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THE IMPACT OF THE PSYCHOLOGICAL CONTRACT
ON ORGANIZATIONAL COMMITMENT

A
Dissertation
Presented to the
Graduate Faculty of
Liberal and Interdisciplinary Studies
College of Arts and Sciences
United States International University

In Partial Fulfillment
of the Requirements for the Degree of
Doctor of Philosophy
in Leadership and Human Behavior

by
Sirichet Sangkaman
San Diego, 1995

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Abstract of Dissertation

THE IMPACT OF THE PSYCHOLOGICAL CONTRACT
ON ORGANIZATIONAL COMMITMENT

by

Sirichet Sangkaman, Ph.D.

United States International University

Committee Chairperson: Herbert George Baker, Ph.D.

THE PROBLEM. Work motivation theories launched a new series of explorations of individual needs and expectations from work. The proposed work motivation relationship links individuals and organizations together and creates the "psychological contract." This new paradigm in work motivation was hypothesized to affect the level of organizational outcomes. This study involved an investigation of the impact of the psychological contract, as measured by the Psychological Contract Questionnaire (PCQ), on organizational commitment, as measured by the Organizational Commitment Questionnaire (OCQ).

METHOD. Research instruments, the PCQ for Employees and PCQ for Supervisors, were developed under the phenomenal analysis technique and subject matter experts to measure the strength of the psychological contract (SPC). Allen and Meyer's (1990) Organizational Commitment Questionnaire (OCQ) was adopted to measure the organizational commitment. A

standard regression analysis was employed to investigate the relationship among scores from the questionnaires.

RESULTS. No statistically significant relationship was found between the strength of the psychological contract and the organizational commitment level of employees. In contrast, there were statistically significant relationships between the strength of the psychological contract and organizational commitment level of supervisors. The conclusion reached was that the psychological contract influences the level of commitment in an organization; however, other variables should also be taken into consideration for achieving an understanding of work motivation.

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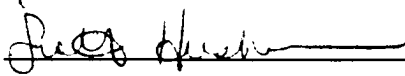
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Scott L. Hershberger, Ph.D.



Date



Dean

DEDICATION

To my father, Chob Sangkaman, and
my mother, Ketsuda Sangkaman,
for their love and knowledge.

ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to all my committee members. Thanks goes to Dr. Herbert George Baker, chairperson, for his attention to details and standards of excellence which guided this project, to Dr. James W. Ewing without whose support and brilliance this project could never been completed, and to Dr. Scott L. Hershberger whose indispensable feedback on statistical analysis provided a practical perspective on the project.

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Chapter 1

INTRODUCTION

A psychological contract is a bond between an individual and an organization. It represents an implicit agreement that an individual and an organization will treat each other fairly (Schein, 1980). It is unwritten and unofficial and therefore is not legally binding on both parties (Levinson, Price, Munden, Mandl, & Solley, 1962). Motivation for compliance is based entirely on presumably shared beliefs and mutual trust (De Meuse & Tornow, 1990). Nevertheless, the psychological contract exerts a powerful influence on mind and emotions (Baker & Spier, 1990). As Levinson et al. (1962) wrote:

The psychological contract is a series of mutual expectations of which the parties to the relationship may not themselves be even dimly aware but which nonetheless govern their relationship to each other. (p. 21)

Broadly stated, a psychological contract is the totality of expectations held by the parties to any interaction (Kotter, 1973). The concept of psychological contracting with respect to the work situation is based on the idea that mutual expectations exist between the employee individual and the organization, forming explicit and implicit contracts throughout the period of employment

(Schein, 1980).

The contract is termed psychological because it consists of sets of beliefs or perceptions regarding mutual expectations (Levinson et al., 1962), is largely unwritten and unspoken (Cole, 1981), and not all of its elements may be realized by parties to the interaction (Baker, 1985). Baker (1985) explained that certain material rewards and benefits can be explicitly stipulated and agreed upon, but psychological factors such as job satisfaction and expectations of challenging work, fair treatment, and so forth are more implicit in nature and difficult to specify. Yet, although unstated, this "psychological income" is perhaps the contract's most critical component. Thus, the intangible aspects of contractual relationships between both parties also lead to the development of the psychological contract.

Expectations can be seen from two distinct points of view. From one perspective, there are the employee's expectations of his or her employer and the employer's ability to meet those expectations; from the other side, the organization's expectations of the employee and that person's efforts to meet those expectations (Baker, 1985). Both parties will behave in accordance with their perceptions and react to the contract that they perceive to be in force.

When individuals join organizations, they have expectations of what they will receive and give (Kotter, 1973). They feel a strong need to define these elements and develop constructs relating to them (Berlew & Hall, 1966). They are motivated to become a part of the new environment. Adjusting to the new social system and the ambiguity surrounding them, employees are "unfreezing" themselves (Lewin, 1936) by searching for information and identification models in order to change in the direction they believe the organization expects them to change (Berlew & Hall, 1966). In this stage, the employee's side of the psychological contract is formed (Baker, 1985).

The organization also has expectations of what to receive and give. These expectations, which arise out of interaction in the daily operations of an organization, can be similar to or different from those of the employee. If they are similar, then there is a "match" of expectations, which results in enhanced human involvement in the organization (Rashford & Coghlan, 1987). On the other hand, if the expectations differ, then there is a "mismatch" of expectations. In the case of mismatch, both parties may perceive violations of the psychological contract, leading to feelings of betrayal and deep psychological distress (Tornow, 1988). Moreover, when the psychological contract is not fulfilled, this unwritten, unspoken, and unrealized agreement between both parties will tend to be even more

important in many ways than a legal contract (Levinson et al., 1962).

Background of the Problem

Contemporary organizations are undergoing significant changes. Change is now a constant of organizational life, resulting in an uncertain and perhaps less promising future. Moreover, unforeseen changes are expected to increase (Mathys & Burack, 1994). Relationships within and between groups and units guide newer concerns oriented "horizontally," rather than "vertically," as in traditional organizations (Burack, Burack, Miller, & Morgan, 1994). The new paradigm in organization models also recognizes interdependencies of employment relationships that support corporate performance (Burack et al., 1994). The result is delegation of responsibility. Organizations become more dependent on high quality performance and high commitment throughout the organization's hierarchy, from employees and supervisors alike.

It is important for organizations to understand this new kind of relationships that creates a mutual bond between individuals and organizations. This new trend of a mutual bond shifts away from a purely "transactional contract," which involves only specific monetizable exchange between both parties, to a "relational contract," which concerns open-ended and less specific agreements that establish relationships (Robinson, Kraatz, & Rousseau, 1994).

The interaction between an individual and an organization in this new kind of work relationship is a dynamic, two-way process of exchange. Generally, both parties participate in this relationship only because of what each expects to receive in return for involvement. Organizations employ individuals because their knowledge and skills are essential for the organization to successfully achieve its goals. Individuals, in turn, yield some of their personal freedoms to organizations in order to fulfill their personal needs. Thus, this relationship can be viewed as cooperative and fulfilling only when it offers both parties, individual and organization, the opportunity to meet their respective needs and expectations.

Statement of the Problem

As the business environment becomes increasingly complex, neither employee nor employer is guaranteed lifetime security. Public opinion polls clearly show that employees are becoming less committed to their employers (De Meuse & Tornow, 1990; Filipczak, Gordon, Hequet, & Picard, 1994). Likewise, evidence reveals that employers are less committed to their employees (De Meuse & Tornow, 1990).

To recapture commitment in a rapidly changing world, there must be reciprocal relationships, or psychological contracting (Burack et al., 1994; De Meuse & Tornow, 1990; 1994). The new psychological contract for today and the

future includes companies offering "employee empowerment" (Mathys & Burack, 1994). Employment relationships must be evaluated and improved through mutual responsibility. Organizations need to share more power and decision making with their employees (Lawler & Mohrman, 1989). Employee involvement is the key to a new era of management and employee roles and relationships (Burack et al., 1994). Organizations may gain employee commitment by opening up opportunities for employees to be involved in decisions regarding their work and by linking employee contributions to the success of the business. In return for sharing more power and control with employees, organizations expect their employees to be more self-motivated and to take greater responsibility for their performance and their own career management.

The result is that commitment becomes more focused on the employment relationship and what the organization and employee must do to keep the relationship mutually beneficial. Under this new type of relationship, workers are increasingly expected to like their work, to become creative in service to the organization, and to become personally committed to organizational goals.

Unfortunately, very few empirical studies of the psychological contract have been done. Even fewer studies have examined the relationships between the psychological contract and important variables such as job turnover,

organizational commitment, and job performance. The present study was designed to contribute to this largely unexplored domain, specifically, in the area of organizational commitment.

Purpose of the Study

The purpose of the present study was to investigate the relationship between strength of the psychological contract and organizational commitment.

Theoretical Framework

The Psychological Contract

The psychological contract is based on individual beliefs about reciprocal obligations between employee and employer (Rousseau, 1990). This psychological contract reflects the relationship between an individual's expectations of his or her own obligations and the organization's obligations. The contract which emerges from these expectations is very different from a legal contract. An individual or organization may not even realize that it exists (Baker, 1985). For example, an individual may have very clear expectations of his or her work skills but very unclear expectations of how much he or she is willing to use those personal skills for the organization. Similarly, the organization may have a clearer realization of some expectations, a less clear realization of others. Furthermore, psychological contracting is a dynamic process;

it is not finished during the period of organizational entry (Baker & Spier, 1990). The contract must be modified as individual and organizational expectations change.

Kotter (1973) explained that when individuals join an organization, they have expectations of what they will receive as well as expectations of what they will be required to give. The organization also has expectations of what it will receive from employees and expectations of what it will offer them in return.

The following are the areas in which an individual has expectations of receiving and an organization has expectations of giving. That is, for each item on this list, individuals will have an expectation about what the organization will offer them or give them in that area. Likewise, the organization has an expectation about what it will offer or give the individual in that area (Kotter, 1973):

- 1) A sense of meaning or purpose in the job.
- 2) Personal development opportunities.
- 3) The amount of interesting work (stimulates curiosity and induces excitement).
- 4) The challenge in the work.
- 5) The power and responsibility in the job.
- 6) Recognition and approval for good work.
- 7) The status and prestige of the job.
- 8) The friendliness of the people, the congeniality of the work group.
- 9) Salary.
- 10) The amount of structure in the environment (general practices, discipline, regimentation).
- 11) The amount of security in the job.
- 12) Advancement opportunities.
- 13) The amount and frequency of feedback and evaluation. (p. 93)

The following items are examples of areas in which an individual has expectations of giving and the organization has expectations of receiving. For each item, individuals will have an expectation about what they are willing or able to give or offer the organization in that area. Likewise, the organization has expectations about what it will receive from individuals in the area (Kotter, 1973):

- 1) The ability to perform nonsocial job-related tasks requiring some degree of technical knowledge and skill.
- 2) The ability to learn the various aspects of a position while on the job.
- 3) The ability to discover new methods of performing tasks; the ability to solve novel problems.
- 4) The ability to present a point of view effectively and convincingly.
- 5) The ability to work productively with groups of people.
- 6) The ability to make well-organized, clear presentations, both orally and written.
- 7) The ability to supervise and direct the work of others.
- 8) The ability to make responsible decisions well without assistance from others.
- 9) The ability to plan and organize work efforts for oneself or others.
- 10) The ability to utilize time and energy for the benefit of the company.
- 11) The ability to accept company demands which conflict with personal prerogatives.
- 12) Social relationships with other members of the company off the job.
- 13) Conforming to the folkways of the organization or work group on the job in areas not directly related to job performance.
- 14) Further education pursued off company time.
- 15) Maintaining a good public image for the company.
- 16) Taking on company values and goals as one's own.
- 17) The ability to see what should or must be done, and to initiate appropriate activity. (p. 93)

The important point to be learned from these lists is that each party, individual and organization, must recognize

the needs and expectations of the other. Schermerhorn, Hunt, & Osborn (1985, p. 46) posited that the psychological contract specifies the exchange of values that causes the individual to work for the organization and causes the organization to employ that person. Once an agreement is established, its maintenance is based on the perception of both parties that they are getting adequate value returned for services rendered (Portwood & Miller, 1976).

The Strength of the Psychological Contract

There is a binding force between employee and organization that derives from mutual expectations (Dhammanungune, 1990). This concept of binding force can also be applied to enhance the understanding and measurement of the psychological contract between employee and supervisor. Measurement can be undertaken by examining the properties of the contract: the elements of expectation, the level of expectation, and the weight of importance of each element of expectation. Thus, the strength of the psychological contract is a degree of binding force that derives from the overall mutual expectations between the two parties of the interaction.

The strength of the psychological contract is operationalized as a function of the algebraic sum of the person's needs and expectations, multiplied by the weight of needs and expectations respectively (Dhammanungune, 1990, p.

167); symbolically,

$$SPC = f \left[1 - \frac{1}{\sum_{j=1}^n \{ (Ne_i * Wn_i) - (Fe_i * Wf_i) \}} \right]$$

where

Ne_i = level of need expectation,
 Wn_i = weight of the need expectation,
 Fe_i = level of fulfillment expectation,
 Wf_i = weight of the fulfillment expectation,
 n = number of the elements of expectation.

This rational formula provides the framework which encompasses the conditions that motivate the process of psychological contracting. The formula also concurs with a previous concept of the strength of the psychological contract posited by Schein (1980):

The degree to which their own expectations of what the organization will provide to them and what they owe the organization in return matches what the organization's expectations are of what it will give and get in return. (p. 99)

The formula assists in perceiving and interpreting the dynamics of the strength of the psychological contract. The formula provides quantification of the degree of the agreement, and its measurability is evidence of the underlying concept's construct validity.

Organizational Commitment

Interest in organizational commitment has been expressed through both theoretical and empirical efforts to determine the antecedents and outcomes of such commitment (Buchanan, 1974; Hall & Schneider, 1972; Meyer & Allen, 1984, 1987; Mowday, Porter, & Dubin, 1974; Porter, Steers, Mowday, & Boulian, 1974). Some of the earliest and most

influential work in the organizational behavior literature examined employee commitment to their employers, commonly referred to as *organizational commitment* (Meyer, Allen, & Smith, 1993). Organizational commitment has been repeatedly identified as an important variable in understanding the work behavior of employees in organizations (Mowday, Steers, & Porter, 1979). Kanter (1968) defined commitment as:

The process through which individual interests become attached to the carrying out of socially organized patterns of behavior which are seen as fulfilling those interests, as expressing the nature and needs of the person. (p. 499)

Grusky (1966, p. 489) referred to organizational commitment as the nature of the relationship of the members to the system as a whole. Patchen (1970) analyzed organizational commitment into three components: (1) feelings of solidarity with the organization, (2) attitudes or behaviors which support or strengthen a member's association with the organization, and (3) perceptions of shared characteristics with the organization and its members. Porter, Crampon, and Smith (1976) defined organizational commitment as the relative strength of an individual's identification with and involvement in a particular organization.

Organizational commitment can be characterized by at least three related factors (Mowday et al., 1979, p. 226): (1) a strong belief in and acceptance of the organization's goals and values, (2) a willingness to exert considerable

effort on behalf of the organization, and (3) a strong desire to maintain membership in the organization. Organizational commitment thus reflects the outcome of shared goals and values, and it suggests the kind of relationship an individual chooses to pursue with the organization.

Like many constructs in organizational psychology, however, commitment has been conceptualized and measured in various ways (Allen & Meyer, 1990). These differences involve the psychological state reflected in commitment, the antecedent conditions leading to its development, and the behaviors that are expected to result from that commitment. Although several conceptualizations of commitment have appeared in the literature, each reflected one of three general themes (Meyer & Allen, 1987): *affective commitment*, *continuance commitment*, and *normative commitment*.

Affective commitment. One predominant approach to organizational commitment in the literature considers it as an affective or emotional attachment to the organization, such that strongly committed individuals identify with and involve themselves in the organization (Allen & Meyer, 1990). Kanter (1968) described "cohesion commitment" as the attachment of an individual's fund of affectivity and emotion to the group. Buchanan (1974) conceptualized commitment as:

a partisan, affective attachment to the goals and values of the organization, to one's role in relation to the goals and values, and to the organization for its own sake, apart from its purely instrumental worth. (p. 533)

Mowday, Porter, and Steers (1982) identified four antecedents of affective commitment: personal characteristics, organizational characteristics, job-related characteristics, and work experiences. Meyer and Allen (1991) noted that by far the strongest and most consistent relationship has been obtained with work experience. Employees whose experiences within the organization are consistent with their expectations and satisfy their basic needs tend to develop a stronger affective attachment to the organization. In other words, individuals will develop affective commitment when their personal and work characteristics are congruent with organizational characteristics. Individuals stay with the organization because they *want* to (Mowday et al., 1982).

Continuance commitment. Becker (1960, p. 33) described commitment in general as the tendency "to engage in consistent lines of activity" based on past behavior's link to the perception of costs associated with leaving the organization. Continuance commitment is believed to develop from an "economic rationale" (Stevens, Beyer, & Trice, 1978). It presumably develops as individuals recognize that they have accumulated investments or "side bets" (Becker, 1960). The term *side bet* refers to anything of value the

individuals have invested (e.g., time, effort, expertise), which would be lost at some perceived cost to the individuals if they were to leave the organization. The perceived cost of leaving may be increased by the threat of loss of any one or a combination of these investments. Thus, it is the fear of loss (e.g., seniority, insurance plans, retirement plans, employee discounts, working hours, and automatic pay increments) associated with leaving the organization that ties the individuals to the organization. Employees with continuance commitment, then, remain in the organization because they need to (Mowday et al., 1982).

Normative commitment. Normative commitment develops as the result of socialization experiences both prior to (e.g., family values) and following (e.g., organizational values) entry into the organization, which emphasize the appropriateness of remaining loyal to one's employer (Weiner, 1982). Weiner (1982) defined commitment as the totality of internalized normative pressures to act in a way which meets organizational goals and interests; he suggested that individuals exhibit such behaviors solely because they believe it is the "right" and "moral" thing to do. These behaviors have been identified as "personal norms" that are influenced by one's internal sense of moral obligations (Prestholdt, Lane, & Mathews, 1987). Internalization occurs when an individual accepts influence from outside sources such as a person or work group because the expected behavior

is congruent with the individual's own values.

Normative commitment develops as the result of the internalization of normative pressures to pursue a course of action, and the receipt of benefits that create a sense of obligation to reciprocate (School, 1981). For example, a person may grow up with the tradition of one-man for one-company or may receive financial support from an organization to pursue a certain occupation. These sources of pressure could contribute to the development of normative commitment. The individuals will remain in the organization because they feel they ought to fulfill the obligation (Mowday et al., 1982).

Research Hypotheses

Six hypotheses were tested in present study:

Hypothesis 1

There will be a statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and affective commitment of the employee, as measured by the Organizational Commitment Questionnaire.

Hypothesis 2

There will be a statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and continuance commitment of the employee, as measured by the Organizational Commitment Questionnaire.

Hypothesis 3

There will be a statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and normative commitment of the employee, as measured by the Organizational Commitment Questionnaire.

Hypothesis 4

There will be a statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and affective commitment of the supervisor, as measured by the Organizational Commitment Questionnaire.

Hypothesis 5

There will be a statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and continuance commitment of the supervisor, as measured by the Organizational Commitment Questionnaire.

Hypothesis 6

There will be a statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and normative commitment of the supervisor, as measured by the Organizational Commitment Questionnaire.

Importance of the Study

The importance of the present study is threefold. First, unlike most of the previous studies of the psychological contract, which have investigated the congruent expectations between employee and organization, the present study intensively investigated the congruent expectations between employees and their supervisors, which derive from the actual interactions in job operations. Therefore, the major limitation of reifying a non-human (e.i., the organizational) entity was avoided.

Second, instead of looking solely at the psychological contract from the employee's point of view, the present study focused on the degree of congruence between the expectations of employee and supervisor, which was hypothesized to have an impact on organizational commitment.

Third, the results can lead to better understanding and enhanced relationships among people in the work setting, relationship which are highly complex and not yet fully understood.

Scope of the Study

In the present study, the investigation was narrowly focused on the relationship between employee-supervisor expectations in three organizations in mid-west United States. The scope of the inquiry was further limited to measurement of the Psychological Contract Questionnaire (PCQ) and the Organizational Commitment Questionnaire (OCQ).

Definitions

The following are meanings of terms as used in the present study:

Employee expectation: the established criteria of needs of having an organization fulfill the development of psychological needs and facilitate physical support in the work setting.

Organization expectation: the established criteria of needs of having employees develop work skills, participate in activities, and follow the directions of the organization.

Psychological contract: the sum total of the explicit and implicit expectations between an individual and his or her supervisor.

Strength of psychological contract: the level of binding force between an individual and the organization that derives from the mutual expectations and the degree of importance of the corresponding dimensions and elements of the situation.

Affective commitment: the commitment that develops from the consistency of involvement of an individual and the organization.

Continuance commitment: the commitment that develops from the cost associated with leaving the organization.

Normative commitment: the commitment that develops from moral values of an individual regarding the organization.

Chapter 2

LITERATURE REVIEW

This chapter reviews the literature in these areas: work motivation, the psychological contract, and organizational commitment.

Work Motivation

Theories of Human Need

For a century, psychologists have studied a number of concepts related to human needs. Among the earliest of these concepts was *instinct*. McDougall (1923) defined an instinct as:

An innate disposition which determines the organism to perceive (or pay attention to) any object of a certain class, and to experience in its presence a certain emotional excitement and an impulse to action which finds expression in a specific mode of behavior in relation to that objective. (p. 110)

The instinct concept explained why people do things. According to the theory, humans will struggle out of a state of deficiency to get substances necessary for survival, or try to get out of a state in which there is an excess of substances that are harmful to survival. In other words, instinct acts as the driving force that compels humans to fulfill physiological or psychological deficiencies or

"needs." According to Murray's (1938) manifest needs theory, a need is:

A construct (a convenient fiction or hypothetical concept) which stands for a force (the physico-chemical nature of which unknown) in the brain region, a force which organizes perception, apperception, intellection, conation, and action in such a way as to transform in a certain direction an existing unsatisfying situation. A need is sometimes provoked directly by internal processes of a certain kind (viscerogenic, endocrinogenic, thalamicogenic) arising in the course of vital sequence, but, more frequently (when in a state of readiness) by the occurrence of a few commonly effective press (or features of the environment). (pp. 123-124)

The manifest needs theory assumes that individuals have a set of needs that motivate behavior. This set of needs is derived from human experience or are "learned needs." In other words, individuals are not born with any of them; individuals learn to need as they grow (Atkinson, 1964).

Murray (1938) posited that there are two components in each need: (1) *direction*, which is the objective of the need, and (2) *intensity*, which is the importance of the need. The degree of necessity of each component is also dependent on the appropriate environmental conditions to become manifest. Murray's manifest needs include a wide range of basic human needs: achievement, affiliation, aggression, autonomy, exhibition, impulsivity, nurturance, order, power, and understanding.

Maslow (1943) developed his idea of human needs under the influence of the human relations school of thought. He argued that human beings are "wanting" animals, and have

innate desires to satisfy a given set of needs. He asserted two principles: (1) a need which is satisfied is no longer active (the higher the satisfaction, the less the activity), and (2) human needs are arranged in a hierarchy of importance. The most basic needs lie at the bottom of the hierarchy, and the most characteristically human needs are at the top. Maslow (1943) identified five hierarchical sets of needs as the following: (1) physiological needs, (2) safety needs, (3) social or love and belonging needs, (4) esteem needs, and (5) self-actualization needs. Maslow postulated that the lower-order needs must be reasonably well satisfied before an individual can move on to satisfying the higher-order needs.

The individual is motivated in a step-by-step process through the hierarchy and will remain at a particular level until these needs are fairly well satisfied. As each level of need becomes substantially satisfied, it loses its motivational power, and the next level of need then becomes the predominant motivator. All of the needs mentioned before, except the last one, self-actualization, are to reduce a *deficiency*. The deficiency occurs when there is a discrepancy between the actual state of the individual and some fixed optimal or equilibrium state. Self-actualization, on the other hand, may be called a growth need, in the sense that deviations from the previously reached equilibrium state are not reduced, but enhanced,

made to grow, in a deviation-amplifying positive feedback loop (Heylighen, 1992).

According to Maslow (1970), self-actualization corresponds to ultimate psychological health. It is the driving force in individuals that leads them to *openness to experience* (McCrae & Costa, 1984). Individuals are eager to undergo new experiences, learn new ideas and skills, try out new things. A general reason for this openness may be that the self-actualizer is attracted towards the unknown, rather than afraid of it (Heylighen, 1992), a characteristic termed *freshness of appreciation* by Maslow (1970). An openness to experience may happen immediately or after having worked through the same task many times; suddenly, the individual experiences *beauty* and *excitement* as if for the first time. Such a sense of beauty is usually triggered by a certain type of objects or situations, depending on individual nature or experiences (Heylighen, 1992).

There are shortcomings in Maslow's (1970) ideas that have attracted criticism. Heylighen (1992) criticized Maslow for the lack of an integrated conceptual structure. She pointed out that Maslow's writings are heterogeneous and based on a collection of papers published in the 1940s and 1950s which consist often of apparently unstructured lists of remarks. The concept of self-actualization is not clearly defined, although the needs hierarchy seems relatively simple and consistent. Moreover, the definition

of self-actualization as fulfillment of all the basic needs does not always correspond with self-actualization as observed in existing persons. Mook (1987) stated that in different societies, in which individualistic and autonomous personalities differ, Maslow's self-actualizer would not be well-adapted or considered as possessing ultimate psychological health.

Alderfer (1969) later proposed the ERG theory as an alternative theory of human needs with a modified hierarchy. In many respects, his theory extends and refines Maslow's needs hierarchy concept, although there are several important differences between the two. The E, R, and G stand for Alderfer's three basic need categories: *Existence needs*, perceived as necessary for basic human existence, are those which deal with material and physiological desires. *Relatedness needs*, involving the need to relate to others, are needs in which satisfaction arises from the idea of sharing or mutuality. *Growth needs*, the highest needs, are those in which satisfaction results from engaging in activities which require individuals to utilize their capabilities and develop new abilities, striving to become the best they can be.

Although the needs are arranged in a hierarchy, Alderfer's (1969) need theory is not a strictly ordered one. The lower needs in the hierarchy do not need to be fulfilled as a prerequisite to fulfilling the higher needs.

Furthermore, Alderfer postulated "frustration-regression" by arguing that a person who is frustrated in trying to satisfy a higher level of needs eventually will regress to satisfying the preceding level, an idea different from Maslow's.

Alderfer's (1969) model also suggested that more than one need may be operative, or activated simultaneously. Alderfer (1969, p. 148) stated seven propositions which explain the function of the need system: (1) the less existence needs are satisfied, the more they will be desired, (2) the less relatedness needs are satisfied, the more existence needs will be desired, (3) the more existence needs are satisfied, the more relatedness needs will be desired, (4) the less relatedness needs are satisfied, the more they will be desired, (5) the less growth needs are satisfied, the more relatedness needs will be desired, (6) the more relatedness needs are satisfied, the more growth needs will be desired, and (7) the more growth needs are satisfied, the more they will be desired.

Herzberg (1966) was another researcher who contributed to the theories of human needs. His needs theory is called the *Two Factor Theory*. This theory is also based on the idea that individuals respond to the need to avoid "pain." The theory has two dimensions, one related to *Hygiene Factors* and one to *Motivators*. They are not the opposite ends of a single continuum but rather are two separate

dimensions.

Hygiene factors are the extrinsic factors that relate to a person's job. These factors include work environments, company policies, reward systems, job security, and interpersonal relations in the work group.

On the other hand, motivators are the intrinsic factors inherent in the work itself such as achievement, recognition, advancement opportunities, and job responsibilities. Intrinsic factors relate to the need for psychological growth. According to Herzberg (1966), this set of factors is the main source of motivation that can help workers reduce dissatisfaction.

The other way to reduce the dissatisfaction is to redesign the job. Herzberg (1966) introduced the concept of *job enrichment* as a way to motivate workers. Herzberg argued for vertical job loading, giving the worker more freedom and authority, more challenge, and the use of more skills. Although Herzberg mentioned that there are differences in individuals in terms of their preferences, the theory still failed to take into account individual differences in reactions to work characteristics.

There are differences among the above-mentioned theories versions concerning the ubiquity of human needs (Alderfer, 1969; Herzberg, 1966; McDougall, 1923; Maslow, 1943; Murray, 1938) across the population, and there are also some differences in the ways in which needs are viewed,

but the theories provide a conceptual framework for needs and expectations in the workplace, which are the components of the psychological contract. In sum, while Murray was concerned with the entire set of needs, Maslow suggested a five-level hierarchy of needs. Alderfer later collapsed Maslow's five hierarchical levels of needs into three. Finally, Herzberg's hygiene factors correspond to Maslow's lower three levels, while the motivators correspond to Maslow's higher two levels.

Expectancy Theory

The historical roots of expectancy theory go back to Tolman (1932), Lewin (1938), and Peak (1955). The theory was later modified and expanded by Vroom (1964) in his famous book Work and Motivation, and by Porter and Lawler (1968) in their book Managerial Attitudes and Performance. The theory is based upon a rational-economic view of people and attempts to determine how individuals choose among alternative behaviors (Mitchell, 1974). Vroom (1964, pp. 14-15) assumed that the choices made by a person among alternative courses of action are logically related to psychological events occurring contemporaneously with the behavior. In other words, individuals are decision makers who choose among alternative courses of action by selecting the action that, at that time, appears most advantageous. The theory also assumes that individuals cognitively consider alternatives and make choices within the limits of

their capabilities (Mitchell, 1974).

According to Vroom (1964), expectancy theory is concerned with two elements: (1) the probability that a given performance will lead to certain desired outcomes, and (2) the probability that effort exerted will lead to the desired performance. These two elements interact with each other to determine the overall level of motivation.

Vroom (1964) formulated two models, one for the prediction of the valences of outcomes, and the other for the prediction of force toward behavior.

An outcome is simply anything an individual might want to attain. The valence model states that the valence is a monotonically increasing function of the algebraic sum of the products of the valences of all other outcomes and the individual's conceptions of the specific outcome's instrumentality for the attainment of these other outcomes: symbolically,

$$V_j = f \sum_{k=1}^n (I_{jk}V_k)$$

where

- V_j = the valence of outcome j ,
- I_{jk} = the cognized instrumentality of outcome j ,
for the attainment of outcome k ,
- V_k = the valence of outcome k ,
- n = the number of outcomes.

Vroom (1964) defined "cognized instrumentality" as the degree to which the individual sees the outcomes in question as leading to attainment of other outcomes. Instrumentality

varies from minus one to plus one. A condition of minus one means that the an individual does not perceive that the first outcome can lead to the second outcome. On the other hand, the plus one value means that an individual perceives that the first outcome always leads to the second outcome. This model can be used to predict the valence of any outcome (Mitchell, 1974).

The second model of Vroom (1964) is known as the *expectancy model*. Expectancy is the strength of an individual's belief about whether a particular outcome is possible. It is used to predict the psychological force toward behavior. The psychological force on an individual to perform an act is defined by Vroom as a monotonically increasing function of the algebraic sum of the products of the valences of all outcomes and the strength of the individual's expectancies that the act will lead to the attainment of these outcomes; symbolically,

$$F_i = \sum_{j=1}^n (E_{ij}V_j)$$

where

- F_i = the psychological force on the individual to perform act i ,
- E_{ij} = the strength of the expectancy that act i will lead to outcome j ,
- V_j = the valence of outcome j ,
- n = the number of outcomes.

The "strength of the expectancy" is defined as the probability that the behavior will lead to the outcome of

interest. An expectancy is a perceived probability and, therefore, ranges from zero to plus one. Expectancy is an action-outcome association, while instrumentality is an outcome-outcome association. While expectancies are perceived probabilities, instrumentalities are perceived correlations (Mitchell, 1974) and range from plus one to minus one.

Proceeding from an expectancy theory framework of Vroom (1964), researchers (Hackman & Lawler, 1971; Salancik & Pfeffer, 1977) argued that: (1) individuals will engage in a behavior to the extent they believe they can obtain a valued outcome, (2) outcomes are valued to the extent they satisfy needs, (3) employees will tend to work hard if conditions at work are arranged so that by working hard, the employees' needs will be satisfied, and (4) individuals will experience need satisfaction when they learn they have accomplished something.

Expectancy theory also admits the possibility that individuals may have different goals or needs, and that individuals may perceive different connections between actions and their achievement of these goals. By permitting individual differences in both need and perceptions, the expectancy theory formulation is quite flexible. Yet, even this formulation retains the questionable premises that people have needs and jobs have characteristics (Salancik & Pfeffer, 1977).

Despite the expectancy model's being regarded as the most widely accepted theory of work and motivation among today's industrial and organizational psychologists (Brooks & Betz, 1990), this model is limited in some important ways. The theory assumes that individuals who hold identical valence and expectancy beliefs will respond identically to instruments (e.g., questionnaire, interview) in all occupations, and this assumption is doubtful (Mitchell, 1974). It assumes that individuals are as rational as the theory would suggest, while in fact, individuals have limited cognitive capacities and much of human behavior is habitual and subconscious (Locke, 1975). Lifestyle outcome valences have not been taken into consideration because previous studies have examined only job-related outcomes (Brooks & Betz, 1990).

Equity Theory

Equity theory is one of several theoretical formulations derived from social comparison processes (Goodman, 1977). Equity theory was first articulated by Adams (1963). It is based on the simple premise that people want to be treated fairly. The theory defines equity as an individual's belief that he or she is being treated fairly in relation to another person, and inequity is the belief that he or she is being treated unfairly in relation to the other.

When entering an organization, each individual first evaluates how he or she is being treated by the organization. The individual judges the fairness of his or her exchange relationships with the organization by comparing the balance between the inputs contributed and the outcomes received, to the input-outcome balances of other members of his or her reference group. To do this, the individual must develop an evaluation of how members of a reference group are being treated. The reference group might be a co-worker, a person with a similar job or occupation, or the worker's own past experience. After evaluating the treatment of self and other, the individual compares his or her own situation with that of the other.

Adams (1963) described the equity comparison process in terms of inputs and outcomes. Inputs are an individual's perceived contributions to the organization, such as experience, education and qualifications, energy, and effort. Outcomes are what an individual perceives has been received in return, such as pay, fringe benefits, recognition, social relationships, and challenging work (Greenberg & OrNSTEIN, 1983). A person's assessment of inputs and outcomes for both self and other are based partly on objective data and partly on perceptions.

As a consequence of this comparison, the individual tends to perceive either equity or inequity. Depending on the strength of this perception, the person may choose to

pursue one of the following six behavioral alternatives identified by Adams (1963): (1) *change inputs*, in which an individual may put more or less effort into the job, depending on which way the inequity lies, as a way of altering his or her own ratio; (2) *change outcomes*, in which an individual may change his or her own outcomes; (3) *alter perceptions of self*, in which after perceiving an inequity, a person may change his or her original self-assessment of inputs and/or outcomes; (4) *alter perceptions of other*, in which an individual may alter his or her perception of the other's inputs and/or outcomes; (5) *change comparisons*, in which an individual may change the comparison-other to another person who provides a more valid basis for comparison; and (6) *leave the field*, in which, as a last resort, an individual may choose to leave the situation by asking for temporary leave, transferring, or even quitting the job if he or she perceives that it is the only way to reduce inequity.

Equity research has examined how social comparisons of input-outcome ratios affect product quality, but a focus on comparisons with similar referents has greatly limited its scope by precluding the study of justice at the level of intergroup relations (Cowherd & Levine, 1992). The other two shortcomings that limit the external validity of equity research are: (1) most of the studies have been done on subjects that typically are paid on an hourly or salaried

basis rather than on a piece-rate basis. This condition evidently yielded different perceptions of equity on the part of the subjects (Cook, 1969; Evan & Simmons, 1969). In addition, the study should have included a motivational component that could explain how perceptions of inequity cause diminished work performance (Landy & Becker, 1987); and (2) these lines of research have all been conducted in short-term laboratory situations. The subjects usually worked for less than one hour on tasks that required little or no interaction with others. This minimal organizational context is unlikely to trigger the same equity evaluation process that people would employ in actual organizational settings (Cowherd & Levine, 1992).

Work Adjustment Theory

The theory of work adjustment focuses on the mutual responsiveness of an individual and the work environment to each other's requirements (Dawis, England, & Lofquist, 1964). The theory assumes that each individual seeks to achieve and maintain similarity with his or her environment. Each individual has a certain set of personality and adjustment styles. The environment also has certain ability requirements and an environment style.

The process of mutual responsiveness is termed *correspondence*. Correspondence can be described in terms of the individual fulfilling the requirements of the work environment, and the work environment fulfilling the

requirements of the individual (Dawis, Lofquist, & Weiss, 1968, p. 3). The two indicators of work adjustment can be explained by *satisfaction* and *satisfactoriness*.

Satisfaction is the extent to which the organization meets the individual's need within the work environment.

Satisfactoriness is the extent to which the individual is judged by the organization to be a satisfactory worker in the work environment.

The outcome of work adjustment is predicted from matching an individual's work personality with a work environment. The work adjustment theory can be used to predict the length of time individuals stay in the organization. To be retained in the organization, individuals must have a match of need and expectation of both satisfaction and satisfactoriness with the organization.

The work adjustment theory provides a guideline for a development of the measurement of *vocational needs* and *vocational abilities* of an individual and the *ability requirements* and *reinforcement systems* of the organization. The theory makes it possible to posit a fundamental give and take relationship between the individual and organization.

The Psychological Contract

The Origin of the Psychological Contract

Not until the industrial revolution were the major concepts of psychological thinking in work motivation introduced. Ever since, the paradigmatic work motivation theory has evolved from one of purely monetary exchange through social relationship in organizations to self-directed behavior, which involves the freedom of individuals from bureaucracy and unilateral power. Finally, the theory was based on the interaction of physiological and psychological stages of development that unfolded in the complexity of maturity.

Work serves different purposes for different people, but for all it is a major device to maintain psychological equilibrium. (Levinson, 1973, p. 27)

The initial idea of a psychological contract was discussed by Argyris (1960) as a relationship and agreement on job performance between foremen and employees. It was referred to as the "psychological work contract." The actual term psychological contract was first used by Levinson et al. (1962):

The psychological or unwritten contract is a product of mutual expectations. These have two characteristics: (a) they are largely implicit and unspoken, and (b) they frequently antedate the relationship of person and company. (p. 22)

Psychological contracting is the process of fulfilling mutual expectations and satisfying mutual needs in the

relationship between individuals and organizations. In effect, the psychological contract between employee and employer is the product of these mutual expectations.

As it pertains to the job world, Baker and Spier (1990) gave the psychological contract its most explicit definition as "the sum total of all expectations, written and unwritten, spoken and unspoken, and even those realized and unrealized at the moment, between the employee and the employer."

Defining the Concept of the Psychological Contract

The term psychological contract contains two elements: the psychological domain and the contract domain.

Psychological can be defined as (1) of psychology; (2) of the mind, mental; (3) affecting or intended to affect the mind (Webster's New World Dictionary, 1994, p. 1086). In terms of affecting or intended to affect the mind, Baker and Spier (1990) explained that, indeed, personal expectations influence mind and emotions. Parties to psychological contract will behave in accordance with their perceptions and perhaps react very emotionally to actions that accord or do not accord with the terms of the contract as they see them.

Contract can be defined as an agreement between two or more people to do something, especially one formally set forth in writing and enforceable by law; compact; covenant

(Webster's New World Dictionary, 1994, p. 302). A contract is an agreement between persons, generally in writing. It is valid as long as its objective is not against the law. A party to a reciprocal contract may refuse to perform his or her obligation until the other party performs or tenders performance of his or her obligation. This legal agreement obligates both parties to act in accordance with the written arrangement. Contracting is a mainstay in employment relations between individuals and organizations. A contract can be renegotiated with the willingness of both parties. If either side acts contrary to the agreement, the contract is violated, which may result in legal action.

A contract between persons comes into existence at the time when the notice of acceptance reaches the offeror; in other words, as soon as the parties have agreed upon their expectations of needs, it is deemed to be a contract. Whether written or oral, a contract is promises made in exchange for some compensation or return, and is enforced or at least recognized in law (Farnsworth, 1982).

The psychological contract thus simply emerges from a set of expectations based in mutual needs of both parties and determined by their behavior. An employee's expectation is the established criteria of needs of having an organization fulfill the development of psychological needs and facilitate physical support in the work setting. An organization's expectation is the established criteria of

needs of having employees develop work skills, participate in activities, and follow the directions of the organization.

Expectations can be implicit or explicit. The sum total of the explicit and implicit expectations, which is the binding force between an individual and an organization, fabricates the psychological contract. The level of binding force can be identified and measured by the degree of mutual expectations and the degree of importance of the corresponding dimensions and elements of the situation.

The purpose of the existence of the psychological contract is to serve the mutual needs of both parties. The psychological contract specifies the exchange of values between individual and organization. Once it is established, both parties are obligated to carry out the terms of their agreement.

Empirical Studies and Theoretical Studies Pertaining to the Psychological Contract

The concept of the psychological contract has been studied by many researchers and scholars (Baker, 1985; Baker & Spier, 1990; Berlew & Hall, 1966; De Meuse & Tornow, 1990; Kotter, 1973; Levinson et al., 1962; Robinson et al., 1994; Rousseau, 1990; Schein, 1965). Different studies have focused on different variables.

Robinson et al. (1994) focused on the changes in employment obligations as perceived by employees during the

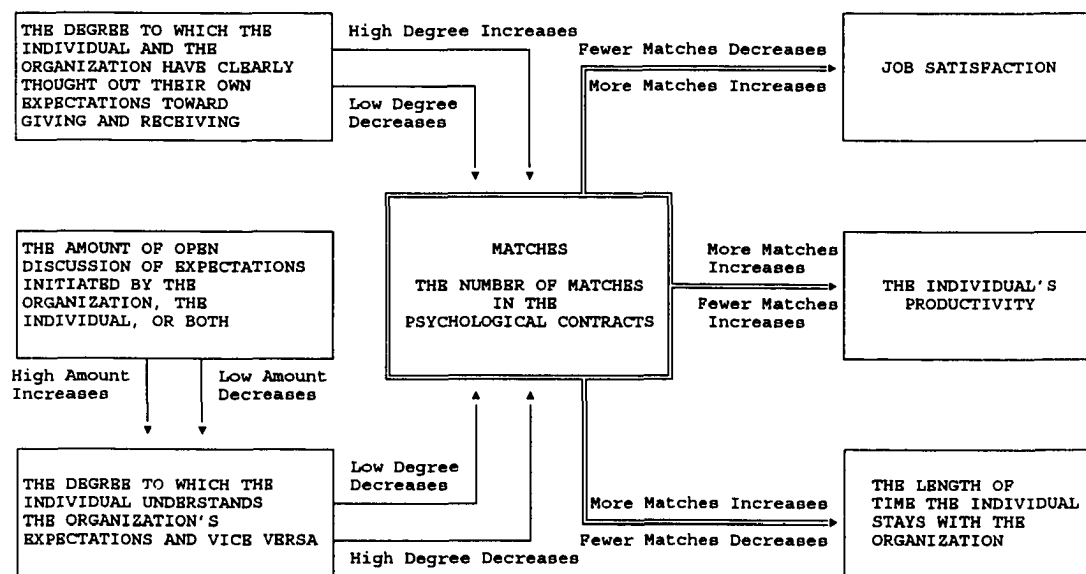
early years of employment. Rousseau (1990) hypothesized that there is an interrelationship between the recruiter and the job applicants. These researchers focused on the essence of the employment contract that defined the mutual obligations between the employee and employer.

Baird and Kram (1983) identified the different needs and expectations of leaders and followers in different career stages. They suggested that a leader and a follower should understand that their relationship is an exchange involving "technical, psychological and/or organizational resources." It is important for subordinates to identify their expectations of the job, determine goals and objectives, plan the strategies for reaching the goals, and receive feedback from their supervisors. Hatfield and Huseman (1982) focused on the relationship between perceptual congruence about communication and subordinate job satisfaction. Berlew and Hall (1966) conducted their research, and their results showed that a strong correlation existed between company expectations and employee performance and success.

Kotter (1973) conducted empirical research in psychological contracting, specifically concerning problems in organizational work outcomes. The study focused on the process of assimilating new employees into an organization. The data were gathered from each subject's early expectations about work conditions on the job. Kotter

called this early stage of forming expectations the "Joining-Up Process" period.

Kotter (1973) focused his study on the expectations in the psychological contract. He defined the psychological contract as "an implicit contract between an individual and the organization which specifies what each is to give and receive from the other in their relationship." (p. 92). Kotter's model was based on the premise that both the individual and the organization have expectations of what to give and to receive. The Kotter's model is presented below.



Note. Adapted from "The psychological contract: Managing the joining-up process," Kotter, 1973, *California Management Review*, XV, p. 95.

Kotter's Psychological Contract Model

Seven key areas of expectations were identified. The expectations were listed in order of importance. These

expectations are: personal development opportunities, security, taking on values and goals, ability to work with groups, conforming, interesting work, and work that gives a sense of meaning or purpose. The study was conducted on the responses of 90 middle managers.

The model identified two factors that increase or decrease the number of matches of expectations. These factors are: (1) the degree of clarity the individual and the organization have regarding their own expectations as to what to give and to receive; (2) the degree to which the individual and organization understand each others expectations which can be maximized by the amount of explicit discussion of expectations by the individual and the organization.

Kotter (1973) found that the more matches between employee-organizational expectations there are, the more the job satisfaction, the longer the length of time the individual stays with the organization, and the higher the morale and productivity. This model draws heavily from the theory of work adjustment not only in terms of the concept of "matches," but also in the choice of dependent variables (Dawis et al., 1964).

Kotter (1973) concluded his study with four general points: (1) the initial period of contracting is very important; (2) the clear understanding of one's own expectations and the other party's will help form a better

contract; (3) the key in contracting is to achieve a match of expectations; (4) the individual and organization can better understand each other by discussing their expectations.

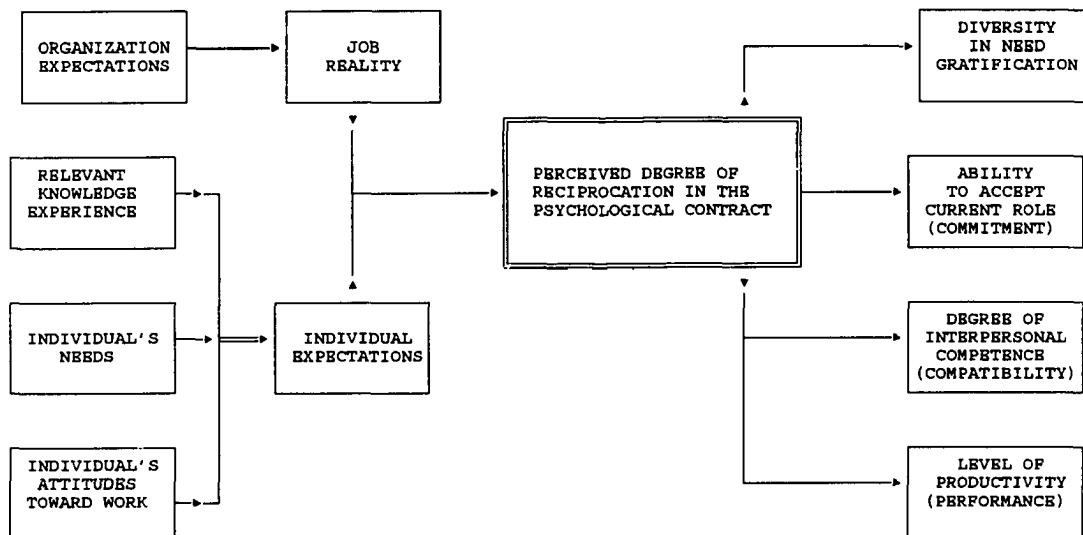
Portwood and Miller (1976) conducted empirical research in psychological contracting during a longitudinal field study. The study focused on the employee's reaction to assumed violations of the psychological contract. The data were gathered from subjects' early expectations and later perceptions of conditions on their jobs.

Portwood and Miller (1976) defined the psychological contract as:

an implicit agreement negotiated between the employee and the employing firm usually at the employee's time of entry, and it is a recognition of mutual obligations to be fulfilled by both parties in the course of their associations. (p. 109)

They posited that, in general, it is the organization that holds the balance of power in the relationship which is the focus of psychological contracting. The organization most often formalizes its expectations into policies and management practices. Thus, the individual must relate and compare his or her expectations with these existing conditions. These conditions will cause the perception of a violation in the contract if the employee's expectations are unmet. Portwood and Miller (1976) proposed that the individual is most likely to perceive inequities in the relationship. When these inequities occur, a violation of

the psychological contract may be perceived. Their study then concentrated on employee reactions to assumed violations of the terms of the contract. Portwood and Miller's model is presented below.



Note. Adapted from "Evaluating the psychological contract: Its implications for employee job satisfaction and work behavior," Portwood & Miller, 1976, Academy of Management Proceedings, 36, p. 110.

Portwood and Miller's Psychological Contract Model

The study was conducted at a Midwestern retail firm with 43 locations in the Michigan area that sold both groceries and non-food items. The independent variable was the difference between job expectations about valued outcomes at time of hire and the extent to which the valued outcomes were fulfilled after filling the position. The two dependent variables were: (1) employee's overall job satisfaction; and (2) employee's satisfactoriness to the

organization. The term satisfactoriness covers dimensions of an individual's specific task performance, the individual's commitment to the organization, and the individual's compatibility with the organizational environment.

The model suggested that the *job reality* (e.g., policies, management practice) may or may not be consistent with the individual's own expectations. The difference between job reality and expectations then represents the degree of individual fit in the job or the degree of job integration. The model hypothesized that the greater the match between individual expectations and the *job reality*, the greater the individual's job satisfaction, satisfactoriness, individual commitment, and productivity.

The results of Portwood and Miller's (1976) study supported the concept of the psychological contract and that: (1) organizations must recognize the need to monitor expectations of prospective employees with some thought to correcting confusion where it exists; (2) even though the psychological contract is dynamic, the early stage of employment is the period when the expectations are most likely to arise; and (3) to match the expectations is essential to the success of any change effort regarding the employment contract.

The importance of these studies rested in the confirmation that a psychological contract, which is based

on the expectations of both employee and employer, has a consistent impact on the outcome of the exchange in relationship (e.g., communication, job satisfaction, and job performance). Schein (1980, p. 99) hypothesized that whether people work effectively, whether they generate commitment, loyalty, and enthusiasm for the organization and its goals, and whether they obtain satisfaction from their work depend in large measure on two conditions:

1) The degree to which their own *expectations* of what the organization will provide to them and what the organization will get in return matches what the organization's expectations are of what it will give and get in return.

2) The nature of *what is actually to be exchanged*. The exchange is based on the agreement; for instance, money in exchange for time at work; social need satisfaction and security in exchange for hard work and loyalty; opportunities for self-actualization and challenging work in exchange for high productivity and high quality work.

In employment, an exchange relationship is set up in which each party trades or exchanges something in return for receiving something of value from the other party (Schermerhorn et al., 1985, p. 46). This relationship will link the individual and organization together and create the psychological contract that is loaded with the expectations between both parties (Thomas, 1974). Parties to this

psychological contract will behave in accordance with their perceptions and perhaps react very emotionally to actions that are in accord or not in accord with the terms of contract as they see those terms (Baker & Spier, 1990).

Ultimately, the relationship between the individual and the organization is interactive, unfolding through mutual influence and mutual bargaining to establish a workable psychological contract (Schein, 1970). To understand this relationship, needs and expectations are to be understood simultaneously by both parties to reduce the complexity of the situation. This can be done by developing a concept of understanding the psychological contract from the initiation stage, to the renegotiation stage, until the end of the contract. Schein (1970) proposed that the way to develop this concept was by looking at organizational norms and individual adjustment.

Organizational norms can be put into two categories: (1) *pivotal*, defined as requirements of continued membership in the organization; for example, a manager is required to believe in the validity of the company's objectives; and (2) *peripheral*, defined as desirable for members to possess but not essential; for example, for a manager it may be desirable from the point of view of the organization that he is a male, socialize with other members, and so on.

For individuals, there are three possible adjustments based on which sets of norms are adhered to: (1) *Active*

rebellion happens when an individual accepts neither the pivotal nor peripheral norms. Without this adjustment, it is likely that an individual will lose membership voluntarily or involuntarily. (2) *Conformity* is the acceptance of both pivotal and peripheral norms. This adjustment leads to loyalty to the organization but creates an uncreative and unproductive worker. (3) *Creative individualism* is the acceptance of pivotal but rejection of peripheral norms. Under this type of adjustment, an individual works on behalf of organizational norms but also retains his or her sense of identity and exercises creativity in helping the organization to achieve its goals.

Violation of the
Psychological Contract

When an individual joins an organization, he or she will make assumptions about the way that the organization will behave toward him or her (Schein, 1970). An individual expects the organization to pay and give status, job security, and such things. In exchange, the organization expects an individual to work hard, do a good job, and so on. They are working out a *psychological contract* (Levinson et al., 1962; Schein, 1970). Both parties to the contract are guided by assumptions concerning what is fair and equitable (Jaques, 1961). Levinson et al. (1962) proposed that if the individual believes that inequities exist, tension and anxiety will result. To relieve this tension,

the individual may attempt to renegotiate the agreement with the company or simply adjust behavior in order to decrease the inequity.

When the expectations of both parties are not at equilibrium, the psychological contract is mismatched. Ellis (1984) asserted that mismatched expectations may have effects on the person's motivation, which in turn influences individual performance and satisfaction, as well as organizational effectiveness. Feelings of violation of the psychological contract then emerge and can generate feelings of being betrayed or cheated (Sims, 1991). Dunahee and Wangler (1974) explained that when violations to the contract take place, employees try to express their dissatisfaction, quitting on the job, seek outside assistance, retaliate against management, or finally, terminate the contract.

Organizational Commitment

Research in the area of commitment was found to be divided into two major groups, those using a *psychological approach* and those using a *sociological approach*.

In the psychological approach, researchers try to demonstrate and identify the linkage between individual and organizational commitment. Most prominent among those in this field who study organizational commitment are Allen and Meyer (1990), Becker, (1960), Mowday et al. (1982), Salancik (1977), and Sheldon (1971).

In the sociological approach, researchers try to find out how important commitment is and how much commitment serves the organization. The prominent researchers in this field are Etzioni (1961), Kanter (1972), and Kelman (1961).

Organizational Commitment:
The Psychological Approach

There are two schools under this approach: (1) the behavioral, which claims that organizational commitment represents the result of a process of behavior, and (2) the attitudinal, which argues that it is attitudes that influence behavior and lead to organizational commitment.

Behavioral commitment. Many approaches have defined commitment as *behavior*. Behavioral commitment is largely concerned with the process by which individuals come to develop a sense of commitment not to an organization, but to their own action. In the behavioral tradition, researchers focused on how individuals become committed to specific courses of action. Salancik (1977) explained that when someone is bound by his or her behaviors that exceed formal and/or normative expectations, the person is in effect focusing on overt manifestations of commitment. Such behaviors represent sunk costs in the organization, where individuals forgo alternative courses of action and choose to link themselves to the organization (Mowday et al., 1979).

Kiesler (1971) found that when individuals are committed to a situation, they tend to develop attitudes consistent with their commitment and their committing behavior. According to Salancik (1977), persons become committed to their own actions to the extent that those actions are associated with three key contributions: (1) *Volition* is the extent to which a person perceives the action as having been undertaken out of free choice. When the amount of perceived volition increases, the individual will feel more personally responsible for the act and will try to justify the choice. (2) *Revocability* is the perceived reversibility of the action. The more a person perceives that the behavior cannot be reversed without high costs, the higher the commitment will be to the chosen course of action. (3) *Publicness* is the extent to which a person's significant others (e.g., family, colleagues) are perceived to aware of the person's behavior. The stronger the perception of this awareness, the higher commitment of the person to the corresponding course of action.

Commitment thus occurs when behavior is made under conditions of choice (high volition), when it is irrevocable (low revocability), and when it is public (high publicness).

Becker (1960) introduced his notion of side-bets, which explain how behaviors have consequences for other behaviors. He posited that people become locked into particular courses of action because of past "investments," which would be lost

if the course of action were terminated. He later described commitment as the tendency to engage in "consistent lines of activity" because of the perceived cost of doing otherwise. The term "activity" referred in this case to staying with the organization, and the perceived costs associated with discontinuing the activity (e.g., leaving) might include the loss of attractive benefits and status caused by leaving the organization. In brief, commitment is the property of the behavior. Individuals are free to choose and behave in accordance with their perceptions. Perception binds the individuals closely to the behavior and forces them to behave so as to respond to the situation.

Attitudinal commitment. Commitment has also been defined as an attitude. Porter et al. (1976) defined commitment as an attitude that manifests belief in the goals of an organization. This attitude then creates a willingness to put forth effort in pursuit of the organization's goals and a desire to remain a part of the organization. Attitudinal commitment exists when the identity of the person is linked to the organization (Sheldon, 1971). Attitudinal commitment thus represents a state in which an individual identifies with a particular organization. The individual values the organization's goals and wishes to maintain membership in order to facilitate these goals.

Such commitment often encompasses an exchange relationship in which individuals attach themselves to the organization in return for certain rewards or payments from the organization (Mowday et al., 1979).

We define organizational commitment for our purposes as the relative strength of an individual's identification with and involvement in a particular organization. Conceptually, it can be characterized by at least three factors: (a) a strong belief in and acceptance of the organization's goals and values; (b) a willingness to exert considerable effort on behalf of the organization; and (c) a strong desire to maintain membership in the organization. (Mowday et al., 1982, p. 27)

Mowday et al. (1982) further identified four kinds of factors influencing employees' attitudes in the development of organizational commitment. These factors are: personal characteristics, role-related characteristics, structural characteristics, and work experiences.

Linking behavior and attitudinal commitment. In spite of the distinction between the behavioral and attitudinal commitment studies, the important issue is not whether the commitment process begins with either attitudes or behavior. Rather, what is important is to recognize that the development of commitment may involve the subtle interplay of attitudes and behaviors over time (Mowday et al., 1982, p. 47).

Salancik and Pfeffer (1978) and Staw (1977) suggested that there is a linkage between behavior and attitude commitment. The linkage happens when individuals are committed to their behaviors; then, the attitudes and

perceptions will be developed to be consistent with these behaviors. This suggests that the commitment process can be drawn from both, the behavioral and attitudinal approaches. Behavior and attitudinal commitment were later studied by Allen and Meyer (1984, 1987, 1990). They developed a scale to measure three types of organizational commitment, called the "Three Component Model." The Three Component Model divides organizational commitment into three separate components: *affective*, *continuance*, and *normative* element.

The model encompasses the integration of the conceptualizations of commitment, including the behavioral and attitudinal from previous studies. They noted that, although the three types of commitment reflect links between the employee and the organization that decrease the likelihood of turnover, the nature of the links are quite different.

The *affective* component of organizational commitment, proposed by the model, refers to employee emotional attachment to, identification with, and involvement in the organization. Allen and Meyer (1990) attempted to delineate the affective domain of organizational commitment empirically by constructing questionnaire items that appeared to tap emotional content. In factor analyses, their items did load cleanly on a dimension reflecting affective commitment. This work began movement toward substantiating a purely affective component of commitment

(Jaros, Jermier, Koehler, & Sincich, 1993).

The *continuance* component refers to commitment based on the costs that employees associate with leaving the organization. Allen and Meyer (1990) further explained this component as the psychological attachment that reflects the degree to which an individual experiences a sense of being locked in place because of the investment he or she has put into the organization. The employee feels compelled to commit to the organization because the monetary, social, and other losses and costs associated with leaving are high.

Finally, the *normative* component refers to employees' feelings of obligation to remain with the organization. Allen and Meyer (1990) developed this component under the influence of moral commitment studies. They linked the individual's values and goals with the internalization of organizational norms and identification with organizational authority. This form of commitment differs from affective commitment because it reflects a sense of duty and obligation, to work in the organization, but not necessarily emotional attachment. It differs from continuance commitment because it does not necessarily fluctuate with personal calculations of sunk costs (Jaros et al., 1993).

Organizational Commitment:
The Sociological Approach

Kelman (1961) developed a concept of social influence and the induction of behavior change. The theory assumes

that social influences and motivational systems will affect individuals' opinions. If information is available about the determinants and motivational factors underlying certain opinions, individuals will predict the circumstances and behavioral consequences under which they are likely to change. Kelman (1961) further introduced three processes of social influence. These three processes are *compliance*, *identification*, and *internalization*.

Compliance is manifested when influence from another person or group is accepted due to the potential positive reaction or avoidance of negative reaction from the influencing agent. Thus, an individual will behave according to the thought that a given behavior will lead to positive results.

Identification takes place when individuals adopt a role relationship that forms part of the person's self-image based on a satisfying self-defining relationship associated with another person or group. Behaviors that result from identification will be expressed in the context of the appropriate role only, because they are attached to the external source and depend on social support.

Internalization occurs when an individual accepts the influence of a person or group because the expected behavior is congruent with the individual's own value system. The content of the induced behavior is perceived as being intrinsically conducive to the maximization of the

individual's values and may be displayed regardless of an influencing agent's presence or the initiation of the relevant role.

Etzioni (1961) also classified three types of power which organizations use to obtain desired behaviors from their members. In his typological theory of compliance, these three powers were identified as *coercive*, *remunerative*, and *normative*. With those definitions, Etzioni (1961) described three kinds of involvement in organizations, determined primarily by the types of power applied to members within them: *alienative*, a negative involvement; *calculative*, a negative-positive involvement; and *moral*, a positive involvement or high commitment zone. The pure commitment, according to Etzioni (1961, p. 11), tends to develop in vertical relationships, such as those between leaders and followers. He posited that this classification of involvement can be applied to the orientations of actors in all social units and to all kinds of objectives.

Kanter (1972) proposed in her study of utopian societies how each type of commitment could be manipulated by the community with various mechanisms to detach the individual from other groups and attach him or her completely to the new community. Kanter (1968) described three social system orientations upon which commitment may be based: (1) *continuance commitment*, where the objective is

the survival of the group, which depends on the rational evaluations of members of the group, and the cost of leaving the organization is greater than the cost of remaining; (2) cohesion commitment, where individuals are committed to group solidarity or a set of social relationships based on cathectic orientation; and (3) control commitment, an evaluation along the lines of good-bad of the legitimacy of the group, the moral rightness of the group's norms, its ways of doing things, its authority structure, its goals, and its means for their achievement, in which individuals are committed to group norms and authority.

These frameworks are used to explain the concept of involvement and the encouragement of the employee to commit to the organization. The frameworks also focus primarily on the needs of organizations rather than those of individuals.

The Consequences of Organizational Commitment

The notion that organizational commitment is related to work relations and work outcomes has been studied by many commitment researchers. Researchers have developed several models to measure the correlation between the conceptualization and research design and organizational commitment. The effort is to find out how organizational commitment influences employees to develop a belief in organizational goals and willingness to put forth effort in pursuit of these goals. These research studies found

organizational commitment to have effects on two levels, the *individual level* and the *organizational level*.

Individual level. On the individual level, the findings concerned the benefits of commitment from the employee point of view. An individual's commitment can be affected by many factors, such as self-esteem, personal goals, aspirations, and emotional responses (Mone, 1994). Research on individual-level organizational commitment resulted in two major findings.

First, organizational commitment may threaten the employees psychologically because they are deeply concerned, and suffer anxiety about the prospects for the organization's well-being. Lazarus and Folkman (1984) posited that commitment increases employee vulnerability to the psychological threat posed by organizational problems. Mathieu and Zajac (1990) found in their research that employees who are highly committed to the organization have more stress than do less committed employees. Highly committed employees tended to suffer more from organizational hardships because of their investment in and identification with the organization. Highly committed employees take the organization's problems personally and feel deeply disturbed by them. Thus, they suffer negative outcomes as a result. Less committed employees, on the other hand, may feel stressed, but their greater detachment from the organization allows them to avoid the negative

consequences of such stress by not taking the organization's problems to heart (Begley & Czapka, 1993).

Second, organizational commitment may help to increase the feeling of mutual trust and to foster a generally positive perspective in work environments. Mowday et al. (1982) and Kobasa (1982) found that commitment protects individuals from the negative effects of stress because it enables them to attach meaning to their work and it provides stability and feelings of belonging. This sense of security and belonging can buffer the negative effects of stress on job attitudes and health. Antonovsky (1979) argued that commitment is a crucial resource that enables individuals to resist the effects of tension in their environments. It connects them closely to their social networks. Employees committed to their organizations can be expected to benefit from the results of the tension reduction such commitment provides. Begley and Czapka (1993) summarized their research by concluding that organizational commitment buffered the relationship of stress with residual job displeasure and helped employees to adjust to the tension of a divisional consolidation. Stress increased job displeasure only for those low in commitment.

Organizational level. A number of researchers have shown that there are many outcomes related to organizational commitment on the organizational level. Mowday et al. (1982) identified five possible outcomes that correlate

consistently with organizational commitment: job performance, tenure, absenteeism, tardiness, and turnover. However, highly discrepant empirical results have been noted in the literature.

Some studies have reported correlation coefficients between organizational commitment and work outcomes which are not as encouraging. For example, a number of studies have reported very weak positive relationships between organizational commitment and work outcomes. Ferris (1981) and Clegg (1983) found very little relationship between organizational commitment and tardiness, effectiveness, turnover, and job performance. Stumpf and Hartman (1984) found almost no relationship between organizational commitment and job turnover. Randall (1987) found a weak positive relationship of organizational commitment to effort, coming to work on time, and remaining with the organization.

On the other hand, several other studies have reported very encouraging relationships between organizational commitment and work outcomes. Steers (1977) found evidence of a strong negative correlation between absenteeism and commitment, as well as intention of leaving the company. Mowday et al. (1979) found in their research that organizational commitment was negatively related to turnover and absenteeism. Angle and Perry (1981) showed that employees commitment was negatively related to turnover

intentions at the organizational level. Salancik (1977) and Meyer and Allen (1987) found strong positive correlations between commitment of employees and job performance.

Summary

In reviewing the literature pertaining to the psychological contract, it was found that most of the studies were grounded in organizational behavior and work motivation theories. These studies introduced many theoretical concepts that help in understanding the relationship between the employee and the organization.

The literature review also provided basic approaches to the understanding of individual expectations and organizational norms. The recognition of the importance of individual needs and their fulfillment by the organization and many influential factors, constraints, and variables were investigated.

Theories of human need, expectancy theory, equity theory, and work adjustment theory were presented as the foundation for understanding the powerful motivational forces in human beings to meet needs and expectations. All of the theories discussed lean heavily on the concept of self-fulfillment and responsible involvement in the workforce. While these theories give attention to basic human needs, they also are concerned with describing the psychological contract structure.

There are both theoretical and empirical studies explaining the impact of the psychological contract on the work setting and work outcomes. However, most of these studies have been done in a theoretical fashion, relating the psychological contract to job satisfaction and productivity. Few studies have investigated the concept empirically, and unfortunately, almost all of these few empirical studies focused only on the early stage of the psychological contract that is formed as employees enter the organization. Furthermore, none of the empirical studies has been done in the area of the psychological contract and its impact on organizational commitment.

The last part of the literature review focused on organizational commitment. The organizational commitment literature was presented according to two major approaches: psychological and sociological. The organizational commitment studies were divided into three categories: affective, continuance, and normative commitment. Such commitment symbolizes a linkage between employees and organization.

Chapter 3

RESEARCH METHODS

This chapter presents the methods used in the present study. Attention is given to the research design, subjects, instrumentation, procedure, and data analysis. Finally, the research assumptions and limitations are identified and discussed.

Research Design

The present study used the Psychological Contract Questionnaire (PCQ) (see Appendices 1 and 2) to investigate the impact of the psychological contract on organizational commitment. The PCQ, which measures of six dimensions of expectation in work relationships between employees and supervisors, was developed by the author to illustrate general work behaviors in organizations and to measure the strength of the psychological contract.

To measure the level of commitment, Allen and Meyer's (1990) Organizational Commitment Questionnaire (OCQ) was adopted. The OCQ divides organizational commitment into three categories: affective, continuance, and normative.

Efforts were made to ensure the reliability and validity of the test instruments. This included utilizing

pilot studies, phenomenal analysis, subject matter experts, and appropriate statistical analyses.

Variables

Independent Variable

The independent variable was the strength of the psychological contract. The items in the Psychological Contract Questionnaire (PCQ) measure the strength of the employee-supervisor expectations regarding:

- 1) advancement opportunities and work skills;
- 2) renegotiation of expectations;
- 3) power and responsibility in the job;
- 4) feelings and congeniality of the work group;
- 5) feedback and promotion policies;
- 6) working conditions and career planning.

Dependent Variables

The dependent variables examined in the present study represent three types of organizational commitment:

1) Affective Commitment: The commitment that develops from the consistency of involvement of an individual and the organization.

2) Continuance Commitment: The commitment that develops from the cost associated with leaving the organization.

3) Normative Commitment: The commitment that develops from moral values of an individual regarding the organization.

Demographic Variables

Demographic variables in the present study were:

- 1) age;
- 2) gender;
- 3) education level;
- 4) annual income;
- 5) length of time with the supervisor or employee;
- 6) length of time with the organization.

Research Hypotheses

The following null hypotheses were tested at the .05 level of significance ($p < .05$).

Null Hypothesis 1

There will be no statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and affective commitment of the employee, as measured by the Organizational Commitment Questionnaire.

Null Hypothesis 2

There will be no statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and continuance commitment of the employee, as measured by the Organizational Commitment Questionnaire.

Null Hypothesis 3

There will be no statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and normative commitment of the employee, as measured by the Organizational Commitment Questionnaire.

Null Hypothesis 4

There will be no statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and affective commitment of the supervisor, as measured by the Organizational Commitment Questionnaire.

Null Hypothesis 5

There will be no statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and continuance commitment of the supervisor, as measured by the Organizational Commitment Questionnaire.

Null Hypothesis 6

There will be no statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and normative commitment of the supervisor, as measured by the Organizational Commitment Questionnaire.

Research Subjects

The sample consisted of full-time employees working for three organizations located in Columbus, Ohio. The subjects were appropriate for the present research because they represent a work group that engages in daily work operations. The subjects were divided into two groups, employees and their supervisors. All employees who responded to the questionnaire (PCQ for Employee, see Appendix 1) were working under the supervision of a particular supervisor, who also responded to the questionnaire (PCQ for Supervisor, see Appendix 2). Supervisors who had one or more employees under their supervision were considered eligible for participation. Both employees and their supervisors were required to be full-time workers. Participation was completely voluntary.

All of the supervisors available for participation were randomly selected by the participating organizations from their payroll rosters. The supervisors then used the systematic randoming method, which is a probability sampling, to choose employees to respond to the questionnaire. A variation on this method is to choose a person randomly from the list of the total population in each work group in an unbiased fashion. The list was alphabetized by the last names of all of the employees under a particular supervisor. Each supervisor then selected every other employee on the list to participate.

Power analysis was used to obtain the appropriate sample size for the study (e.g., Cohen, 1988). The question of the appropriate size of the sample was addressed to avoid mistakenly failing to reject the null hypothesis if it was false (Type II error). For the present study, there was reason to believe that the magnitude of the *effect in the population* (ES) would be medium ($r=.30$). With a medium effect size, an alpha (two-tailed) set at .05, and a desired power ($1-\beta$) of .80, the sample size (n) for the present study should be at least 84.

Instrumentation

Psychological Contract Questionnaire

In order to examine the psychometric properties of the instrument, a strategy was developed which included the use of the phenomenal analysis technique and expert opinion.

The purpose of phenomenal analysis is to investigate the emergence of employee-employer expectations. According to Skinner (1976), human thought is human behavior. He concluded that to examine the inner organism, one can look at what the person thought and said in order to learn about what the person is feeling and how he or she will react. Therefore, to understand human behavior at work, it is necessary to examine the cognitive system of an individual, which reflects his or her expectations. This was done by conducting an interview with a pilot sample of subjects.

In order to avoid the absence of information about certain phenomena which are important to the subject (Fox, 1969), all the subjects were informed that they should discuss those topics they felt comfortable discussing in the area of their needs and expectations in their work environments. This was intended to create a suitable situation that would facilitate the elicitation of the desired information and also generate the tendency toward "consistency effect."

The *consistency effect* refers to the phenomenon in which individuals, when interviewed about their attitudes and beliefs, tend to organize information in consistent ways (Salancik & Pfeffer, 1977):

Consistency effects come from an individual's awareness of his own response to questions. In answering questions, a person presents to himself or herself as well as to the researcher information that may not have been as salient before. (p.447)

The phenomenal analysis is based on the idea that individuals' attitudes are derived from information given during an interview, which provides a way for individuals to recall a standard set of pieces of information and then manipulate their recall of the information so that their attitudes are presented systematically.

A total of 10 employees and 10 supervisors were interviewed. The interviews ranged from 15 to 30 minutes in length. The data from the interviews were then examined and broken down into units, each representing specific thoughts,

feelings, or perceptions expressed by the subjects. Each of these units represented a particular meaning and is termed a Natural Meaning Unit (NMU). A NMU is defined as a statement made by a subject which is self-definable and self-delimiting in the expression of a single recognized aspect of the subject's experience.

There were 21 NMUs found in the employee interviews and another 21 NMUs found in the supervisor interviews. The total number of NMUs was 42.

The 42 NMUs obtained from the interviews then were reduced by removing those NMUs which conveyed identical meanings, were repeated, or were irrelevant to the research question. The remaining units were those considered to be relevant, non-repetitive accounts of the subjects' experiences of phenomena.

At this point, the 42 NMUs were clustered and transformed into categories called "themes." Each theme was composed of units in which similar ideas were expressed and which portrayed unique aspects of a subject's experience. These themes were:

Employee Interviews	Frequency
1) Feedback and Promotion Policies	14
2) Power and Responsibility in Job	79
3) Fair Rewards	21
4) Advancement Opportunities	55
5) Working Environments	27
6) Renegotiating the Expectations	24
7) Congeniality of the Work Group	12

Supervisor Interview	Frequency
1) Technical Knowledge and Skill	59
2) Renegotiating the Expectations	37
3) Ability to Accept Company Demands	21
4) Congeniality of the Work Group	33
5) Supervise and Direct the Work of Others	19
6) Ability to Initiate the Appropriate Activity	18
7) Fair Rewards	54
8) Career Planning	41

Themes from the interviews were used to identify the phenomenological experiences of the employee and supervisor expectations. In other words, they presented a profile of common themes of the expectations that emerged from work experience.

From the interview with the pilot study subjects, it was strongly suggested that individuals and organizations have their own expectations that need to be fulfilled. These include personal values, power, responsibility on the job, advancement opportunities, renegotiating expectations, congeniality of the work group, technical knowledge and skills, ability to accept company demands, feedback, promotion policies, ability to initiate appropriate activities, working conditions, and career planning.

A pool of 15 themes which were obtained from the interview then were collapsed into six dimensions after consulting with three experts in the area of the psychological contract. The three experts examined the six dimensions representing the employee-employer expectations in the work setting and whether they were adequate for

purposes of scale construction in measuring the strength of the psychological contract. Some of the items were modified versions of those used in other scales; others were written by the author of the present study. Each item was worded in accordance with one of the conceptualizations of needs and expectations described previously. The six dimensions are: (1) advancement opportunities and work skills, (2) renegotiating expectations, (3) power and responsibility in the job, (4) feelings and congeniality of the work group, (5) feedback and promotion policies, (6) working conditions and career planning.

The six dimensions contributing to the strength of the psychological contract (SPC) in the PCQ for Employees was tested and calculated using Cronbach's alpha reliability coefficient.

Dimension 1 (Q1 - Q6, N=6), $\alpha = .7796$;
 Dimension 2 (Q7 - Q8, N=2), $\alpha = .4181$;
 Dimension 3 (Q9 - Q13, N=6), $\alpha = .7827$;
 Dimension 4 (Q14 - Q17, N=4), $\alpha = .7737$;
 Dimension 5 (Q18 - Q21, N=4), $\alpha = .8158$;
 Dimension 6 (Q22 - Q25, N=4), $\alpha = .7579$;
 All Dimensions (Q1-Q25, N=25), $\alpha = .9292$.

Reliability of the PCQ for Supervisors was calculated by Cronbach's alpha:

Dimension 1 (Q1 - Q6, N=6), $\alpha = .7025$;
 Dimension 2 (Q7 - Q8, N=2), $\alpha = .7871$;
 Dimension 3 (Q9 - Q13, N=6), $\alpha = .7706$;
 Dimension 4 (Q14 - Q17, N=4), $\alpha = .7557$;
 Dimension 5 (Q18 - Q21, N=4), $\alpha = .8244$;
 Dimension 6 (Q22 - Q25, N=4), $\alpha = .5045$;
 All Dimensions (Q1-Q25, N=25), $\alpha = .8707$.

Organizational Commitment Questionnaire

The measurements of organizational commitment existing in the literature are diverse, and most of these measurements have demonstrated little or no validity or reliability. Thus, the research in the area of organizational commitment has relied heavily on face validity (Mowday et al., 1979). Because there was little evidence of any systematic or comprehensive effort to determine the stability, consistency, or predictive powers of measures of organizational commitment, the need for an instrument with acceptable psychometric properties existed (Nunnally, 1967).

For the purposes of the present study, the "Three Component Model" was adopted to measure organizational commitment. Allen and Meyer (1990) created a scale to measure these three differences in organizational commitment based on previous research by Meyer and Allen (1984; 1987), Mowday et al. (1979), and Porter et al. (1974).

The instrument developed by Allen and Meyer (1990) is a questionnaire containing 24 items which target three aspects of organizational commitment and load on three scales: (1) Affective Commitment (Items 1-8), (2) Continuance Commitment (Items 9-16), and (3) Normative Commitment (Items 17-24).

The response format employed a 7-point Likert-type scale with the following anchors: "strongly agree," "moderately agree," "slightly agree," "neither agree nor

disagree," "slightly disagree," "moderately disagree," "strongly disagree." Several items were negatively phrased and reverse scored in an effort to reduce response bias. It was intended that the instrument would provide a consistent indicator of employee commitment levels for most working populations.

To assure reliability and validity, Allen and Meyer (1990, p. 5) developed the measure under the assumption that the affective, continuance, and normative components are distinguishable in nature and that these three components reflect distinct psychological states; therefore, it should be possible to develop independent measures of these components.

The data were collected from full-time, non-unionized personnel in three organizations: two manufacturing firms and a university. Approximately 500 questionnaires were distributed to employees in clerical, supervisory, and managerial positions at these organizations. Of these, 256 (52%) were completed and returned. Females composed 57% of the sample. Ages of the subjects were divided into three groups, under 30 (42%); 30-40 (39%); over 40 (19%).

The total of 66 items on the questionnaire was developed from 15 items of the OCQ (Mowday et al., 1979) and an additional 51 items which were generated for the purposes of this particular instrument. All items on the questionnaire were then put in random order.

Selection of items for inclusion on the final questionnaire was based on a series of decision rules concerning item endorsement proportions, item-total correlations, direction of keying, and content redundancy. An item was eliminated if: (1) the endorsement proportion was greater than .75, (2) the item correlated less with its keyed scale than with one or both of the other scales, and (3) the content of the item was redundant with respect to other items on the scale. An attempt was made to select both positively and negatively keyed items. The number of items selected for each scale was set equal to that for the scale with the minimum number of items surviving the aforementioned exclusion criteria. Finally, eight items were selected for inclusion in each of the Affective Commitment Scale (ACS); Continuance Commitment Scale (CCS); and Normative Commitment Scale (NCS).

The reliability for each scale (i.e., coefficient alpha) was as follows: ACS = .87, CCS = .75, NCS = .79. The 24 items composing these scales were subjected to a factor analysis. Three factors, accounting for 58.8%, 25.8%; and 15.4% of the total variance, respectively, were extracted and rotated to a varimax criterion. Thus, the results of the study suggested that each of the psychological states represented in the scales can be reliably measured. Dunham, Grube, and Castañeda (1994) found the same evidence and suggested that the "Three Component Model" provides a

workable operationalization of the multidimensional organizational commitment construct. It was concluded that the instrument was reliable.

Research Procedures

Pilot Study

An experimental pre-test was conducted on a total of 19 subjects (10 were supervisors and 9 were employees) to measure the clarity of meaning and to determine the time required to answer all items on the questionnaires. The mean completion time was 19 minutes.

Data Collection

Each subject received an appropriate set of questionnaires.

1. The packet for supervisors consisted of the instructions on how to select their employees and two questionnaires: (1) the PCQ for Supervisor and (2) the OCQ. Each supervisor was assigned a letter for identification purposes (e.g., A, B, C, etc.). A demographic data section was provided to obtain the supervisors' age, gender, education level, income level, length of time with the supervisor or employee, and length of time with the company.

2. The packet for employees consisted of two questionnaires: (1) the PCQ for Employee and (2) the OCQ. Each employee was assigned a unique letter-number combination designation that included his or her

supervisor's assigned letter (e.g., A1, A2, B1, C1, etc.). A demographic data section was provided to obtain the employee's age, gender, education level, income level, length of time with the supervisor or employee, and length of time with the company.

Data Analysis

In the process of scoring the strength of the psychological contract (SPC), the response on each of the 25 questions on degree of expectation (Column A) was multiplied by the degree of its importance (Column B). The obtained numbers thus represented the total SPC value for each employee or supervisor. The SPC scores range from possible values of 0 to 500.

In the process of scoring organizational commitment, the sum of the organizational commitment (OC) of each employee and supervisor was calculated by adding the degree of commitment on every response for each of the 24 questions on the answer sheet. The OC scores range from possible values of 24 to 168.

The data analysis began with entering the data into a database. After that, a process called "screening data" was used to indicate the accuracy of data entry, distribution of the data, and missing data. If any item on the questionnaire was omitted, the responses were coded as 00 or 999. Outliers, normality, homoscedasticity, and linearity were tested to see whether or not the study's statistical

assumptions were met. Means, standard deviations, and ranges were used to describe subject responses to the questionnaire.

A standard multiple regression analysis was used to determine the relationship between the strength of the psychological contract and the level of organizational commitment.

Research Assumptions

In order for the findings of the present investigation to be considered valid, several basic assumptions had to be accepted:

- 1) The six dimensions (25 questions) of employee-supervisor needs and expectations as conceptualized adequately represent global needs and expectations in work settings.
- 2) The PCQ and OCQ are appropriate instruments to measure SPC and OC respectively.
- 3) The subjects understood and answered the questions truthfully.

Limitations

Limitations of the present study involved how the subjects responded to the questionnaires. The self-reports may make a determination of causality problematic. The accuracy of perceptions of subjects who are rating each other may also be contaminated with biases. The supervisors

may rate their employees under the influence of *leniency errors* and/or *halo errors*. Leniency errors happen when higher performance ratings are given to some employees than others because of interpersonal closeness rather than actual performance. Halo errors occur when raters do not discriminate among the different facets of performance. In turn, some employees may rate their supervisors under the influence of the *Hawthorne effect*. The Hawthorne effect occurs simply because employees know that they are being observed. As a result, their responses may be altered.

A further possible limitation was the effect of social perception. In a work group that has very strong *group cohesiveness* and becomes engaged in the process of *groupthink*, members of the particular work group may respond to questionnaires in accordance with their group's norms instead of their personal assessments.

Finally, there exists the possibility of social desirable responses on the part of both supervisors and employees.

Chapter 4

RESULTS

Results of the data analysis are presented in this chapter. The chapter includes a discussion of the sample characteristics and the findings of hypothesis testing.

Sample Characteristics

Subjects consisted of full-time workers; all of the potential subjects were randomly selected. Participation in the study was completely voluntary. The subjects were divided into two groups, employees and their supervisors. Employees worked under the supervision of a particular supervisor, who also responded to the questionnaires.

The sample was gathered from three participating organizations. A total of 260 questionnaires were distributed, with 90 being returned. Among the returned questionnaires, three were discarded because the respondents failed to reply to some of the questions in the questionnaire and to complete the demographic questions. Thus, the usable response rate was 33.4%.

Ages of the employees ranged from 19 to 64 years, while supervisors ranged in age from 26 to 55 years. A frequency distribution for age is presented in Table 1. The

percentage of employees under 26 years of age was 23.3%. There was no supervisors under 26 years of age. In the 26 to 35 age group were 48.8% of the employees and 45% of the supervisors. Between 36 and 45 years of age were 20.9% of the employees and 25% of the supervisors; 5.8% of the employees and 30% of the supervisors were between 46 and 55 years old. In the over 55 age group were 1.2% of the employees and 0% of the supervisors. In Table 2, the mean ages of the employees and the supervisors are shown.

Table 1

Frequency Distribution and Percentages
for Ages of Subjects

Age (in years)	Employees (n=86)	%	Supervisors (n=20)	%
Under 26	20	23.3	-	0
26-35	42	48.8	9	45
36-45	18	20.9	5	25
46-55	5	5.8	6	30
Over 55	1	1.2	-	0

Table 2

Mean Ages of Employees and Supervisors

	Employees (n=86)	Supervisors (n=20)
\bar{X}	32	40

The frequency distribution for subject gender is found in Table 3. Of the employees, 49.4% were male and 50.6% were female. Of the supervisors, 75% were male and 25% were female.

Table 3
Frequency Distribution and Percentages
for Gender of Subjects

Gender	Employees (n=87)	%	Supervisors (n=20)	%
Male	43	49.4	15	75
Female	44	50.6	5	25

Educational levels of the subjects are shown in Table 4. Of the employees, 9.2% had completed high school, 17.3% had two-year degrees, 50.6% had bachelor's degrees, 21.8% had master's degrees, and only 1.1% had a doctoral degree. Of the supervisors, 45% had bachelor's degrees and 55% had master's degrees.

Table 4
Frequency Distribution and Percentages
for Educational Levels of Subjects

Educational Level	Employees (n=87)	%	Supervisors (n=20)	%
High School	8	9.2	-	0
Two-Year Degree	15	17.3	-	0
Bachelor's Degree	44	50.6	9	45
Master's Degree	19	21.8	11	55
Doctoral Degree	1	1.1	-	0

Annual income levels of subjects are shown in Table 5. Of the employees, 17.3% earned less than \$20,000, 32.2% earned \$20,001 to \$30,000, 29.9% earned \$30,001 to \$40,000, 13.8% earned \$40,001 to \$50,000, 5.7% earned \$50,001 to \$60,000, and only 1.1% earned more than \$60,000.

Of the supervisors, 0 % earned less than \$20,000, 10.5% earned \$20,001 to \$30,000, 5.5% earned \$30,001 to \$40,000, 42% earned \$40,001 to \$50,000, 21% earned \$50,001 to \$60,000, and 21% earned more than \$60,000.

A frequency distribution and percentages for length of time working together for the employees and their supervisors are shown in Table 6. The distribution ranged from 1 month to 21 years.

Table 5
Frequency Distribution and Percentages
for Annual Income of Subjects

Annual Income	Employees (n=87)	%	Supervisors (n=19)	%
Less than \$20,000	15	17.3	-	0
\$20,001-\$30,000	28	32.2	2	10.5
\$30,001-\$40,000	26	29.9	1	5.5
\$40,001-\$50,000	12	13.8	8	42
\$50,001-\$60,000	5	5.7	4	21
More than \$60,000	1	1.1	4	21

As shown in Table 6, 41.5% of the employees and their supervisors had worked together less than 1 year, 23% had worked together 1 to 2 years, 12.6% had worked together 2.1 to 3 years, 13.8% had worked together 3.1 to 5 years, 5.8% had worked together 5.1 to 10 years, and 3.3% had worked together more than 10 years. The mean length of time these employees and supervisors had working together was 2.5 years.

Table 6

Frequency Distribution and Percentages for Length of Time (in Years) the Employees and their Supervisors Had Worked Together

Year(s)	Employees & Supervisors (N=87)	%
Less than 1	36	41.5
1 - 2	20	23.0
2.1 - 3	11	12.6
3.1 - 5	12	13.8
5.1 - 10	5	5.8
More than 10	3	3.3

A frequency distribution for length of time the subjects had been with the organization is shown in Table 7. Time for the employees ranged from 1 month to 35 years, while for the supervisors it ranged from 14 months to 33 years.

Table 7

Frequency Distribution and Percentages for Length of Time (in Years) with the Organization

Year(s)	Employees (n=87)	%	Supervisors (n=20)	%
Less than 1	20	23.0	-	0
1 - 2	18	20.7	1	5
2.1 - 3	11	12.6	1	5
3.1 - 5	12	13.8	5	25
5.1 - 10	10	11.5	7	35
More than 10	16	18.4	6	30

Of the employees, 23% had worked for company less than 1 year, 20.7% had worked for the organization 1 to 2 years, 12.6% had worked for the organization 2.1 to 3 years, 13.8% had worked for the organization 3.1 to 5 years, 11.5% had worked for the organization 5 to 10 years, and 18.4% had worked for the organization more than 10 years.

Of the supervisors, none had worked for his or her organization less than 1 year, 5% had worked there 1 to 2 years, 5% had worked there 2.1 to 3 years, 25% had worked there 3.1 to 5 years, 35% had worked there 5.1 to 10 years, and 30% had worked there more than 10 years.

As shown in Table 8, the mean length of time with the organization for the employees was 5.3 years and for the supervisors was 12.5 years.

Table 8

Mean Length of Time (in Years) with the Organization
for the Employees and Supervisors

	Employees (n=87)	Supervisors (n=20)
\bar{X}	5.3	12.5

Findings

In this section, the findings concerning the relationship between the strength of the psychological contract (SPC) and the three types of organizational commitment, affective commitment (AC), continuance commitment (CC), and normative commitment (NC), are described.

In conducting the statistical analysis of the data, a standard multiple regression was employed. The regression coefficients were tested at the .05 level of significant. It was not necessary to transform the variables to reduce skewness in their distributions, reduce the number of outliers, or improve the normality, linearity, and homoscedasticity of residuals.

Null Hypothesis 1

There will be no statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and affective commitment of the employee, as measured by the Organizational Commitment Questionnaire.

Null Hypothesis 1 was not rejected, since there was no statistically significant relationship ($F(6,80)= 1.908$, $p=.089$) between the SPC and the AC of the employees.

In Table 9, the regression coefficients for predicting the AC scores from the SPC scores of employees are displayed. The combination of the six independent SPC variables predicted 13% ($R^2=.125$) of the variability of the affective commitment of the employees.

Table 9
Regression Results for the Strength of the
Psychological Contract and Affective
Commitment Scores of Employees

Independent Variables	<i>B</i>	<i>β</i>	<i>t</i>
Dimension 1	.008	.033	.177
Dimension 2	-.006	-.029	-.183
Dimension 3	-.022	-.097	-.635
Dimension 4	.004	.022	.128
Dimension 5	.087	.433	2.837**
Dimension 6	-.060	-.280	-1.989*
<i>F</i>	1.908		
<i>R</i> ²	.125		

* $p<.05$, ** $p<.01$, *** $p<.001$

There were two independent variables shown to contribute significantly to the prediction of the level of affective commitment of employees: feedback and promotion policies ($t(6,80)=2.837$, $p=.005$); and working conditions and career planing ($t(6,80)=-1.989$, $p=.050$).

This finding for feedback and promotion policies (Dimension 5) suggests that employees will commit to the organization if they get feedback and are promoted for their good work. On the other hand, working conditions and career planning (Dimension 6) was negatively related to AC. The less employees expect to have good working conditions and the less they plan for their futures of their careers and for advanced education, the more employees will commit to the organization.

Null Hypothesis 2

There will be no statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and continuance commitment of the employee, as measured by the Organizational Commitment Questionnaire.

Null Hypothesis 2 was not rejected, since there was no statistically significant relationship ($F(6,80)=.620$, $p=.713$) between the SPC and the CC of the employees. As a consequence, the SPC score cannot be used to predict the level of continuance commitment of employees. The combination of the six independent SPC variables predicted only 4% ($R^2=.044$) of the variability of the continuance commitment of employees.

Table 10

Regression Results for the Strength of the
Psychological Contract and Continuance
Commitment Scores of Employees

Independent Variables	<i>B</i>	β	<i>t</i>
Dimension 1	-.075	-.258	-1.316
Dimension 2	-.015	-.062	-.366
Dimension 3	.052	.197	1.228
Dimension 4	3.183	.001	.007
Dimension 5	.026	.116	.726
Dimension 6	-.008	-.034	-.233
<i>F</i>	.620		
<i>R</i> ²	.044		

* $p < .05$, ** $p < .01$, *** $p < .001$

Null Hypothesis 3

There will be no statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and normative commitment of the employee, as measured by the Organizational Commitment Questionnaire.

Null Hypothesis 3 was not rejected, since there was no statistically significant relationship ($F(6, 80) = .543$, $p = .773$) between the SPC and the NC of the employees. The combination of the six independent SPC variables predicted only 4% ($R^2 = .039$) of the variability of the normative commitment of employees. This suggested that the strength of the psychological contract was not a good predictor for the normative commitment of employees.

Table 11

Regression Results for the Strength of the
Psychological Contract and Normative
Commitment Scores of Employees

Independent Variables	B	β	t
Dimension 1	.013	.050	.254
Dimension 2	.019	.083	.487
Dimension 3	-.010	-.040	-.251
Dimension 4	-.031	-.138	-.735
Dimension 5	.049	.231	1.443
Dimension 6	-.021	-.094	-.639
F	.543		
R ²	.039		

* $p < .05$, ** $p < .01$, *** $p < .001$

Null Hypothesis 4

There will be no statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and affective commitment of the supervisor, as measured by the Organizational Commitment Questionnaire.

Null Hypothesis 4 was rejected, since there was a statistically significant relationship ($F(6,80)=2.798$, $p=.016$) between the SPC and the AC of the supervisor.

In Table 12, the regression coefficients for the SPC and AC of supervisors are displayed. The combination of the six independent SPC variables can be used to predict 17% ($R^2=.173$) of the variability of the affective commitment of supervisors.

Table 12

Regression Results for the Strength of the
Psychological Contract and Affective
Commitment Scores of Supervisors

Independent Variables	B	β	t
Dimension 1	.031	.234	1.442
Dimension 2	.001	.009	.071
Dimension 3	.008	.066	.379
Dimension 4	.006	.048	.277
Dimension 5	-.051	-.407	-2.959**
Dimension 6	.022	.183	1.463
F	2.798**		
R ²	.173		

* $p < .05$, ** $p < .01$, *** $p < .001$

Only one of the independent variables contributed significantly to the prediction of affective commitment. Feedback and promotion policies (Dimension 5) was the best predictor for affective commitment in supervisors ($t(6,80) = -2.959$, $p = .004$), but negatively. This suggested that the more supervisors felt that feedback, accurate performance appraisals, and fairly treatment must be given to employees, the less the supervisors will commit to the organization.

Null Hypothesis 5

There will be no statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and continuance commitment of the supervisor, as measured by the Organizational Commitment Questionnaire.

Null Hypothesis 5 was rejected, since there was a statistically significant relationship ($F(6,80)=5.200$, $p=.0001$) between the SPC and the CC of the supervisor.

Table 13 displays the regression coefficients for the SPC and CC scores of the supervisors. The combination of the six independent SPC variables can be used to predict 28% ($R^2=.280$) of the variability of the continuance commitment of supervisors.

Table 13
Regression Results for the Strength of the
Psychological Contract and Continuance
Commitment Scores of Supervisors

Independent Variables	<i>B</i>	<i>β</i>	<i>t</i>
Dimension 1	-.073	-.381	-2.516*
Dimension 2	.069	.392	3.036**
Dimension 3	.032	.178	1.086
Dimension 4	-.092	-.518	-3.163**
Dimension 5	3.749	.002	.016
Dimension 6	.057	.322	2.760**
<i>F</i>	5.200***		
<i>R</i> ²	.280		

* $p<.05$, ** $p<.01$, *** $p<.001$

Table 13 shows that four significant regression coefficients were found between the SPC and CC scores of supervisors. First, advancement opportunities and work skills (Dimension 1) was negatively related to CC ($t(6,80)=-2.516$, $p=.013$). This finding indicated that the more supervisors expected their subordinates to have advancement opportunities and improvement in work skills the less they

were committed to the organization.

Renegotiating expectations (Dimension 2) was positively related to CC ($t(6,80)=3.036, p=.003$). The supervisors explained that they are the people who need to talk openly with their subordinates to clear up any problems. They also expect to see their subordinates live up to the expectations of the organization. If not, they feel less commitment to the organization.

Feelings and congeniality of the work group (Dimension 4) was negatively related to CC ($t(6,80)=-3.163, p=.002$). This relationship suggested that the more the employees conform to the group, the less supervisors commit to the organization. This result can be explained by noting that most of the supervisors expect to stimulate creativity, promote competition, and energize behavior in their employees. When the conflicts were low and no creativity occurred in the work group, supervisors showed less commitment.

Working conditions and career planning (Dimension 6) was positively related to CC ($t(6,80)=2.760, p=.007$). This finding was contrary to the finding for employees' expectations. Supervisors expect to see and are willing to provide their subordinates with good working conditions, steady employment, and more education. When these events happen, supervisors will have higher organizational commitment.

Null Hypothesis 6

There will be no statistically significant relationship between strength of the psychological contract, as measured by the Psychological Contract Questionnaire, and normative commitment of the supervisor, as measured by the Organizational Commitment Questionnaire.

Null Hypothesis 6 was rejected, since there was a statistically significant relationship ($F(6,80)=2.432$, $p=.032$) between the SPC and the NC the supervisors.

Table 14

Regression Results for the Strength of the Psychological Contract and Normative Commitment Scores of Supervisors

Independent Variables	B	β	t
Dimension 1	.002	.014	.086
Dimension 2	.004	.031	.224
Dimension 3	.035	.244	1.372
Dimension 4	-.046	-.328	-1.853
Dimension 5	-.030	-.212	-1.529
Dimension 6	.042	.296	2.338*
F	2.432*		
R ²	.154		

* $p<.05$, ** $p<.01$, *** $p<.001$

In Table 14, the regression coefficients for the SPC and NC scores of supervisors are displayed. This table indicates that the SPC score was a good predictor of normative commitment in supervisors. The combination of the six independent SPC variables can be used to predict 15% ($R^2=.154$) of the variability of the normative commitment of supervisors.

Working conditions and career planning (Dimension 6) was the only variable found to have a significant relationship with normative commitment ($t(6,80)=2.338$, $p=.021$). This finding confirmed that most supervisors will commit more to the organization when their subordinates have better working conditions, steady employment, and more education.

Supplemental Analyses

Various t-tests for paired samples were conducted to see if the mean difference scores for expectations between employees and supervisors differed significantly. As seen in Table 15, the results reveal no significant difference between the means. The results suggest that there was a matching of expectations between employees and their supervisors on the total score of the SPC.

Table 15

Results of the t-test for Paired Samples of
Employees' and Supervisors' Strength of
the Psychological Contract Scores

Independent Variables	Mean Dif. (N=87)	SD	<u>t</u> -value	2-tailed Sig.
Total SPC	-.135	3.488	-.36	.719

* $p < .05$

Table 16 presents the mean scores from the Psychological Contract Questionnaires (PCQ) of employees and supervisors. The mean score of the employees was 13.44, and for the supervisors the mean score was 13.54.

Table 16

Mean Scores on the of Psychological Contract Questionnaire (PCQ) of the Employees and Supervisors

	Employees (n=87)	Supervisors (n=20)
\bar{X}	13.44	13.54

Table 17 displays the mean scores from the Organizational Commitment Questionnaires (OCQ) of employees and supervisors. The mean score of the employees was 4.58; for the supervisors, the mean score was 4.51.

Table 17

Mean Scores on the Organizational Commitment Questionnaire (OCQ) of the Employees and Supervisors

	Employees (n=87)	Supervisors (n=20)
\bar{X}	4.58	4.51

Chapter 5

DISCUSSION

This chapter includes a summary of the study, a discussion of the results, conclusions drawn from the study, and suggestions for future research.

Summary of the Study

The purpose of the present study was to investigate the impact of the psychological contract on organizational commitment. Mutual relationships are of great value to individuals, and it is important for organizations to understand the needs and expectations of employees and supervisors because these affect the level of commitment in organizations.

The Psychological Contract Questionnaire (PCQ) was specifically designed to elicit responses about situations which research indicates may affect the level of organizational commitment. Items on the initial questionnaire were developed to illustrate situations hypothesized to have an effect on daily work operations. Items also were developed to illustrate general working behaviors in organizations. The PCQ consists of six dimensions of expectations between employees and supervisors

at work. To measure the level of commitment, Allen and Meyer's (1990) Organizational Commitment Questionnaire (OCQ) was adopted. The OCQ divided organizational commitment into three categories: affective commitment (AC), continuance commitment (CC), and normative commitment (NC). The sample included 87 employees and their 20 supervisors. A standard multiple regression analysis was performed to investigate the statistically significant relationships between the strength of the psychological contract and the three types of organizational commitment of both employees and supervisors.

The findings revealed that the strength of the psychological contract had no statistically significant relationship with any of the three types of organizational commitment on the part of the employees, although employee-supervisor expectations were matched. In contrast, the findings revealed a statistically significant relationship between the strength of the psychological contract and all three types of organizational commitment on the part of the supervisors when expectations were matched with those of the employees.

In sum, researchers and scholars support the importance of the concept of the psychological contract as a useful construct for understanding human behavior in organizations. The present study examined the strength of the psychological contract and its impact on organizational commitment. The

results suggested that, only in some cases, when needs and expectations are fulfilled, can this unwritten contract be used to improve relationships in organizations, especially on the level of commitment.

Discussion of the Results

Employees

Results of the statistical analysis indicated that the first three null hypotheses (*NH 1* to *NH 3*), which involved relationships between the strength of the psychological contract and affective, continuance, and normative commitment of employees, were retained; analyses showed no evidence of significant correlations. Consequently, the present study failed to reject any of the three null hypotheses. The findings thus suggested that the SPC was not a good predictor for the AC, CC, and NC of employees. Supplementary analysis was conducted on the mean scores of expectations between employees and supervisors. The findings further indicated that employees' commitment did not depend on the level of their expectations even when these expectations were matched with their supervisors'. Overall, the findings were not as hypothesized.

One likely explanation for these results is the nature of the employees' situation. In order to understand individual behavior in a given situation, one must seek to understand the individual's needs in the situation (Schein,

1980). For example, if the supervisor expects to provide the same satisfaction of need as the employee expects to receive in order to increase the commitment level, yet the employee's commitment does not increase, the answer may well be that the employee is defining the situation as one in which matching his or her supervisors' expectations may not be important in the particular situation, that is, matching may lead to unpleasant social contacts and create an image of alienation from the work group. From that perspective, the psychological contract gains are not worth the risks, and behavior will not change, not because the psychological contract is not important or that it cannot be used to motivate the employee's behavior, but because in the particular situation the employee's need for the satisfiers provided according to the psychological contract were weighed against other values and motives. The same employee who fails to commit to a particular organization may quit and take a job elsewhere that provides the same type of psychological contract. These findings lead to the realization that motivations are tied to particular situations; all individuals cannot be assumed to be motivated in the same way at all times.

Usually, lower level workers must be task-oriented and technically competent in day-to-day work operations; the present study concurred with these findings. If employees involved with daily operations are forced to concentrate

closely on their tasks, they concentrate less on psychological needs and expectations. Employees do not need extrinsic satisfiers if the task is challenging and complex and they can get satisfaction from the task itself. In this situation, employees' energies are freed from having to deal with psychological conflicts related to the task and are therefore available for investment in the task itself. Tasks are clearly satisfying in themselves, and employees do not need to invest themselves in an organization's goals, regardless of energy available.

Economic incentives were also suspected to be one of the cause of the unexpected findings in the present study. Employees reported their average annual income to be \$23,000, compared with an average income of supervisors of \$43,000, which is almost twice as much. According to Gellerman (1963), economic incentives such as money were one of the most powerful symbols of motivation. For example, in some cases, money can provide an individual with certain material things, for instance, a sports car, from which he or she can gain a feeling of affiliation (joins a sports car club), recognition (own a status symbol), and even self-actualization (become an outstanding sports car driver). Filipczak et al. (1994) also found in their study that even the managers experienced sharp drops in loyalty and commitment to their companies, largely because the companies failed to live up to their promises about advancement,

travel, and pay hikes. The point here is not just what money can buy, but what it can do. Money is symbolic power; it can symbolize almost any need an individual wants it to represent. In other words, money can mean whatever people want it to mean. More research is clearly needed to obtain a better understanding of circumstances that cause an employee to commit to an organization. It is possible that employees send a message about their unhappiness to their supervisors by violating the psychological contract, which affects the employees' commitment level.

Additionally, an important point in explaining the results of this study relates to the consequences of the commitment itself. As Lazarus and Folkman (1984) and Mathieu and Zajac (1990) reported in their studies, commitment increased employees' vulnerability to the psychological threat posed by organizational hardships. A high level of commitment to an organization results in stress and tension in personal and social relationships. To avoid the stress and save those relationships, employees may decrease the level of commitment but still try to fulfill and match the expectations of their bosses.

Supervisors

Significant correlations, in the expected directions, were found between the independent variables and dependent variables for all three null hypothesis (NH 4 to NH 6) for supervisors. The regression coefficients for the SPC and

AC, CC, and NC scores of supervisors were all significant. The ability to statistically reject null hypothesis concerning the relationship between the SPC and the three organizational commitment variables also provided empirical support for the concept of the psychological contract. The results further suggest that the SPC was a good predictor of OC scores of supervisors.

The findings also imply that supervisors will commit more to the organization when the level of expectations are high and matched with their subordinates'. Notable significant correlations were observed between the AC and feedback and promotion policies; between the CC and advancement opportunities and work skills, renegotiating expectations, feelings and congeniality of the work group, and working conditions and career planning; and between the NC and working conditions and career planning. In general, correlations among the SPC and all three types of organizational commitment for supervisors tended to be high.

Affective commitment. The results of the study indicate that the overall level of the SPC of supervisors is positively correlated with AC. The associations of the SPC and AC were consistent, and supported previous research in this area. Allen and Meyer (1991) proposed that individuals whose experiences within the organization are consistent with their expectations and satisfy their basic needs tend to develop a stronger affective attachment to the

organization than do those whose experiences are less satisfying. The affective commitment then, which referred to the individual's emotional attachment to, identification with, and involvement in the organization, was affected and predicted by the level of the SPC.

Continuance commitment. Continuance commitment refers to commitment based on the costs that the individual has invested in the organization and associates with leaving the organization. Individuals high in CC remain in organizations because they need to (Allen & Meyer, 1984). Based on the findings, the statistical analysis showed that the supervisors' level of commitment was positively correlated to the SPC. The results supported previous research, which identified the relationship between personal investment and organizational commitment. The plausible explanation for this is that supervisors' investment (e.g., time, expertise) in the organization, which reflects the level of commitment, was predicted by the SPC. It should also be noted that particularly strong relationships were found between the SPC and CC of supervisors ($F(6,80)=5.200$, $p=.0001$). This strong correlation was based on the indistinguishable nature of both variables, the SPC and CC, which involve the fulfillment of "needs."

Normative commitment. Normative commitment refers to the individuals' feelings of obligation to stay with the

organization. The regression coefficients for this analyses demonstrated a significant relationship between the SPC and NC of supervisors. The evidence presented here suggested that the basis for one's commitment and involvement, such as moral commitment, may contribute to an individual's dedication beyond parameters narrowly required by the job as well as a reduced tendency to leave the organization, both of which are positive manifestations of the psychological contract. This finding suggested that the psychological contract increased the level of organizational commitment on the part of supervisors.

Issues for Organizations

There are many reasons why an organization should want to increase the level of organizational commitment among its members. Many research studies have shown that the more committed the employees are to the organization, the greater the effort expended by the employees in performing tasks and advancing organizational goals. Moreover, highly committed employees wish to remain associated with the organization for longer periods of time and tend to be more productive than employees who have less organizational commitment. In consequence, the organization benefits from this relationship directly and indirectly (e.g., expenses of absenteeism, training, and re-training).

The discrepancy of the findings in the present study suggested that organizations are facing an inescapable

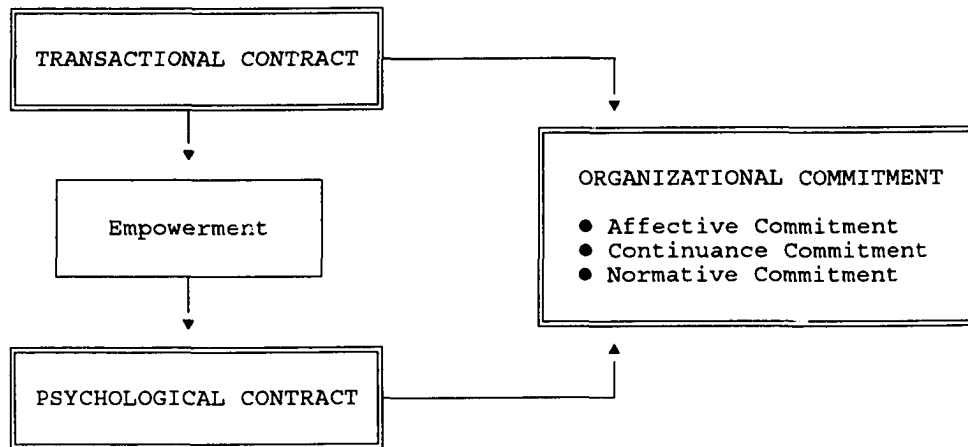
paradox. While the supervisors apparently are shifting to the new paradigm of intrinsic motivation, organizations are compelled to motivate their employees with extrinsic motivations. There is a very wide variation in the effectiveness with which organizations can manage the paradox, and this suggests a need for a harmony between the "transactional contract" and "psychological contract."

Realistic expectations are crucial if organizations are to achieve their goals. Organizations, supervisors, and employees should make a conscious effort to develop expectations that are mutually understood and acceptable. From an organizational perspective, organizations should create an environment that promotes sound psychological contracts in the work group. The results of the present study clearly show that the concept of the psychological contract can be used to increase the level of commitment in supervisors. The application of this concept should obtain the same result for the employees. This can be accomplished by providing the opportunity for employees to exercise power to fulfill their portion of the psychological contract. Basically, supervisors can enforce their side of the psychological contract through the exercise of power and the use of authority (Schein, 1980). It is important for the organization to allow employees to exercise power also. Employees must be able to believe that they have some power to influence their own situations, to enforce their side of

the contract and to fulfill expectations. Such an organizational culture, based on the rational consensus of the members in the work group, will shift the organization into the new paradigm of working together through empowerment. It is important for individuals to believe that they have some power to influence the situation if their side of the psychological contract is unfulfilled.

Most importantly, the new paradigm in management based on the psychological contract is being enthusiastically studied, even though it is different from the traditional view of motivation based on economic incentives. The results of the present study should alert organizations that commitment depends on both the "transactional contract" and "psychological contract" views of motivation.

In short, efforts were being made to fulfill the needs of each individual in organizations in spite of the pressures of low commitment to the organizations. The present study thus promotes the use of both the early theories of individual motivation, which previously dominated the research using the assumption that the only incentives available to organizations are monetary ones, and the new implications of the psychological contract, which considers the needs and feelings of individuals beyond the essential economic factors. The model derived from the present study is presented on the next page.



X+Y Model

The X+Y model identified two approaches that organizations can use to increase the level of organizational commitment. These approaches are: (1) the transactional contract, and (2) the psychological contract. However, the psychological contract can also be attained through empowerment which ultimately achieves organizational commitment.

Conclusions

Work motivation theories posited a new series of individual needs and expectations from work. Subsequent studies, particularly on the effect of the magnitude of expectations and level of work outcomes, introduced another set of assumptions: Individuals have their own expectations of what to give and what to receive from the organization. These expectations, in return, matches the organization's expectations of what to give and what to receive from the

individuals. This relationship will link the individuals and organization together and create the "psychological contract" that is loaded with expectations. Parties to the psychological contract will behave in accordance with their perceptions of the terms of this unwritten contract.

The results of the present study were inconsistent with the view that the psychological contract always will have a significant statistical relationship with organizational commitment. In light of these results, the present study offers only partial support of the concept of the psychological contract. Results of a standard multiple regression demonstrated that there was no correlation between the SPC score and measures of the OC of employees. In contrast, there were correlations between the SPC score and measures of the OC of supervisors.

The results of the present study also suggest disagreement with a principle of Dhammanungune's (1990) model of the psychological contract, which proposed that the strength of the psychological contract (defined as a function of the overall level of expectations and the degree of importance of mutual expectations) will have an effect on work outcomes. The findings relative to the SPC on the level of expectations of employees, even when there was a matching of the expectations between both parties in the interactions, were that the SPC still had no impact on organizational commitment of the employees. However the

results of the present study cannot be read to fully repudiate the theory either, because there was evidence of statistically significant relationships between the SPC and all three types of organizational commitment on the part of the supervisors. Furthermore, the present study only employed the level of expectation and its degree of its importance in the investigation. The present study left out the other domain of the equation in the theory, which is the level of fulfillment and degree of its importance. As a consequence, further research needs to be done by adopting the full use of both domains in the model as the core of investigation. Finally, as Dhammanungune (1990) proposed in his Proposition III, if some significant correlations are found, then the theory must be modified according to the findings. Since there were some relationships between the SPC and the OC measures, his Proposition III must be accepted but may need modification.

In addition, there is an apparent flaw in the Dhammanungune theory. The definition of the psychological contract as "the sum total of all expectations of both the organization and the employee"-- a definition accepted by Dhammanungune himself-- is violated by the formula for the strength of the psychological contract, which is calculated separately for the two parties: there is no "sum total" used. Thus, perhaps the Dhammanungune theory requires revision on this important dimension.

It must be emphasized that generalizations from the present study should be made very cautiously. In the present study, demographic data were intentionally excluded. This may have affected the results. As Steers (1977) found, the demographic data of individuals, such as education and age, were associated with commitment to the organization. Stevens et al. (1978) found that organizational commitment was positively related to organizational tenure. According to the data analyses of the present study, supervisors reported longer experience in the organization than did employees. Their average time with the organization was 12.5 years, compared with only 5.3 years for the employees. This seems reasonable. The fact that many of these people have been employed longer by the organization makes it understandable that they felt more secure in their status and devoted themselves even more to the organization. The present study ascertained that the psychological contract model is very complex. The model embodies a multitude of interrelationships, and it may therefore be impossible that one variable from the model can be isolated for an analysis of work motivation.

Suggestions for Future Research

The present study however preliminary, should alert researchers that more investigation needs to be done on the concept of the psychological contract. Results of the present study indicate the need for research in the

following areas:

1. Replication of the present study should be done on larger populations. Unfortunately, the small sample size in the present study may have prevented an accurate assessment of the strength of the psychological contract, even though the sample size of the present study reached the minimum requirement for the statistical analysis according to Cohen's (1988) power analysis method.

2. One important concern pertains to the nature of the samples. The present study was done in the environment of "white collar" workers. Future research is needed to re-examine relationships between the SPC and OC by administering the PCQ to a different level of work groups (e.g., blue collar workers) and other types of industries (e.g., service, nonprofit). Sims (1990) explained that differing levels of organizational commitment can be identified by the type of the organization. In an organization with a "strong culture," employees tend to have higher levels of commitment, because to be a part of such an organization, employees have to educate themselves to the expectations and practices of the organization.

3. Future research is needed that uses longitudinal designs and time-lagged correlations to more adequately address causality, because the psychological contract is dynamic and changes over time (Baker, 1985). Brooks and Seers (1991) argued that the various stages of life (e.g.,

early adulthood, later adulthood) involve different kinds of psychological adjustment. The contents of the expectations which are perceived values of exchange may reveal a shift of organizational commitment in different directions if a longitudinal design were employed. Moreover, longitudinal research, not simply in terms of the collection of criterion data over time, but also in terms of repeated measures of the independent variables, is called for. Many researchers have found that the relative importance and intensity of particular needs change during the first few years of the managerial career; thus, it is reasonable to expect that the relative impact of the experiences which stimulate commitment by gratifying needs may change as well.

4. Conceptual refinement of the psychological contract theory in general, and of the formula for SPC in particular, should be the target of future quantitative research.

5. Future research is also called for with respect to the relationship of SPC and performance/productivity. This would add to the importance of the psychological contract in term of organizational outcomes, in addition to personal outcomes.

6. Structural equation modeling holds promise as a research tool to both refine the concept of the PC and measure its strength and effects on individual and organizational outcomes.

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APPENDIX A

PSYCHOLOGICAL CONTRACT QUESTIONNAIRE (PCQ)
FOR EMPLOYEES

PSYCHOLOGICAL CONTRACT QUESTIONNAIRE (PCQ) for EMPLOYEE

Below are statements regarding various aspects of work situations. Please use the following response alternatives to indicate to what extent each statement refers to you, your supervisor or your organization.

Please remember! There are no right or wrong answer and your responses will be held in strict confidence.

Please indicate how much you agree or disagree with each statement by using the scale (1 - 5) in column [A]
 1 = strongly disagree, 2 = disagree, 3 = neither disagree nor agree, 4 = agree, 5 = strongly agree

AND

Indicate how important each aspect of the job is to you by using the scale (0 - 4) in column [B]
 0 = not at all, 1 = very little, 2 = somewhat, 3 = a lot, 4 = a great deal

	[A]					[B]				
	1	2	3	4	5	0	1	2	3	4
1. I expect my supervisor to listen to my ideas and suggestions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. I expect to have a part in the decisions which affect my job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. I expect my supervisor to help me develop my work skills.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. I expect a challenging job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. I expect to have a chance to supervise and direct the work of others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. I expect to put my skills to full use.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. I expect to discuss my expectations openly with my supervisor.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. I expect to meet the expectations of the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. I expect to know how much authority I have on the job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10. I expect to be allowed to determine my own work pace.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11. I expect to be informed about my responsibilities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12. I expect to be involved in the setting of time limits and deadlines.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13. I expect to make responsible decisions without assistance from the supervisor.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
14. I expect to conform to my work group's values.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
15. I expect to work well with other members of the work group.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
16. I expect to help out other members of the work group.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
17. I expect to have an open relationship with my supervisor.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
18. I expect to take feedback on my work performance into consideration.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
19. I expect to be recognized and respected for my good work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
20. I expect to receive an accurate performance appraisal.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
21. I expect a fair reward for good work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
22. I expect adequate resources and materials to carry out my assignments.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
23. I expect adequate facilities such as parking space.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
24. I expect to have steady employment.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
25. I expect to continue my education off company time.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

PLEASE TELL US ABOUT YOURSELF			
What is your age?	_____	Years	
What is your gender?	♂ Male	♀ Female	
What is your education level?	<input type="radio"/> High School	<input type="radio"/> Two Year Degree	<input type="radio"/> Bachelor Degree
	<input type="radio"/> Master Degree	<input type="radio"/> Doctoral Degree	Other _____
What is your annual income?	<input type="radio"/> Less than \$20,000	<input type="radio"/> \$20,001 - \$30,000	<input type="radio"/> \$30,001 - \$40,000
	<input type="radio"/> \$40,001 - \$50,000	<input type="radio"/> \$50,001 - \$60,000	<input type="radio"/> More than \$60,000
How long have you been working with this supervisor?	_____	year(s)	_____
			month(s)
How long have you been working with this organization?	_____	year(s)	_____
			month(s)

APPENDIX B

PSYCHOLOGICAL CONTRACT QUESTIONNAIRE (PCQ)
FOR SUPERVISORS

PSYCHOLOGICAL CONTRACT QUESTIONNAIRE (PCQ) for SUPERVISOR

Below are statements regarding various aspects of work situations. Please use the following response alternatives to indicate to what extent each statement refers to this particular employee or your organization.

Please remember! There are no right or wrong answer and your responses will be held in strict confidence.

Please indicate how much you agree or disagree with each statement by using the scale (1 - 5) in column [A]
 1 = strongly disagree, 2 = disagree, 3 = neither disagree nor agree, 4 = agree, 5 = strongly agree

AND

Indicate how important each aspect of the job is to you by using the scale (0 - 4) in column [B]
 0 = not at all, 1 = very little, 2 = somewhat, 3 = a lot, 4 = a great deal

	[A]		[B]							
	1	2	3	4	5	0	1	2	3	4
1. I expect this employee to give me ideas and suggestions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. I expect this employee to have a part in decisions which affect his or her job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. I expect to help this employee to develop his or her work skills.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. I expect this employee to handle a challenging job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. I expect this employee to supervise and direct the work of others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. I expect this employee to put his or her skills to full use.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. I expect this employee to discuss expectations openly with me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. I expect this employee to meet the expectations of the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. I expect this employee to know how much authority he or she has on the job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10. I expect this employee to determine his or her own work pace.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11. I expect this employee to be informed about his or her responsibilities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12. I expect this employee to be involved in the setting of time limits and deadlines.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13. I expect this employee to make responsible decisions without assistance from me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
14. I expect this employee to conform to the work group's values.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
15. I expect this employee to work well with other members of the work group.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
16. I expect this employee to help out other members of the work group.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
17. I expect to have an open relationship with this employee.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
18. I expect this employee to take feedback on work performance into consideration.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
19. I expect to recognize and respect this employee's good work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
20. I expect to give this employee an accurate performance appraisal.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
21. I expect to give this employee a fair reward for good work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
22. I expect to give this employee adequate resources to carry out assignments.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
23. I expect to provide this employee adequate facilities such as parking space.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
24. I expect to give this employee steady employment.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
25. I expect this employee to continue his or her education off company time.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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