

EAWOP Small Group Meeting on Psychological Contracts – Report

February 14-16, 2007, ETH Zurich, Switzerland

Rationale

The objectives of this suggested EAWOP Small Group Meeting on psychological contracts were two fold: to foster exchange and cooperation on an international level and to develop research on psychological contracts by stimulating research attention to under explored issues relating to psychological contracts.

At the beginning of the 1990s several research groups, mainly in the US, have started to analyse the psychological contract of employees. During the last years, a growing number of research groups all over Europe have begun to work with the psychological contract concept, which has become an important research topic within organizational psychology. This meeting therefore aimed to offer a platform for developing cooperation amongst European researchers and also between European and US researchers. Furthermore the meeting aimed to strengthen the European perspective to studying the psychological contract and provide a forum for highlighting its significance at the international level. To accomplish this, two eminent US psychological contract researchers were invited to participate in the meeting.

The majority of research on the psychological contract has concentrated on the relation between psychological contract and outcomes (e.g. well-being, intention to quit, commitment) or the mediating or moderating function of variables (e.g. organisational justice) on the individual level. Although, this has been an important issue to examine, a number of areas such as conceptual issues, methodological issues and the organizational context have been neglected in current research. The following short summary of research findings shows first attempts to capture these issues.

Concept: Problems of the psychological contract concept have been discussed e.g. by Guest (1998) and Rousseau (1998). Most definitions of the psychological contract applied in research have failed to address these shortcomings despite calls by researchers to examine the theoretical roots of psychological contracts in Social Exchange theory (Coyle-Shapiro & Parzefall, 2005; Taylor & Tekleab, 2004). In addition, inadequate attention has been given to the potential overlap between psychological contracts and legal relational contract theory (Roehling, 2004). Therefore, the conceptual and theoretical basis of psychological contracts warrants additional scrutiny.

Method: The primary methodology employed in psychological contract research are cross sectional surveys. Few longitudinal studies exist (e.g. Conway & Briner, 2002; de Vos, Buyens, & Schalk, 2003) and fewer apply qualitative methods (e.g. Purvis & Cropley, 2003; Raeder & Grote, 2005). Future research on the psychological contract could benefit from adopting diverse research methods in order to capture the complexities involved in understanding the employee-employer exchange relationship.

Context: Few researchers have paid attention to the context in which the psychological contract is developed, maintained or disrupted. To our knowledge, there is one empirical study that examines how psychological contracts develop in organizations (e.g. de Vos, Buyens, & Schalk, 2003) and one study that examines how the employer uses communication to manage its psychological contracts with employees (Guest & Conway, 2002). There is an emerging body of research that examines psychological contracts in the context of organisational change or flexibility (e.g. Isaksson, 2005; Raeder & Grote, 2004; Schalk, Heinen, & Freese, 2001) and it is only recently that researchers have begun to examine the linkages between psychological contracts and strategic human resource management strategies (e.g. Flood, Turner, Ramamoorthy, & Pearson, 2001). To stimulate future integration across disciplines, we are invited a guest that has been crucial in promoting linkages between psychological contracts and HRM.

Programme

Session 1: Conceptual and Methodological Issues in Psychological Contract Research

(i) Conceptual Issues

Psychological contract 'breach': A multiple component perspective to an over-researched construct?
Vincent Cassar & Rob B. Briner, UK

(ii) Methodological Issues

Psychological Contract Perceived Breach and Outcomes: Combining Meta-Analytic Procedures with Structural Equation Modelling

Gabriela Topa and José F. Morales, Spain

Psychological Contract Research – A Time for Qualitative Study Designs?

Marjo-Riitta Parzefall, Finland

A diary study exploring the processes of psychological contract creation

Maria Tomprou and Ioannis Nikolaou, Greece

Content matters: Different reactions to mismatches in the psychological contract by cosmopolitans and locals

Gudela Grote, Marius Gerber, Hannes Gunter and Anette Wittekind

Session 2: Demographic Influences on the Psychological Contract

Psychological contract and aging: a test of age-related differences in the experience and relations of psychological contracts

P. Matthijs Bal, Annet H. de Lange, Paul. G.W. Jansen, Mandy. E.G. van der Velde, The Netherlands

Age-related changes in the psychological contract and employability and organizational commitment

Rene Schalk, The Netherlands

Session 3: Longitudinal studies on psychological contracts

Psychological contract violation, career anchors and adjustment strategies to role transitions

Stefano Toderi, Giovanna Bianco, Marco Depolo, Guido Sarchielli, Italy

A longitudinal study of changes in psychological contracts during extensive organizational restructuring

Charissa Freese and Rene Schalk, The Netherlands

Session 4: Situational influences on the psychological contract

The development of psychological contract breach and violation: The influence of perceived quality of relationships

Isabel Carvalho, Luis Curral and M. J. Chambel, Portugal

How Important is the Psychological Contract in Shaping Outcomes?

David Guest, Michael Clinton & Kerstin Isaksson, UK & Sweden

The drop that brings the barrel to blast? Change of phase models for the relation between psychological contract breach / fulfilment and several outcomes

Thomas Rigotti, Germany

Psychological Contracts of People Who (seemingly) have no Formal Contract: Perception of Unpaid Activities as Volunteering or as Work and their effects Satisfaction, Commitment, and OCB upon

Moshe Krausz and Maya Perry Mittelpunkt, Israel

Session 5: Management of psychological contracts as a task of leadership and HRM

Leadership, HRM and the Psychological Contract

Patrick C. Flood, Nagarajan Ramamoorthy and Claire Armstrong, Ireland

Leadership style and subordinate psychological contract; some preliminary findings
Susanne Tafvelin, Sweden

Managing Psychological Contracts
Ilse Laubscher, Republic of South Africa

How do career orientations and elements of psychological contracts influence work outcomes?
Marius Gerber and Gudela Grote, Switzerland

Marc Roehling, Jacqueline Coyle-Shapiro, Patrick Flood, Sabine Raeder and Susan Taylor served as discussants for the papers presented in the sessions.

Personal impression

During the meeting, we had lively and fruitful discussions. The feedback was very helpful for further developing our work. The meeting helped to improve argumentations and to discuss and find agreement on important issues. The opportunity to know one another personally enhanced the exchange. Thus, the EAWOP provided an excellent opportunity to bring people together and to provide a framework with more time to talk than on a normal conference.

The main focus of the meeting lay on research related topics. Ilse Laubscher's presentation of firm processes in the Republic of South Africa was an inspiring exception highlighting the importance of applying our scientific knowledge in practice.

Lessons learned

In this section conclusions which were drawn in the presentations and papers and further developed in the discussion are presented. This section summarises main arguments brought forward during the meeting, but does not represent a consensus of the group.

- The conceptual distinction between psychological contract items related to the organisation and items related to experiences before the employment relationship should be improved.
- The breach and the fulfillment of the psychological contract should be better distinguished and conceptual differences should be explored. Different instances leading to breach should be regarded like delay, inequity or reciprocal imbalance.
- We need to learn more about moderating variables in relation to contract breach. Breach is depending on salience and therefore breach is experienced because some content is salient.
- The analysis of the relationship between psychological contracts and age suggests new dependent variables. It can be concluded from the results which showed a decrease of psychological contract violation with age that an adaptation process is going on. New dependent variables could be related to the human capital of the employee.
- Organisation-level predictors and outcomes should be included in studies to relate employee information to the context and to measure the impact on the organisation.
- Qualitative methods should be applied to clarify processes for instance around contract breach and to provide information which are considered as useful for the application of research results in companies.
- Meta analyses should be conducted.
- Non-linear relationships should be investigated and methods for such analyses explored. For example it can be assumed that the impact of breach on outcomes is moderate at a lower level of breach and stronger at a higher level of breach.

- Developmental and longitudinal aspects of the psychological contract should be explored by focusing on the initial phase of establishing the contract or later events during the employment relationship.
- In general, research should improve the focus on the process of the psychological contract also in relation to the ongoing exchange relationship.
- It should be clarified how exchange processes are evolving, what is exactly exchanged and with regard to which time frame is the exchange evaluated (to the present, the past or the future).
- The company example showed that it is possible to change the psychological contract in a firm collectively by moving away from breach and violation and by focusing on how employees and employer support one another.

Conclusion

Based on the results of the discussion described above, the participants of the meeting identified three main areas in which research should proceed. It is important that further research:

- Clarifies the conceptual basis and strengthens the related argumentation. A basis can be found in traditional legal contracts as discussed by Macneil and in social exchange theory.
- Discusses methodological approaches pursuing three objectives.
 - To provide an overview over methods applied and operationalisations chosen.
 - To explore alternative methodological approaches such as qualitative methods which are so far rarely applied.
 - To suggest further developments such as longitudinal studies.
- Focuses on contextual issues pursuing the goal of influencing psychological contracts through antecedents. As antecedents allowing to shape psychological contracts HRM, change processes or career opportunities can be considered.

The conclusions drawn during the meeting were rather focused on research issues than on policy or practice in organisations.

Emerging research agenda

We identified research needs in a few areas, which form the suggested research agenda along the following lines:

1. Improve theoretical foundation, relate concepts and measures to theoretical foundation, provide a basis for few consistent conceptualizations of psychological contracts, suggest how to relate to theoretical foundation
2. In-depth information through qualitative methods
3. Apply quantitative models not yet used, e.g. non-linear analyses and longitudinal methods, define levels of analysis
4. Improve knowledge about development of psychological contracts
5. Improve knowledge on context in which psychological contracts are developed, e.g. role of HRM and leadership, organisational agents, careers and organisational change

References

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