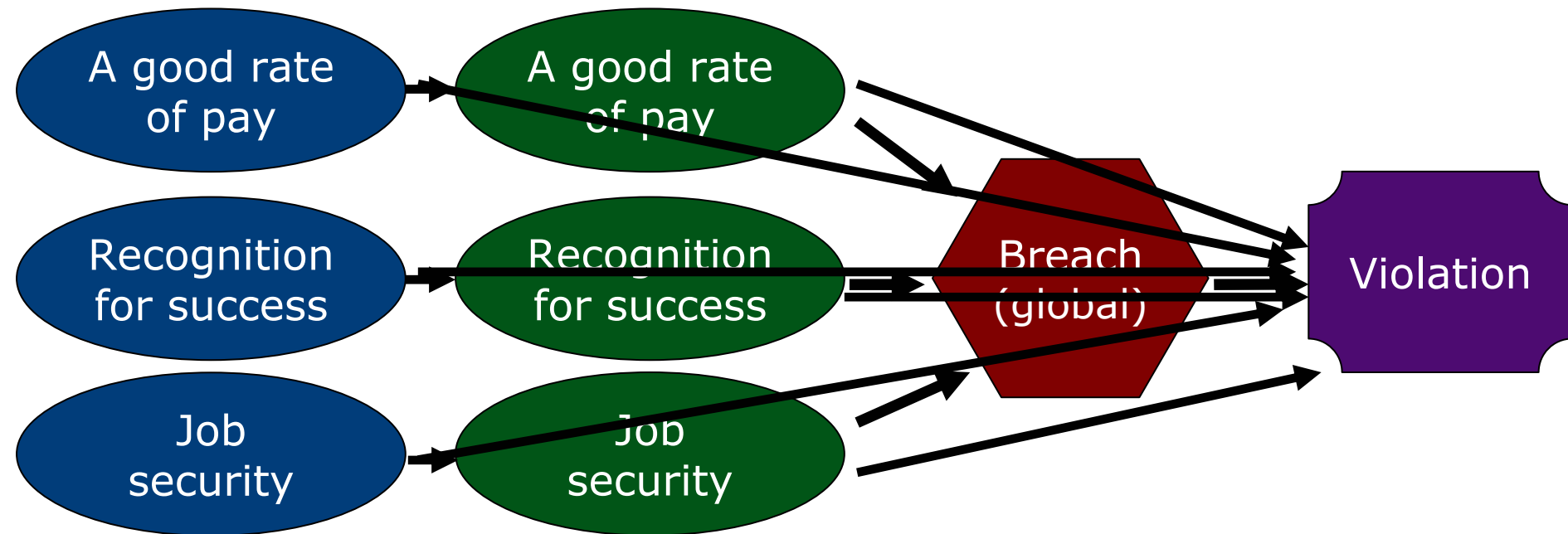
Recognition
for success

Job
security

Job
security

Breach
(global)

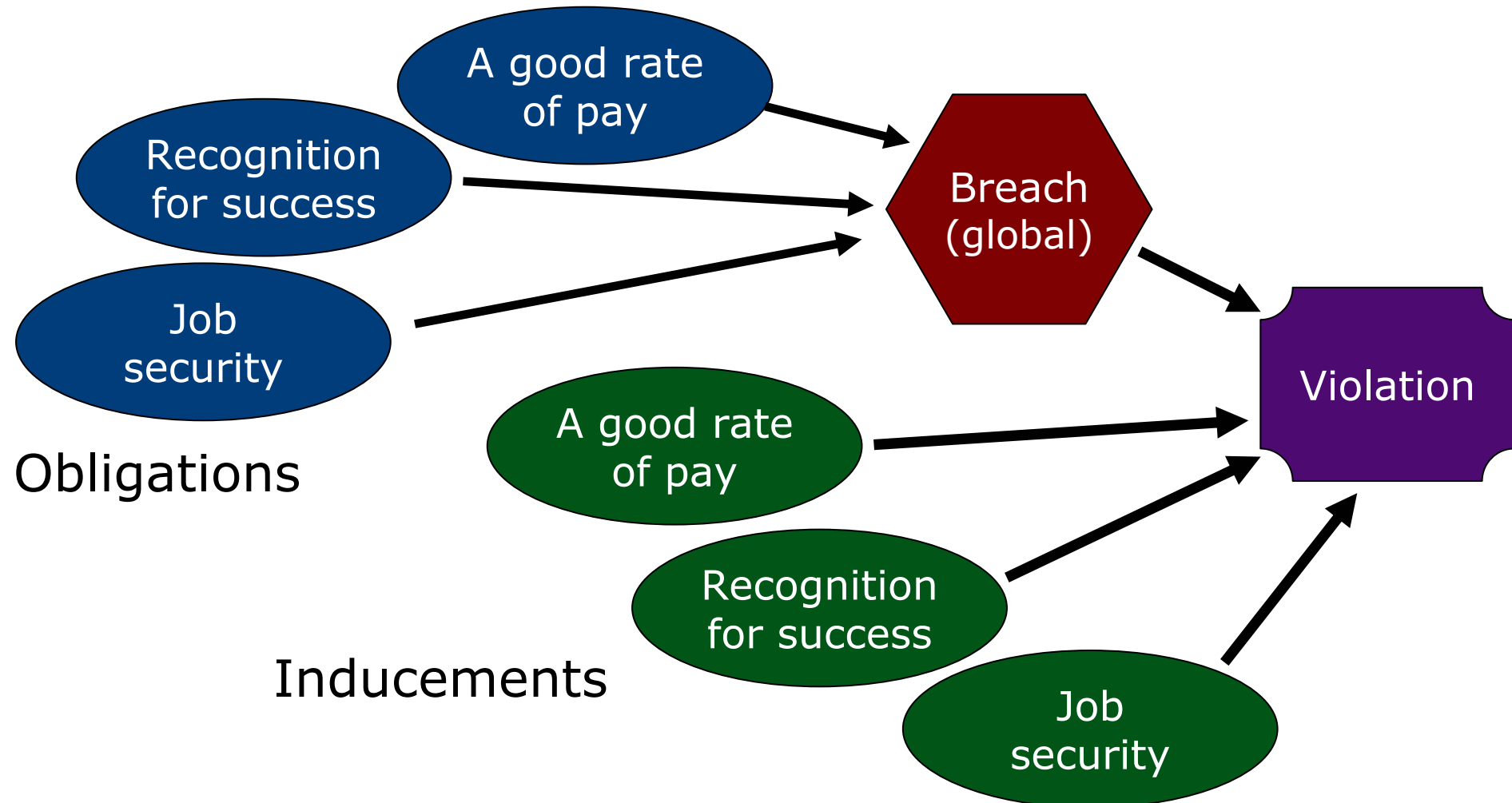
Violation



Promises predicting violation

| | | β | ΔR^2 | ΔF |
|---------|-------------------------|---------|--------------|------------|
| Oblig'n | A good rate of pay | -.09 | .08 | 3.32* |
| | Recognition for success | .09 | | |
| | Job security | -.05 | | |
| Induc't | A good rate of pay | -.08 | .32 | 19.02* |
| | Recognition for success | -.32* | | |
| | Job security | -.04 | | |
| Breach | | -.42* | .11 | 24.38* |
| | | | | |

Promises predicting violation: Does breach mediate? – *Partially!*



Theoretical Contributions

- Evidence for
 - cognitive and emotive aspects of the psychological contract
 - Global assessments and individual elements have limited overlap
- Influence of the psychological contract on outcomes
 - Violation important – emotional wellbeing
 - Need to look at other outcomes – attitudes, performance, absenteeism, turnover...

Practical Implications

- Obligations: less important as individual elements than global perception of breach in predicting violation
- Inducements: cannot get around poor delivery at individual element level
- *NB Research shows that if you can provide a good explanation for underperformance (breach), then this may be allowed i.e. potential to prevent violation*
- Measurement: both elements and global items are important
 - Elements allow you to understand at a detailed level, and make specific changes
 - Global a closer reflection of an employee's "everyday" cognitions

Next steps

- Looking in detail at other outcomes
- Paired data
- Follow-up interviews