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THE EFFECT OF THE PSYCHOLOGICAL
CONTRACT ON EMPLOYEE JOB SATISFACTION
SATISFACTORINESS AND TENURE
presented by

JOSEPH OFORI-DANKWA

has been accepted towards fulfillment
of the requirements for
Ph.D degree in SOCIAL SCIENCE


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THE EFFECT OF THE PSYCHOLOGICAL CONTRACT
ON EMPLOYEE JOB SATISFACTION,
SATISFACTORINESS, AND TENURE

By

Joseph Ofori-Dankwa

A DISSERTATION

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

School of Labor and Industrial Relations

1987

ABSTRACT

THE EFFECT OF THE PSYCHOLOGICAL CONTRACT ON EMPLOYEE JOB SATISFACTION, SATISFACTORINESS AND TENURE

By

Joseph Ofori-Dankwa

The concept of the psychological contract has received attention from textbook writers and practitioners as an analytic tool in predicting employee attitudes and behaviors. Few empirical studies have focused specifically on the construct.

A three component model of the psychological contract process (Context, Content, and Consequences of the contract), is presented.

Two within-person congruence measures are generated by employee's perceptions of what should be received and what is currently being received from an immediate supervisor on the orthogonal leadership behavior description questionnaire dimensions of initiating structure and consideration. The third independent variable, an across-person congruence measure is generated by employee perceptions of what should be received and the immediate supervisor's perceptions of what is being provided on the initiating structure dimension of the L.B.D.Q.

The study hypothesized a positive and significant relationship between measures of the psychological contract, and job satisfaction, employee satisfactoriness and tenure intentions.

Data from completed questionnaires were analyzed for 76 employees and their immediate supervisors in a dairy and convenience food retailing chain in the Greater Lansing Area.

The findings indicate a statistically significant correlation of .24 between the within congruence measure on the initiating structure dimension and job satisfaction. The obtained correlation is due to the congruence measure rather than its constituent components.

The findings also indicate statistically significant correlations of .24 and .23 between the within congruence measure on the consideration dimension and employee satisfactoriness and tenure respectively. The obtained relationships are primarily due to the congruence measures.

The findings also indicate statistically significant correlations of .27 between the across congruence measure on the initiating structure dimension and satisfactoriness. The obtained relationship is primarily due to the congruence measure.

Factor analytic technique was used to generate more specific measures of the psychological contract. Two

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measures, supervisor work emphasis and supervisor effort emphasis were significantly correlated with job satisfaction and tenure intentions. Supervisor approachability was significantly correlated to satisfactoriness and supervisor sensitivity was significantly correlated to tenure intentions of employees.

The theoretical and practical implications of these findings are explored, and directions for further research indicated.

This work is dedicated --

to the extended Ofori-Dankwa family, past, present
and yet unborn,

to my wife and love, Julie

and

to the loving, living memories of Mam. P. and
Granny.

ACKNOWLEDGEMENTS

Working on the Ph.D. program at the School of Labor and Industrial Relations, Michigan State University has been academically rewarding and intellectually stimulating; and I wish to acknowledge with gratitude the numerous people who helped to make it so.

I am very thankful to Dr. Michael Moore, Chairperson of my dissertation committee for serving as a mentor and providing guidance and counselling throughout my program.

My gratitude goes to Dr. Kruger whose theories and views of the importance of "psychological contracting" provided the intellectual challenge that consequently led to the dissertation topic and research focus.

My gratitude also goes to Dr. Neal Schmitt for the very useful suggestions, criticisms and comments made about the dissertation. To Dr. John Hollenbeck, I thank for introducing me to the rigors of scientific inquiry and for providing important theoretical and statistical insights about my research. My thanks also go out to Dr. Thomas Patten and Dr. Debra Gash for helping me conceptualize and build up an integrated framework for researching on the psychological contract.

I also wish to thank Dr. Sandra Gleason, Dr. Richard Block and Dr. Jack Steiber and the various members of the faculty of the School of Labor and Industrial Relations for providing help and encouragement as I went through the different stages of the program.

To Mrs. Joanne Lewis, I thank for her patience and professionalism in meeting the "deadlines" as she typed the numerous drafts of the dissertation.

My sincere thanks and appreciation go to my parents, Mr. and Mrs. D.O.K. Dankwa. As I have gone through the various hurdles of life, their unquestioned faith in my abilities has been a major source of inspiration. To Lagoose, thanks for being a true friend and brother. Keep the ACUPA spirit and flag high. To B-Z, Maamah, Nahaah, Danny Boy, Little Mam. P., Dan Gingwa and Atu the great, I have missed you all. To Granny and Mam P., I wish you were around to see the harvesting of the seeds you planted.

Finally to my wife, Julie, thanks for putting up with me as I unilaterally "psychologically contracted" for days and nights on end. Thanks also for the continued encouragements. This work is just as much yours as is mine.

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INTRODUCTION

The concept of the psychological contract has been referred to by several authors in organizational behavior and human resource management (Weick, 1979; Lawless, 1979; Kolb, Rubin & McIntyre, 1979; French, Kast & Rosenweig, 1985). This is despite the fact that few empirical studies have focused specifically on the construct.

The focus of this study is, therefore, on the psychological contract. Specifically, this study evaluates the relationship between measures of the psychological contract and job satisfaction, employee satisfactoriness and employee tenure intentions.

In carrying out the above objectives, the study lay-out is as follows: In Chapter One a literature review of relevant theoretical and empirical studies is carried out. In Chapter Two a basic model of the psychological contract process, made up of three key components: context, contents and consequences of the psychological contract, is presented. Specific research hypotheses are generated. The methodology section of this study is in Chapter Three. It is subdivided into two main subsections. The first section briefly deals with the history and organizational structure of the selected organization. In the second section, the mode of the operationalization of the various

dependent and independent variables is presented. Chapter Four deals with the statistical analysis used to test the hypotheses generated in Chapter Three and the results obtained. In Chapter Five a summary of the research results and the implications of the study are presented.

Questionnaires administered to supervisors and employees in a multi-store organizational setting to tap the various variables under investigation are attached in Appendix A, B, and C of the dissertation.

CHAPTER ONE

THE PSYCHOLOGICAL CONTRACT - A LITERATURE REVIEW

1.0 Introduction

The concept of the psychological contract has been referred to by several authors in organizational behavior, organization theory and human resource management (Weick, 1979; Lawless, 1979; March & Simon, 1958; Schein, 1971; McGregor, 1960; Patten, 1977; French, Kast & Rosenweig, 1985; Kolb, Rubin & McIntyre, 1979). The term psychological contract was first used by Levinson, Price, Munden, Mandl, and Solley (1963). Different terminology has at times been used by different authors. For example, McGregor (1960) talked of an employment contract while March and Simon (1958) saw the contract in terms of an inducement - contribution exchange. Patten (1977) referred to the employment exchange. Levinson (1965) described the contract in terms of reciprocation and the fulfillment of mutual expectations and needs.

The concept has also been recognized in economic literature as an implicit contract. These are contracts that are understood to exist but have not been formally written or signed by parties to the collective bargaining process (Ehrenberg & Smith, 1982).

The roots of the concept can be traced to notions of the social contract (Weick, 1979) and to exchange theories (Mintzberg, 1973). Both the exchange and social contract theories posit some fundamental give and take relationship between the individual, the state, the community or some primary social groupings (Homans, 1961; Homans, 1974, Blau, 1964).

The concept of the psychological contract can be placed within the broader context of the psychological theory of work adjustment (Dawis & Lofquist, 1984). The psychological theory of work adjustment has its origins at the University of Minnesota in the 1960s (Dawis, England & Lofquist, 1964; Scott, Dawis, England & Lofquist, 1960; Dawis, Lofquist & Weiss, 1968). Its major facets are described below.

1.1 The Psychological Theory of Work Adjustment

The most current refinement and description of the psychological theory of work adjustment is presented by Dawis and Lofquist (1984).

The theory focuses on the mutual responsiveness of an individual and the work environment to each other's requirements. As conceptualized in this theory, the individual has certain abilities, needs, values, personality and adjustment styles. The environment also has certain ability requirements, reinforcement systems and

environmental styles. This process of mutual responsiveness is termed work adjustment. The extent to which the requirements of either the individual or his work environment are met is termed correspondence. The two major indicators of work adjustment are the satisfaction of the individual with the work environment and the satisfactoriness of the work environment with the individual. The theory identifies Tenure (length of stay in an organization) as the primary outcome of work adjustment. For an individual to be retained in an organization, however, there must be both satisfaction (by the individual) and satisfactoriness (by the work environment). It is important to acknowledge that the theory of work adjustment forms an important base for the psychological contract.

First of all, the notion of the "matches" between two parties to a psychological contract can be seen to have been heavily influenced by the psychological theory of work adjustments. Secondly, the accepted outcomes of the psychological contract that have been investigated have been employee satisfaction, satisfactoriness and tenure (Woodward & Miller, 1976). These dependent variables or psychological contract outcomes were primarily developed, tested and validated as outcomes of the psychological theory of work adjustment (Dawis, England & Lofquist, 1964; Scott, Dawis, England & Lofquist, 1960; Dawis, Lofquist & Weiss, 1968).

The critical differences between the psychological theory of work adjustment and the psychological contract models are that:

1. The theory of work adjustment focuses on identifying and measuring the vocational needs and vocational abilities of an individual and the ability requirements and reinforcement systems of the work environment.
2. The psychological contract models, on the other hand, focuses almost exclusively on employee expectations and expectations of the organization and its designated representatives.
3. In the theory of work adjustment, work adjustment outcomes (satisfactoriness, satisfaction and tenure) is predicted from matching an individual's work personality with the work environment.
4. In the psychological contract models, satisfaction, satisfactoriness and tenure outcomes are predicted from matching the individual's expectations with those of the other party making up the dyad.

The notion of the psychological contract is defined in greater detail below.

1.2 Defining the Psychological Contract

Kotter (1973) defined the psychological contract as "an implicit contract between an individual and his organization which specifies what each expect to give and receive from

each other in their relationship" (p. 92). When the employee-organization expectations are the same then there is a "match." When they are not the same then there is a "mismatch." According to Kotter (1973) the "matches" and "mismatches" could either be large or small.

Levinson, Price, Munden, Mandl and Solley (1963) defined the psychological contract as "...a series of mutual expectations of which the parties to the relationship may not themselves be even dimly aware but which nevertheless govern their relationship to each other" (p. 21). The components of the psychological contract are the expectations of the two parties that make up the dyad.

Peters (1975), on the other hand, focused on the psychological contract between the supervisor and his subordinates. Peters (1975) notes that "...our organizations today are so complex that they cannot function unless members of the organization agree on how they will relate and work together. This bargain is sometimes referred to as the psychological contract" (p. 29).

Portwood and Miller (1976) indicate that the contract is negotiated between the employee and the employing firm at the employee's time of entry into the organization. French, Kast and Rosenzweig (1985) note that not all expectations of the individual and the organization can be met. There is therefore a process of explicit and implicit bargaining in which each side has to compromise.

The contract, therefore, is not static but dynamic (Baker, 1986). Kolb, Rubin and McIntyre (1979) point out that "the psychological contract is unlike a legal contract in that it defines a dynamic, changing relationship that is continually being renegotiated" (p. 12). It can, therefore, be described as "an evolving set of mutual expectations" (Dunahee & Wangler, 1974).

Similarities, however, exist between the psychological contract and its legal counterpart. For example, the behavioral patterns of parties to a legal contract will be influenced by their interpretation of the various clauses to the contract and the possible consequences of compliance and noncompliance. In a similar way, the behavior of parties to a psychological contract will be influenced by the expectations and perceived obligations of the different parties to the contract.

Secondly, as with the legal contract, the psychological contract can be breached either intentionally or unintentionally.

Thirdly, as with the legal contract, sanctions could come into play when there are perceptions of noncompliance with expectations. While in the legal contract noncompliance of major clauses would entail court actions and suits for breaches of the contract, from a psychological contract perspective, major breaches would, for example, result in management firing the employee or the employee

either being unproductive or quitting. The potential consequences of breaches of the psychological contract are dealt with in greater detail in Chapter Two.

Schein's (1972) definition of the psychological contract is perhaps the most explicit. It also captures all the common strands that run between the different definitions that have been advanced. Schein defined the psychological contract in terms of "the degree to which the worker's expectations of what the organization will provide him and what he owes the organization match what the organization's expectations are of what it will give and get" (p. 77).

The Schein (1972) definition can, therefore, be seen as a useful working definition that can be adapted to suit the specificities of the parties to dyadic relationship. The notion of an adaptable working definition becomes important as one deals with different dimensions of the psychological contract such as unilateral contracts and multiple psychological contracts. These are dealt with in Chapter Two.

For example, the Schein (1972) definition can be adapted to the supervisor-employee relationship (Peter, 1975). The psychological contract would, therefore, be defined as "the degree to which the employee's expectations of what his immediate supervisor will provide him and what job-related behaviors he owes his immediate supervisor match

what the supervisor's expectations are as to what he will give to and receive from his employees."

1.3 Empirical Studies Pertaining to the Psychological Contract

The concept of the psychological contract has been referred to in many management textbooks (Weick, 1982; Schein, 1969; Schein, 1972; Lawless, 1977; French, Kast & Rosenzweig, 1985; Kolb, Rubin & McIntyre, 1979). Very little consistent empirical research has been focused on the construct.

Terms such as differential perception (Triandis, 1959a), cognitive similarity (Triandis, 1959b; Triandis, 1959c), perceptual congruence (Huseman, 1982; White, Crino & Hatfield, 1985) perceptual similarity (Pulakos & Wexley, 1983) and differences in frames in reference (Weaver, 1958) bear much relevance to the psychological contract. This is because these phenomenon have features similar to the conceptualization and measurement of the psychological contract. Specifically, one can note that:

- 1) The unit of analysis of the studies are at the dyadic rather than at the individual level.
- 2) Measurements obtained reflect the degree of congruence or divergence between members of the identified dyads with regard to some pertinent aspects of their relationship.

- 3) The degree of congruence or divergence is hypothesized to affect one or more dependent variables.

Different studies have, therefore, focused on different variables. The study by Weaver (1958), for example, focused on differences between labor and management on items that had been combined to make up eight scales on closed shops, grievances, arbitration, the labor movement, working during a strike, labor in politics, seniority and individual bargaining.

The study by Hatfield and Huseman (1982) focused on the relationship between perceptual congruence about communication and subordinate job satisfaction.

Triandis's (1959c) study looked at the impact of communication similarity and attribute similarity on communication effectiveness. Communication similarity was defined in terms of dimensions used by individuals in the actual communication process. Attribute similarity was defined in terms of dimensions used by individuals in examining events in their environment.

It is clear from these and other studies (e.g. Triandis, 1959a; Triandis, 1959b) that the specific independent variables measured are different from what the psychological contract purports to measure even though the measurement techniques used rely on perceptual congruence. The psychological contract focuses specifically on the rights and obligations of parties to a dyadic relationship.

Wexley et al. (1980) examined the relationship between actual similarity and perceived congruence of managerial-subordinate, on one hand, and job satisfaction and satisfactoriness on the other. Subjects were 194 students in two midwestern universities who were concurrently in employ and their respective immediate supervisors. Seven concepts (responsibility, loyalty, goals and planning, social values, personality, belief in authority and work) were chosen. Subordinates were, therefore, asked to evaluate first themselves and then subsequently their immediate supervisors on twelve adjective parts that were associated with each of the seven concepts. Their immediate supervisors were subsequently identified and asked to undertake a similar evaluation. Three measures which represent the independent variables in the study are obtained. These are:

- 1) Subordinate's perceptual congruence: the difference between a subordinate's description of the manager and the manager's self-description.
- 2) Manager's perceptual congruence: the difference between the manager's description of the subordinate and the subordinate's self-description.
- 3) Actual similarity: the difference between a subordinate's self-description and the manager's self-description.

Pulakos and Wexley (1983) also investigate the relationship between perceptual similarity and performance ratings in manager-subordinate dyads. The independent variable, perceptual similarity is obtained by having managers and subordinates indicate the extent to which they "are similar kinds of people."

Neither Wexley et al. (1980) or Pulakos and Wexley (1980) deal specifically with the expectations and obligations of supervisors and their subordinates. This central aspect of the psychological contract is, therefore, not examined.

The importance of these studies is that perceptual congruence with regard to pertinent aspects of the work relationship between dyads have a consistent impact on work related outcomes such as communication (Hatfield & Huseman, 1982; Triandis, 1959a; Triandis, 1959b) and job satisfaction and performance evaluation (Wexley et al, 1980; Pulakos & Wexley, 1983).

Some studies further suggest the fertility of such an inquiry. These studies (placed under the term of realistic job previews or R.J.P.) focus more specifically on employee expectations about organizations prior to hiring and the consequent effect on job related behaviors when these expectations are met or not met. Rynes, Heneman III and Schwab (1980), Wanous (1974) and Cascio (1982) all point to

the wide acceptance of realistic job previews as leading to a reduction in employee job dissatisfaction and turnover.

Similarly, Premack and Wanous' (1985) meta-analysis of twenty-one realistic job preview studies lends modest support to the above contention. Specifically, Premack and Wanous (1985) suggests that R.J.Ps lead inter alia, to an increase in the initial levels of organizational commitment, an increase in performance and a slight increase in job satisfaction. They, however, note that due caution must be exercised in the interpretation of data because of the relatively few studies used in the analysis.

McEvoy and Cascio (1985) also use the meta-analytic technique to study the effect of Realistic Job preview on turnover. McEvoy and Cascio (1985) conclude that R.J.Ps leads only to a 9% improvement in turnover rates.

Though these views are not fully supported by the Taylor and Schmidt (1983) study, the discrepancy can be explained by the fact that persons who were presumed to give a realistic job review to the subjects in the Taylor and Schmidt (1983) study were being paid for each applicant that turned up. They, therefore, may have been suppressing some of the more unpleasant aspects of the organization. The study also indirectly gives partial support to the value of realistic job preview because employees who were rehires and who presumably possessed realistic knowledge of the job exhibited lower absenteeism and turnover.

A group of studies that investigate role congruence bear a more specific and pertinent relationship to the psychological contract. Role congruence can be defined as the extent to which superiors and subordinates in organizations agree upon subordinates' job requirements (Baird & Diebolt, 1976). With a few exceptions such as Baird and Diebolt (1976), studies on role congruence and role conflict have fairly consistently found that lack of role congruence and an increase in role conflict leads to dysfunctional organizational behaviors (Maier, Hoffman & Reed, 1963; Jacobson, Charters & Lieberman, 1951; Bible & McComas, 1963).

1.4 Vertical Dyad Linkage Approach

The dyadic approach to the study of organizational behavior has obtained considerable support from the development of the vertical dyad linkage approach to leadership. Dansereau, Cashman and Graen (1973) question two assumptions that are prevalent to the study of employees and their supervisors. The first assumption is the Work Group Homogeneity Assumption. Employees reporting to one superior are considered to be similar in terms of their attitudes, perceptions, behaviors and reactions. The second is the Leader Homogeneity Assumption. The superior is perceived as acting in the same way to each individual. Dansereau, Cashman, and Graen (1973) note that these

assumptions have led to the development of leadership behavior measures such as consideration (employee-oriented) and structure (production-oriented). To avoid the limitations of these "average leadership styles," the focus of studies should shift to the dyadic relationship between employees and their superiors.

Cashman, Dansereau, Graen and Haga (1976) and Dansereau, Graen and Haga (1975) subsequently use the vertical dyadic linkage approach to investigate the role making process of sixty managers in the housing division of a large public university. Both studies use the same data base and arrived basically at the same conclusion. A distinction is drawn between supervision (reliance by both the employee and his/her supervisor on the formal employment contract) and leadership which is based on interpersonal exchange of valued outcomes.

The data is longitudinal in nature and is collected over a nine-month period. The independent variable, latitude to negotiate, was defined in terms of the extent to which the superior is willing to consider requests from a member concerning risk development. Twenty-nine of the managers perceived having a high negotiating latitude (in group) and the remaining thirty-one managers reported having a low negotiating latitude (out group).

Both groups find that latitude to negotiate at the initiation of the employee-superior relationship determined

whether a leadership or supervisory relationship was formed. The amount of latitude to negotiate was found to be positively related to superior support and attention to employees and employees expending more time and energy, and being more committed to the success of their units. Despite the possible ambiguity of interpretation when a group level of analysis is used (Nachman, Dansereau and Naughton (1983), both Glick and Roberts (1984) and Nachman, Dansereau and Naughton (1985) suggest that the data and previous interpretations are still consistent with individual and dyadic levels of analysis.

The focus on the dyadic relationship that is advocated under the vertical dyad linkage approach is, therefore, very much utilized in models of the psychological contract. The major emphasis on the dyadic relationship between the employee and his superior is also much utilized in models of the psychological contract.

1.5 The Kotter (1973) Study

The Kotter (1973) study also focused specifically on the psychological contract. The study conducted at the Sloan School of Management analyzed the responses of 90 middle managers. Seven key expectations of employees (i.e. middle managers) were identified. These are: personal development opportunities, security, taking on values and

goals, ability to work with groups, conforming, interesting work, and work that gave a sense of meaning or purpose.

Kotter's (1973) model is based on the premise that both the individual and the organization have expectations as to what they are to give and to receive. The Kotter (1973) model is presented below:

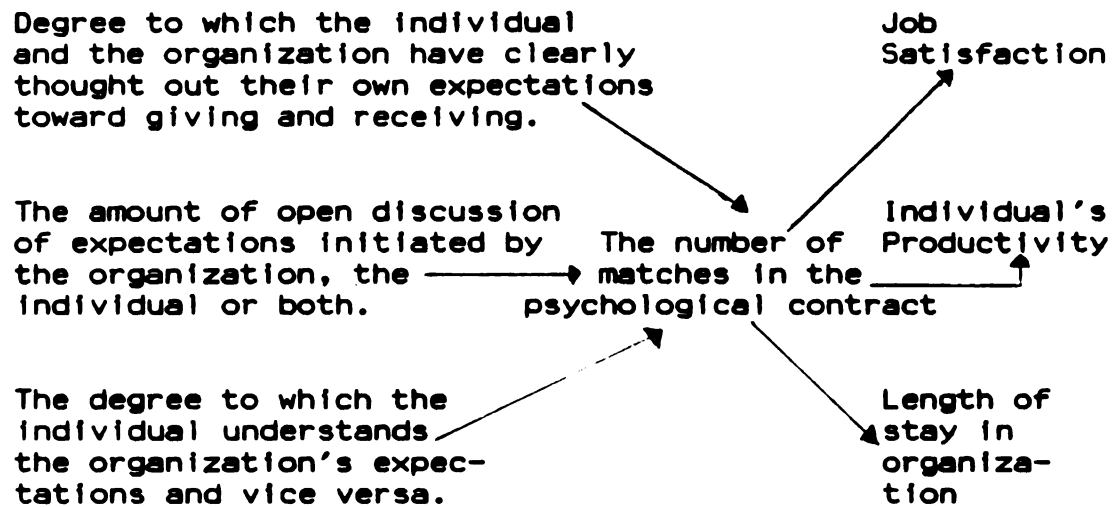


Figure 1: The Kotter (1973) Model

Factors that make for an increase or decrease in the number of matches of expectations are identified. These are:

- (1) The extent to which the individual and the organization have clearly thought out their own expectations as to what to give and receive. The failure to explicitly think out one's expectations can lead to mismatches that occur by accident.

- (2) The extent to which the individual and the organization understand each other's expectations. Once an individual is clear about the organization's expectations, mismatches that might occur unintentionally is considerably minimized. The above also holds for the organization's clarity about the individual's expectations.
- (3) The amount of open communication and discussion of expectations by the individual and the organization would affect the extent to which the individual and the organization understands each other's expectations. This would consequently affect the number of matches of the psychological contract.

The Kotter (1973) model posits that the more matches of employee-organizational expectations there were, the more productive the work force will be. Employees will also have greater job satisfaction and stay longer in the organization. The Kotter (1973) model draws heavily from the Psychological Theory of Work Adjustment not only in terms of the concept of "matches" but also in their choice of dependent variables (Davis & Lofquist, 1984).

The study contrasted what the individual expected to receive against what the organization expected to give the individual. Differences (that were statistically significant at alpha levels of .05) were found between

employee-organizational expectations for all seven employee expectations.

The study found that "psychological contracts, which are made up primarily of matches in expectations are related to greater job satisfaction, productivity, and reduced turnover than are other contracts which have more mismatches and less matches" (p. 92).

Unfortunately, the statistical analyses used for arriving at the above conclusions are not presented in the article. Secondly, only a within congruence measure of the psychological contract is used. This is despite the fact that much of the literature on the psychological contract have emphasized the across-congruence dimension of the process. The present study, therefore, improves upon the Kotter (1973) study by studying the psychological contract phenomenon both from a within congruence and an across congruence perspective.

1.6 The Portwood and Miller (1976) Study

The Portwood and Miller (1976) study was set out specifically to empirically study the concept of the psychological contract. The psychological contract was defined 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 association" (p. 109).

The study focused on the employee's reaction to assumed violations of the terms of the contract. The independent variable (termed individual job integration) was the difference between job expectations about valued outcomes at time of hire, and the extent to which the valued outcomes are fulfilled after filling the position. The two dependent variables were (a) employee's overall job satisfaction, and (b) employee's satisfactoriness to the organization. The term satisfactoriness covers dimensions of an individual's specific task performance, an individual's commitment to the organization and an individual's compatibility with the organizational environment.

The Portwood and Miller (1976) model is presented below:

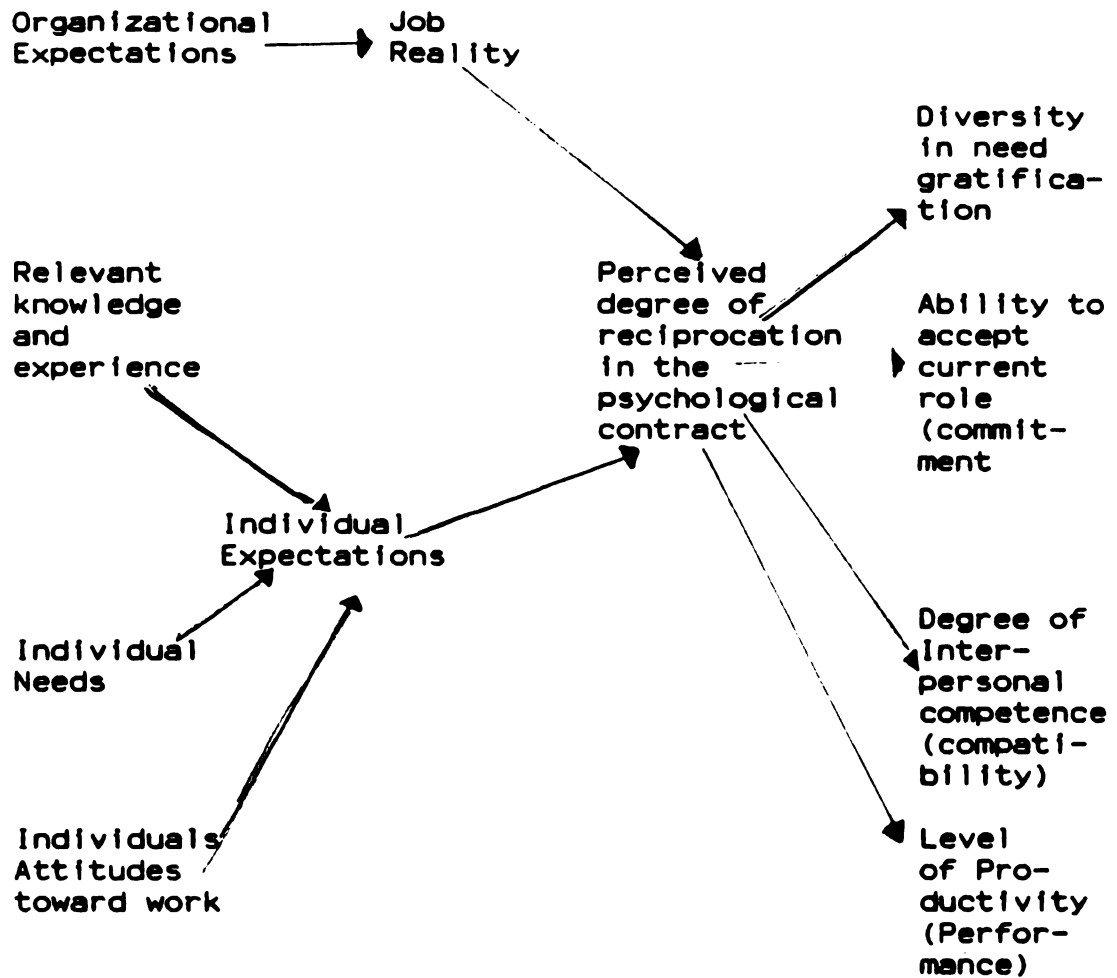


Figure 2: The Portwood and Miller (1976) Model

The model posits that an organization's expectation about the individual and the individual's job will consequently be formalized into policies and management practices. This "job reality" may or may not be consistent with the individual's own expectations. The individual's expectations are shaped and influenced by factors such as an individual's needs, the individual's attitudes towards

work and the relevant job knowledge and experience an individual has. The model posits that the greater the match between individual expectation and the realities of the job place, the greater the individual's satisfaction, commitment and productivity.

The research was a longitudinal field study over a nine month period. It was conducted in a midwestern retail firm with 43 locations in the Michigan area that sold both groceries and non-food items. The study found a correlation of .37 and .25 respectively between individual job integration and satisfaction, on one hand, and satisfactoriness, on the other. General support is, therefore, given to the concept of the psychological contract with the medium effect sizes (.37 and .25) obtained (Cohen, 1977).

The Portwood and Miller (1976) study, however, only focused on a within congruence perspective of the psychological contract. The present study improves upon the Portwood and Miller study by obtaining both within and across congruence measures of the psychological contract.

1.7 Limitations

A key possible limitation associated with the concept of the psychological contract could stem from the measurement of the degree of congruence between the supervisor and the subordinate. Typically, the degree of

congruence is calculated by using the D statistic - which is the square root of the sum of the squared absolute differences on scale items (Hatfield & Huseman, 1982; Wexley et al., 1980; Pulakos & Wexley, 1983). The D statistic originates from an attempt to correct logical constraints associated both with deficiency scores and perceptual congruence measures (Wall & Payne, 1973).

Johns (1981), however, suggests that due attention must be paid to the question of whether the consistent relationship between congruence measures and various organizational behaviors and attitudes are due to the individual components or the computed congruence measures.

The White, Crino and Hatfield (1985) study examines the extent to which the correlations between perceptual congruence about job problems index and job satisfaction is due to the component scores of the employees and their supervisors. Job satisfaction was regressed upon the two constituent component scores of the congruence measure. Their study found that one of the component scores (subordinate congruence scores) accounted for the significant correlation between the congruence measure and job satisfaction.

1.8 Conclusions

In reviewing the literature pertaining to the psychological contract, the following conclusions can be drawn.

- 1) The concept has been used by many authors as a theoretical conceptual framework that helps in understanding the employee-organization relationship.
- 2) Few studies have, however, investigated the concept empirically.
- 3) These studies and others in a broadly related area (perceptual congruence) point to the utility of the construct in predicting variables such as job satisfaction and productivity.
- 4) Despite the fact that multiple psychological contracts exist, the primary focus of research has been on psychological contracts between the employee and the organization (Kotter, 1973; Portwood & Miller, 1976). Few, if any, studies have focused on the effect of the psychological contract between the employee and his supervisor. Few, if any, studies have focused on the within-person congruence measures of the psychological contract.
- 5) Despite the fertility of an inquiry into the psychological contract between an employee and his supervisor, the concerns that one component of the congruence measure might explain the relationship

between the congruence measure and the dependent variable under investigation have to be addressed.

CHAPTER TWO

MODELS, VARIABLES AND HYPOTHESES

2.0 Introduction

This chapter presents a basic model for the psychological contract process. The parameters of the current study are identified. Subsequently two models of the psychological contract that fall within our study limits are presented. The pertinent variables that have been included in the models and relevant studies are highlighted and research hypotheses are generated.

2.1 Studying the Psychological Contract - A Conceptual Framework

As indicated in the previous chapter, the considerable interest in the psychological contract by textbook writers has not been matched by much empirical research. This anomaly may stem from the lack of a theoretical framework to integrate existing research and provide guidelines for future research.

An integrative model of the psychological contract process is presented in Figure 3 below.

<u>Context</u>	<u>Contents</u>	<u>Consequences</u>
-negotiating parties	-dimensions	-productivity
-time of contracting	-contract items	-job satisfaction
-nature of dyadic relationship	-measures of the contract	-tenure
-organizational culture/climate		-commitment
		-compatibility (inter-personal)

Figure 3: The Psychological Contract - A Basic Model

As a general proposition, research on the psychological contract can be built around three inter-related components: the context within which the psychological contracts are negotiated, the contents of the psychological contracts, and thirdly the consequences of the psychological contracts.

The proposed model assumes a recursive causal chain. The contextual factors may be considered to be exogenous variables. The above assumption may not be wholly tenable. It would appear, for example, that the nature of the dyadic relationship could be impacted by some of the identified consequences of the contract. One may have to distinguish between the relatively fixed contextual factors (e.g. negotiating parties, time of contracting) and the relatively variable contextual factors such as the nature of the dyadic relationship and the organizational climate.

2.1.1 Contexts of the Psychological Contract

Four major elements of the context within which psychological contracts are negotiated are: (1) parties to the contract, (2) time of contracting, (3) nature of the dyadic relationship and (4) organizational culture and climate. These four elements are illustrative rather than all inclusive of the different elements that operate within the context of psychological contracts.

Parties to the Contract

Fundamental to the concept of the psychological contract is the notion of perceived expectations and perceived obligations. Perception refers to "the frame of reference" or the process of enactment through which stimuli, external to the individual are duly selected, stored and retrieved when needed (Weick, 1979). The process of enactment or seeing through a perceptual filter is used by an individual to make "meaning" and sense of their relationship with one another (Pondy, Frost, Morgan & Dandridge, 1983).

The individual in the organization, therefore, has a set of perceived intrinsic and extrinsic rewards that he expects to get when he performs in the organization. March and Simon (1958) point to the fact that organizations have multiple constituent members who interact with each other and satisfice rather than maximize their choice process. In

a similar vein, Weber, (1943) notes that organizations attain goals because individual organizational members exhibit a consciously organized pattern of relationships regulated by impersonal rules and regulations. Multiple psychological contracts can, therefore, be conceptualized as existing between an employee and his organization (Schein, 1972; Portwood & Miller, 1976), between an employee and his supervisors, co-workers or managers (Peters, 1975) and between unions, management and union members (Weaver, 1958). It is, therefore, imperative to study the psychological contract between specific parties bearing in mind that different contracts will exist between different parties.

The above analysis has focused primarily on the psychological contract from a dyadic perspective (e.g. supervisor-employee; employee-organization).

Another potentially useful level of analysis would be from an individualistic or unilateral perspective. From this perspective, therefore, the notion of the psychological contract can be seen in terms of the match between employee perceptions of what should be provided by another party and the employee perceptions of what is actually being provided by the other party. This unilateral perspective of the psychological contract is adopted by Portwood and Miller (1976). The psychological contract is, therefore, seen by Portwood and Miller (1976) in terms of the difference between job expectations about valued outcomes at time of

hire, and the extent to which the valued outcomes are fulfilled after hire.

This unilateral perspective can, therefore, be described as a "within person" congruence measure and can be contrasted with the dyadic perspective of the psychological contract which could be described as an "across person" congruence measure.

Time

A problem with psychological contract research stems from its dynamic and evolving nature (Dunahoe & Wangler, 1974; Baker, 1986). A logical categorization would be to distinguish between the contract at the initiation of a job related relationship between two parties (Portwood & Miller, 1976; Cashman, Dansereau, Graen & Haga, 1976), and the psychological contract at a subsequent period of time. Studies by VanMaanen and Schein (1978), Nicholson (1984), and Louis (1980), all indicate that entry into an organization triggers off an intense socialization process. The individual responds by either accepting the status quo (custodianship), making substantial improvements in the strategic practices of the particular role (content innovation) or attempting to redefine and change his role (role innovation) (VanMaanen & Schein, 1978). The length of the relationship between parties to the psychological contract must be borne in mind. Vertical dyad linkage

studies also indicate that latitude to negotiate provided at the initiation of the employee-superior relationship, subsequently determined whether the parties expectations were based on the formal employment contract or on an interpersonal exchange of valued outcomes (Cashman, Dansereau, Graen & Haga, 1976).

Another logical categorization would be to distinguish between the contract prior to a major organizational, departmental or group intervention and the contract after the intervention. The implementation of interventions, such as team building, organizational development or comparable worth could radically change the existing psychological contracts. For example, both Remick (1983) and Franquist, Armstrong and Strausbaugh (1983) noted that once pay equity information is received, employees expectations change. The non-acceptance of the status quo by employees led, in the San Jose City case to strike action and in the State of Washington case, to litigation.

The Nature of the Dyadic Relationship

The nature of the dyadic relationship will definitely have an impact on the psychological contract. Latitude to negotiate, (for example), was found to be directly related to whether the employee and his/her supervisor expected their relationship to be guided by the formal employment contract or by an inter-personal exchange of

valued outcomes (Cashman, Dansereau, Graen & Haga, 1976; Dansereau, Graen & Haga, 1975). Integrity, competence and consistence of subordinates may in some instance be judged as more important than subordinates' loyalty and openness (Butler & Cantrell, 1984). The amount of open discussion of expectation between parties and the extent to which each party understand the expectations of the other would consequently have an impact on the nature of the psychological contract (Kotter, 1973). Nicholson and Johns (1985) in a similar vein distinguish between high and low trust in psychological contracts as a key variable in building their typology of absence cultures. It is clear from the above that dyadic relationships would be difficult to fully categorize. Research on the psychological contract is as yet to begin the mapping out process.

Organizational Climate and Culture

The nature of the organizational culture and climate will have an impact on the dyadic relation (Sathe, 1985). If the focus of the study is intra-organizational in scope, then it can be assumed that the impact will be fairly constant across different dyadic relationships. On the other hand, an inquiry that is inter-organizational in scope must presume that different organizational typologies, cultures and climates will have varied impacts on dyads in organizations. Thus, contextual factors like

cosmopolitanism (Bennis, Berkowitz, Affinito & Malone, 1957), rule tropism (Flango & Brumbaugh, 1974), and achievement-oriented climates (Joyce, Slocum, VonGlinow & Hellriegel, 1976), will influence the nature of dyads in an organization.

2.1.2 Contents of the Psychological Contract

Three major elements of the contents of the psychological contract are: dimensions of the psychological contract, contract items and measures of the psychological contract. Once again it is important to note that the elements discussed below are illustrative of the different aspects associated with the contents of the psychological contract.

Dimensions of the Psychological Contract

The following analysis is carried out specifically in terms of the supervisor and the worker. It, however, is applicable and relevant to other possible parties that engage in psychological contracting.

We shall define an employee's expectations of what the supervisor will provide him as Employee rights (ER). An employee's expectations of what he/she is to give to the organizations will be termed Employee obligations (EO). In line with the conceptual framework of the psychological contract, the supervisor's expectations of what he/she will provide the employee will be termed Supervisor obligations

(SO). The supervisor's expectations of what he/she will get from employees will be termed Supervisor rights (SR).

Given the above, three general dimensions of the psychological contract can be presented.

Employee Rights Dimension

The psychological contract is seen in terms of employee perceptions of their rights and the supervisor's perception of their obligations to the employee. The psychological contract is honored when there is little or no discrepancy between employee perceptions of their rights and supervisor perceptions of their obligations.

Supervisor Rights Dimension

The psychological contract is seen in terms of employee perceptions of their obligations to the supervisor and the supervisor's perception of their rights from the employee.

Employee/Supervisor Rights Interaction Dimension

The psychological contract is seen in terms of an interaction of Dimensions 1 and 2. This has both a logical and an intuitive rationale. Both dimensions above can conceivably be operating at the same time and independently of each other. The mode of the interaction is however open to debate. Literature from a related field that deals with the expectancy theory and that focuses on the interaction of the two or more percept measures (i.e. valence,

instrumentality and expectancy), however, suggest that the interaction could be either multiplicative or additive (Campbell & Pritchard, 1976; Vroom, 1964).

Contract Items

The contents of each psychological contract are likely to vary from dyad to dyad. Presumably at an organizational or occupational level of analysis differences can also be discerned in terms of the inclusion or non-inclusion, and importance or non-importance of contract items.

The extent to which items of the psychological contract and importance associated with these items vary across organizations and across occupations has as yet not received any academic attention.

Measures of the Psychological Contract

Measures of the psychological contract can be obtained either from an honored (extent to which there is an agreement between two parties in a dyadic relationship) or a breached (extent of discrepancy between two parties) perspective.

The Honored Psychological Contract

One method under this perspective would be to compute the number of items in which there is exact agreement between two parties as to the perceived rights of each party and the extent to which these rights are being met by the

other party. A second method might be based on the number of items in which there is general agreement between two parties as to the perceived rights of each party and the extent to which these rights are being met by the other party. Example: On a five point scale (marked: Never, Rarely, Sometimes, Usually, Always) an employee is asked to indicate the extent to which he/she should be provided with an item. The supervisor is also asked extent to which he/she is currently providing the item. Under the first method, the number of times both parties indicate never, or always or any of the remaining three response anchors, is generated. Under the second method, the number of items which both parties answer (1, 2, 3), (4, 5) or some other pre-stipulated categorization is generated.

The Breached Psychological Contract

Measuring the breach of the psychological contract entails measuring the amount of discrepancy between what one party thinks it is being provided and what the other party thinks it is providing. Because of possible logical problems inherent in merely using the absolute value of the differences in percept (Walls & Payne, 1971), the D statistic is generally recommended (Wexley et al., 1980).

2.1.3 Consequences of the Psychological Contract

Job satisfaction, productivity, length of tenure in an organization, commitment and satisfactoriness have been

identified as consequences of the psychological contract process (Kotter, 1973; Portwood & Miller, 1976). These studies are dealt with in greater detail below. The psychological contract has also been linked with absenteeism and absence culture (Nicholson & Johns, 1985).

2.2 Parameters of the Dissertation

The overview above of the basic model of the psychological contract process highlights the multiplicity of factors and the complexity of their interrelationships. The following limitations are therefore imposed on the research project. These are primarily because of the exploratory nature of the research and also because of various logistical and administrative constraints.

Choice of Parties

The concept of the psychological contract in this study will deal first with the expectations of the supervisor and the employee. Two reasons can be advanced for this choice. First, psychological contracts between an individual and a non-human entity (e.g. union or organization) raises crucial problems and questions. Though it can be argued that organizations exhibit rationality and goal directedness (Thompson, 1967), this is the result of the consciously organized and patterned behavior by individual organizational members (Commons, 1950; March & Simon, 1958; Weber, 1943). The choice of individuals or group of

individuals to represent the "organization" when studying the psychological contract poses a problem. The major limitation of reifying a non-human entity is, therefore, avoided by a more specific focus on the supervisor (Astley & Van DeVen, 1983). The second reason is that a supervisor and his employee are two constituent members of an organization who generally tend to have a high degree of interaction in the daily operations of an organization (Kerr et al., 1986). Perceptual congruence research has consequently focused on the supervisor-employee dyad rather than on employee-organization dyads (Hatfield & Huseman, 1982; Wexley et al., 1980).

The concept of the psychological contract is also dealt with from a unilateral or a "within-person" congruence perspective. (See Section 2.1.1.)

The primary reason for including this perspective is that its predictive power can be compared with the across-person congruence measure. This dual congruence perspective makes it possible to examine the relative and combined utility of the within-person and across-person congruence measures in predicting job satisfaction, satisfactoriness and tenure.

Time

Demographic variables will, among other things, tap the length of stay in the organization and the length of the employee-supervisor relationship (Van Maanen & Schein, 1978).

Nature of the Dyadic Relationship

This aspect of the psychological contract is not dealt with in this study.

Dimensions of the Psychological Contract

This study is limited to Dimension 1. The study focuses only on the psychological contract as it relates to employee perceptions of their rights, supervisor perceptions of their obligations and employee perceptions of supervisory obligations (Portwood & Miller, 1976).

The scope of the inquiry is further limited to focus specifically on first employee rights and the extent to which these identified employee rights are met by supervisory perceptions of obligations. Secondly, the focus is placed on employee rights and the extent to which these identified rights are perceived by the employees as having been met by the supervisors.

Contract Items

Contract items are based on the Leadership Behavior Description Questionnaire (L.B.D.Q.). The L.B.D.Q. is

described in the further detail in Chapter Three (Section 3.2.1).

Measuring the Psychological Contract Process

The D statistic will be used (Wexley et al., 1980). This represents the currently prevailing method in perceptual congruence research.

2.3 Hypotheses

Practitioners and consultants in organizational behavior and human resource management have identified possible effects of violations of the psychological contract. Dunahee and Wangler (1974), for example, note that contract violations could lead to job dissatisfaction, absenteeism, decreased productivity, and labor turnover on the part of the employee. Employer response in the face of perceived violations of the psychological contract could take the form of tightened work rules, written warnings, disciplinary layoffs, and termination of contracts. Peters (1975) suggests that perceived violations of the psychological contract leads to employee acts of irresponsibility.

At an empirical level of analysis, Kotter (1973) found that matches between employee expectations and job reality led to greater job satisfaction, increased productivity, and reduced turnover. In a similar view, Portwood and Miller (1976) found that the less the difference between job

expectation and job reality, the greater overall satisfaction, productivity, commitment and compatibility with the organizational environment. Both studies, however, focused on the psychological contract from an employee-organizational perspective. Little or no inquiry has been directed at the psychological contract from the supervisor-employee perspective. An examination of the psychological contract from an employee-supervisor perspective will also avoid problems associated with the reification of organizations (Atley & Van DeVen, 1983).

Secondly, both the Kotter (1973) and the Portwood and Miller (1976) studies used the discrepancy between the individual's expectations about valued outcomes at the time of hire and the extent to which these valued outcomes are fulfilled after filling the position, as a measure of violations of the psychological contract. The potential problem of the psychological constraint (when the obtained discrepancy score-outcome relationship is due to components of the discrepancy score) is never addressed (Walls & Payne, 1973). Greater insight into the psychological contract can, therefore, be gained by using the "within-person" congruence measure of the psychological contract to predict valued outcomes while also addressing its accompanied problem of the psychological constraint by using partial correlational techniques (Walls & Payne, 1973).

As given above, the present study of the psychological contract deals specifically with:

- (1) Supervisor-employee expectations, and
- (2) Employee perceptions of their rights from the supervisor and supervisor perceptions of their obligations to the employee.
- (3) Employee perceptions of their rights from the supervisor and employee perception of supervisory obligations.

Specifically, it is hypothesized that:

Hypothesis 1A

The greater the degree of match between an employee's perceptions of the rights that should be received from the immediate supervisor and the supervisor's perceptions of the obligations that are provided the employee, the greater will be the employee's job satisfaction.

Hypothesis 1B

The greater the degree of match between an employee's perceptions of the rights that should be received from an immediate supervisor and employee perceptions of the rights that are being provided by an immediate supervisor, the greater will be the employee's job satisfaction.

A general index of job satisfaction and two indices of intrinsic and extrinsic job satisfaction are used (Weiss, Dawis, England & Lofquist, 1967).

Hypothesis 2A

The greater the degree of match between an employee's perceptions of the rights that should be received from the immediate supervisor and the supervisor's perception of the obligations that is provided the employee, the greater will be the satisfactoriness of the employee to the organization.

Hypothesis 2B

The greater the degree of match between an employee's perceptions of the rights that should be received from an immediate supervisor and employee perceptions of the rights that are being provided by an immediate supervisor; the greater will be the satisfactoriness of the employee to the organization.

The concept of satisfactoriness is used by Portwood and Miller (1976). The concept of satisfactoriness, therefore, covers a general satisfactoriness index and four indices of performance, conformance, personal adjustability and dependability (Gibson, Weiss, Dawis & Lofquist, 1970).

Hypothesis 3A

The greater the degree of match between an employee's perceptions of the rights that should be received from the immediate supervisor and the supervisor's perceptions of the obligations that is provided the employee, the more likely an employee is to stay in the organization.

Hypothesis 3B

The greater the degree of match between an employee's perceptions of the rights that should be received from an immediate supervisor and employee perceptions of the rights that are being provided by an immediate supervisor, the more likely an employee is to stay in the organization.

2.4 Conclusion

In summary, taking both theoretical and empirical studies into account, it is hypothesized that matched employee-supervisor perceptions of employee rights and supervisor obligations will lead to greater job satisfaction, greater satisfactoriness and a greater likelihood of an employee staying in the organization.

Secondly, it was hypothesized that matched employee perceptions of employee rights that should be provided by an immediate supervisor and employee rights that are being provided will lead to greater job satisfaction, satisfactoriness and a greater likelihood of an employee staying in the organization.

CHAPTER THREE

METHODOLOGY

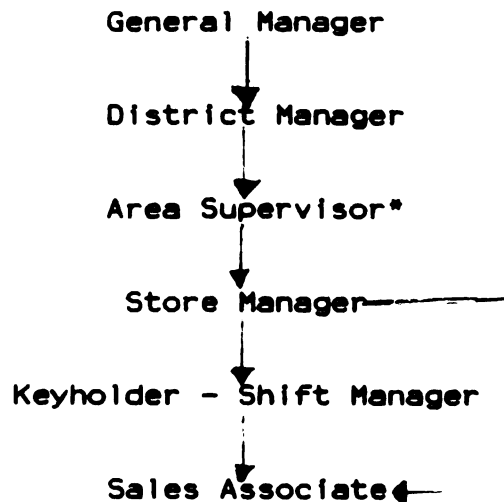
3.1.0 The Organization Under Study

The above stipulated hypotheses were tested under field conditions. Data were collected from employees and their immediate supervisors in 19 locations of a dairy and convenience food retailing organization in the Greater Lansing area.

The organization was founded in 1936 primarily for the provision of bottled milk in the Ingham County area. By 1950, the organization was providing a variety of products to meet customers' changing needs for convenient and fast shopping facilities. The provision of different retailing outlets was steadily increased, and by 1968 there were 13 stores. A bakery was also started. By 1970, store outlets were being licensed to sell beer and wine and were opened for extended hours. In 1981, an apple-crushing cider mill was instituted. By 1987, the organization has 30 retailing outlets, five of these are situated outside the Lansing area (Haslett, Holt, Eaton Rapids, Grand Ledge, and Fowler). A few of the outlets have a full 24-hour service.

3.1.1 Organizational Structure of the Retailing Outlets

The diagram below is representative of the organizational structure and chain of command in the retailing outlets.



The general manager has overall responsibility for the retailing outlets. He has support staff which include a marketing director, controller, manufacturing director, a training director and a personnel director. Under him is the district manager who supervises four area supervisors. Each of the area supervisors has seven stores (retail outlets) under his/her responsibility. Store managers have direct day to day responsibility for the stores and report directly to the area supervisor. There are 30 store

*Note: This firm uses supervisor to denote higher level personnel who oversee several stores while "manager" is used for store-level responsibilities.

managers. The extended hours policy necessitates having shift managers. They are responsible for the running of the outlets during shifts that the store manager is absent. At the bottom of the ladder are sales associates. There are usually two to five sales associates per shift per store. The actual number depends on the size of the particular outlet and the hours the store is being operated.

3.2.0 Operationalization of Constructs Under Investigation

The primary objective of this study is to investigate the effect of honored or violated psychological contracts between supervisor and employee have on employees. Specifically, the investigation narrowly focuses on the relationship between employee-manager perceptual congruence about employee rights, and employee job satisfaction, satisfactoriness and tenure in the organization.

3.2.1 Psychological Contract

Perceptual congruence with regard to employee rights was measured. The D statistic was used (Wexley et al., 1980). The D statistic is the square root of the sum of the squared absolute differences between employees and their immediate supervisors. As the D statistic is a measure of distance between two entities, the signs of the correlations obtained are reversed to represent the relationship between congruence and the dependent variables.

This statistical measure of perceptual congruence captures the theoretical conceptualizations of the psychological contract as having functional consequences when there is a "match" of expectations and dysfunctional consequences where there is a "mismatch" of expectations (Kotter, 1973, Baker, 1986). Indirect and general support for this conceptualization is also provided by research in equity theory that indicates that overfulfillment and underfulfillment of an individual's internally derived "standard" for a given job generally tend to have dysfunctional consequences (Campbell & Pritchard, 1976).

The similarities and differences between equity theory and the concept of the psychological contract can be identified:

1. When the psychological contract is measured from a within-congruence perspective, the equity theory and the concept of the psychological contract are broadly similar. Both focus on internally derived standards that the prevailing situations or circumstances are compared. Both generally suggest that the lack of a match of expectations would lead to dysfunctional consequences.
2. When the psychological contract is measured from an across-congruence perspective, equity theory and the concept of the psychological contract are different and distinct. From this perspective, the psychological

contract deals with match of expectations across persons. With equity theory, the match of expectations are internally derived.

To obtain a set of items representative of employee expectations, the Leader Behavior Description Questionnaire (L.B.D.Q.) was used (Fleishman, 1953A; Fleishman, 1953B). The 48-item questionnaire is made up of two dimensions, consideration and initiating structure. Fleishman (1953) reports that the consideration dimension is made up of 28 items and has a reliability coefficient of .92. The second dimension, initiating structure, has 20 items and a reliability of .68. The intercorrelation between the two dimensions was $-.02$. The Leadership Behavior Description Questionnaire (L.B.D.Q.) is made up, therefore, of two orthogonal dimensions. Developed and tested by Fleishman (1953A) and Fleishman (1953B), the L.B.D.Q. was subsequently used by Bass (1956) to predict employee ratings of supervisors. The use of the L.B.D.Q. has subsequently been recommended over other measures of leadership behavior (Robinson, Athanasion & Head, 1967). It has, therefore, been used in research that focuses on employee perception of leadership behavior (Kerr & Schriesheim, 1974) and also on the path-goal theory of leadership (House, 1971). The choice of the L.B.D.Q. items as the basis for the generation of the psychological contract measures is therefore well grounded in research.

3.2.2 Employee Job Satisfaction

A twenty-item scale (short form) of the Minnesota Satisfaction Questionnaire was used to generate a general index of job satisfaction. Indices of intrinsic (12 items) and extrinsic job satisfaction (8 items) are also generated from the twenty-item scale (Weiss, Dawis, England & Lofquist, 1967). The manual for the Minnesota Satisfaction Questionnaire reports median reliability coefficients of .86 for intrinsic satisfaction, .80 for extrinsic satisfaction and .90 for general satisfaction. The MSQ uses a five-option Likert-type scale that ranges from very dissatisfied to very satisfied. The manual also reports the correlation between intrinsic and extrinsic satisfaction of .60.

3.2.3 Employee Satisfactoriness to Organization

This measure was obtained by administering the 28 item Minnesota Satisfactoriness Scale Questionnaire to supervisors (Gibson, Weiss, Dawis & Lofquist, 1970). The Minnesota Satisfactoriness Scale yields a general satisfactoriness scale and scales on performance, conformance, dependability and personal adjustment. The manual for the Minnesota Satisfactoriness scale reports reliability coefficients ranging from .69 to .95 for the five scales. The performance scale concerns employee promotability and the quality and quantity of work. The conformance scale reflects how well the employee gets

along with supervisors and co-workers and observes regulations. Dependability refers to frequency of disciplinary problems created by the employee. The personal adjustment scale pertains to the worker's mental and emotional health (Gibson et al. 1970). The manual also reports that the four scales intercorrelated with each other from .45 to .70 with a median of .58.

3.2.4 Turnover Intentions and Turnover

A single-item scale was used to measure intentions of employees to leave or stay in the organization. Employee turnover data was also collected from the personnel department of the organization.

3.2.5 Demographic Variables

Four demographic variables (sex, educational level, age, length of tenure in organization) were obtained from both employees and supervisors. In addition, the length of tenure with immediate supervisor was obtained from employees.

3.3.0 Research Administration

In the Lansing area, 19 of the 24 organization's stores were randomly selected as locations for administering research questionnaires and interview. Due authorization was obtained from the appropriate organizational personnel. Store managers and employees were sent a memorandum from the

general manager stating the nature and purpose of the research, and guaranteeing the confidentiality of responses from employees. Employees were asked to fully cooperate with the researchers.

The researcher discussed with the General Manager and Personnel Director how best to administer questionnaires. It was acknowledged that the spread of the different locations of the organization's retail outlets, the seven-working day system and the multiple-shift system operable would make it impracticable for the researcher to personally administer and gather finished responses from employees who were randomly selected throughout the organization. A mailing process was considered as an alternative but discarded because taking the educational background of the employees and supervisor into account, a low response rate could be predicted. The consensus reached was that the researcher would personally administer and collect questionnaires. Convenience sampling of employees was therefore agreed upon.

The researcher met with each of the store managers to arrange for questionnaire administration. Generally, there were one or two days (depending on store size) that the stores took delivery of new inventory. With the exception of these delivery days, the researcher had an open choice with regard to the day of administering the questionnaires. Each store manager indicated time periods during the day and night when they had relatively low customer presence.

One store was randomly selected and used for a pilot study. Employees and their immediate supervisors were asked to fill out sample questionnaires. Respondents were subsequently asked if they understood the questions and instructions. A potential terminological problem was identified. The questionnaire asked for response regarding an employee's immediate supervisor. Within the context of Quality Dairy, an employee's immediate supervisor is called shift manager. In the administration of questionnaires in the actual study, due care was taken to explain to employees that the term "immediate supervisor" meant their shift manager. No other problems were identified.

Each store was visited twice. Once during the daytime (between 6 a.m. and 5 p.m.) and during the evening time (between 6 p.m. to 5 a.m.). In each visit, supervisors and employees were carefully briefed about the nature of the inquiry, and the fact that confidentiality of their responses would be assured. Employees were subsequently asked to respond to the questionnaire bearing their immediate supervisor (manager) in mind (See Appendix A). Store and Shift Managers were also asked to respond to questionnaires (i.e., one questionnaire for each employee under him/her) (See Appendix B.) Both supervisors and employees were encouraged to ask any questions that arose when filling the questionnaire forms. The telephone number of the researcher was also left behind in case either

employees or supervisors had questions that arose after the researcher had left the store.

The typical store had one supervisor and two or three employees per shift. Generally, one person manned the store while the others went into the back room to respond to the questionnaires. It took between 15 to 20 minutes for a questionnaire to be filled out by an employee, and 8-10 minutes for the questionnaire to be filled out by managers.

All returned questionnaires were carefully scrutinized as they were collected (Dillman, 1978). Inadvertent omissions were drawn to the attention of the respondents. Where respondents indicated that the omissions were deliberate, they were not persuaded to complete the questionnaires. This is because of the potential for the problem of researcher-created attitudes (Sandelands & Larson, 1985).

3.4 Subjects Studied

All questionnaires (90) administered were returned. After coding and clearing, only data on 76 was complete enough to be used for subsequent analysis. Questionnaire administration and collection was carried out between Thursday, January 15 and Friday, February 6. During this period of time, no major organizational intervention was intended or carried out.

Data was analyzed using the IBM Mainframe of M.S.U. and the SPSSX Program. The break down of demographic variables of sex, months employed in the organization, age and education for employees and supervisors are listed below in Table 1.

Table 1
Manager and Employee Demographic Variables

	Supervisors		Employees	
	Numbers	%	Numbers	%
n	34		76	
sex	M 10	29	31	41
	F 24	71	45	59
average months employed	42.21		8.0	
average age	31.4		25.6	
Highest Education Level:				
completed high school	10	29	31	45
completed some college	18	53	38	50
finished 2-year program and over	6	18	7	9

Data was collected from 34 store or shift managers. 71% of the managers were female. On average, managers had spent 3.5 years with the organization. The average age of the manager was 31 years. About 50% of the managers had completed some college education and 20% had finished at least a 2-year associate degree program.

Of employee-sales associate respondents, 60% were female. The average age was 26 years. About 50% of the respondents had also completed some college education and 10% had finished at least a 2-year associate degree program. Employees had spent an average four months under their immediate supervisors.

3.5 Data Analysis Method

The data obtained were analyzed as follows:

1. Reliability and construct validity of the independent variables (i.e. the measures of the psychological contract) were examined.
2. The reliability and validity of the dependent variables were established.
3. The independent and dependent variables were correlated to test the hypotheses. A one-tail test of statistical significance was used.
4. For variables displaying a statistically significant relationship, first and second order partial correlations were used to establish whether the

relationship observed was due either to the generated congruence measures of the psychological contract or to the two measures that are used to derive each of the congruence measures. These two measures are described as components of the congruence measure (White, Crino & Hatfield, 1985). For the congruence "within" measures, the two components are: (a) employee perceptions of the rights that should be received from the immediate supervisor; and (b) employee perceptions of rights that are being provided by the immediate supervisor (See Section 1.1.1). For the congruence "across" measures, the two components are: (a) employee perceptions of the rights that should be received from the immediate supervisor; and (b) supervisor perceptions of the obligations that are provided the employee.

3.6.0 Reliability and Validity of Variables

The study hypothesized a positive and significant relationship between psychological contract measures and job satisfaction, satisfactoriness and tenure intentions. Four measures of the psychological contract were used as the independent variables in this study. The four independent variables were:

1. Congruence between employee perceptions of what he/she should expect from the immediate supervisor and perceptions of what is currently being provided by the

immediate supervisor for items on the initiating structure dimension of the L.B.D.Q. and on the consideration dimension of the L.B.D.Q.

2. Congruence between employee perceptions of what he/she should expect from the immediate supervisor and supervisor's perceptions of what he/she is currently providing the employee for items on the initiating structure dimension of the L.B.D.Q. and the consideration dimension of the L.B.D.Q.

The four independent variables are, therefore, made up of two within congruence measures (generated within percepts of what employee should receive and what employee is receiving from an immediate supervisor) and two across congruence measures (generated between an employee and the immediate supervisor).

The dependent variables were as follows:

1. A general job satisfaction index and two indices of intrinsic and extrinsic job satisfaction (Minnesota Satisfaction Questionnaire).

2. A general satisfactoriness index and four indices of performance, conformance, personal adjustability and dependability (Minnesota Satisfactoriness Scale).

3. A one-item scale on intentions to stay or leave the organization.

3.6.1 Reliability of Independent Variables

Alpha coefficients are generated first for each of the component scales of the two congruence measures to give an estimation of the internal consistency of the different scales used. The mean and standard deviations of the scale items and congruence measures are also generated.

In Tables 2 and 3, the means and standard deviations for the 48 items of the Leadership Behavior Description Questionnaire were computed for employee perceptions of what he/she should expect from his immediate supervisor. The coefficient alphas associated with the initiating structure and the consideration dimensions are also presented.

Table 2

Means and Standard Deviations for Employee Response Items
Constructing the Initiating Structure Dimension and
Coefficient Alpha for the Scale (SHOULD RECEIVE)

Item	Mean	Std. Dev.
*ESS 1	2.36	1.07
ESS 2	3.63	0.85
ESS 3	2.18	1.15
ESS 4	2.69	1.29
ESS 5	3.93	1.00
ESS 6	4.09	1.12
ESS 7	2.38	1.04
ESS 8	3.44	0.90
ESS 9	2.86	0.95
ESS 10	3.38	1.07
ESS 11	3.71	1.16
ESS 12	3.83	1.03
ESS 13	3.70	1.05
ESS 14	3.25	1.01
ESS 15	2.40	1.20
ESS 16	2.22	1.18
ESS 17	3.12	1.07
ESS 18	3.69	1.13
ESS 19	3.74	1.09
ESS 20	4.04	1.03
	Mean	Std. Dev.
SCALE	64.65	9.97
ITEM MEANS	3.23	0.65
Coefficient Alpha: <u>.81</u>		

*ESS1 would, therefore, represent employees' ratings on the first item of the initiating structure dimension of the L.B.D.Q., in terms of what they should receive from their immediate supervisor (See Appendix A).

Table 3

Means and Standard Deviations for Employee Response Items
Constructing the Consideration Dimension and Coefficient
Alpha for the Scale (SHOULD RECEIVE)

Item	Mean	Std. Dev.
*ESC 1	2.43	0.72
ESC 2	2.50	1.00
ESC 3	4.16	0.99
ESC 4	2.03	0.97
ESC 5	2.47	1.14
ESC 6	1.28	0.67
ESC 7	3.04	1.22
ESC 8	2.71	1.21
ESC 9	3.22	1.35
ESC 10	2.15	0.12
ESC 11	1.84	0.86
ESC 12	1.62	0.96
ESC 13	3.56	1.04
ESC 14	2.12	0.82
ESC 15	1.57	0.79
ESC 16	1.59	0.86
ESC 17	2.22	1.01
ESC 18	4.01	1.10
ESC 19	3.95	1.20
ESC 20	3.63	0.95
ESC 21	3.11	1.27
ESC 22	2.29	1.04
ESC 23	4.33	1.03
ESC 24	3.96	0.78
ESC 25	4.68	0.60
ESC 26	4.64	0.58
ESC 27	3.33	0.92
ESC 28	2.75	1.87
	Mean	Std. Dev.
SCALE	80.75	7.99
ITEM MEANS	2.88	1.01
Coefficient Alpha: <u>.61</u>		

*ESC1 would represent employee ratings on the first item of the consideration dimension of the L.B.D.Q., in terms of what they should received from their immediate supervisors (See Appendix A).

In Tables 4 and 5, the means and standard deviations for the 48 items of the Leadership Behavior Description Questionnaire are presented for employee perceptions of what he/she believes he/she is currently receiving from his/her immediate supervisor.

The coefficient alphas associated with both the initiating structures and consideration dimensions are also presented.

In Tables 6 and 7, the means and standard deviations for the 48 items of the Leadership Behavior Description Questionnaire are generated for the supervisor's perception of what he/she is currently providing his subordinate. The coefficient alpha associated with the initiating structure and consideration dimensions are also generated.

The above results indicate that of the six scales that are consequently used to generate congruence measures, four exhibit a high degree of internal consistency and have coefficient alphas of .79 and above.

Two scales, employees' perception of what he/she should expect from his/her supervisor (on the consideration dimension) and supervisor's perceptions of what he/she is providing the employee (on the consideration dimension) also show modest degrees of internal consistency and have coefficient alphas of .61 and .67 respectively.

Table 4

Means and Standard Deviations for Employee Response Items
Constructing the Initiating Structure Dimension and
Coefficient Alpha for the Scale
(CURRENTLY RECEIVING)

Item	Mean	Std. Dev.
*EAS 1	1.99	0.99
EAS 2	3.24	0.93
EAS 3	2.17	1.21
EAS 4	2.17	1.03
EAS 5	3.58	1.09
EAS 6	3.35	1.15
EAS 7	2.39	1.05
EAS 8	3.54	0.98
EAS 9	2.69	1.01
EAS 10	3.24	1.01
EAS 11	3.72	1.02
EAS 12	3.47	0.99
EAS 13	3.44	1.20
EAS 14	3.47	0.94
EAS 15	2.18	1.12
EAS 16	2.11	1.13
EAS 17	2.94	1.03
EAS 18	3.44	1.17
EAS 19	3.42	1.06
EAS 20	3.72	1.14
	Mean	Std. Dev.
SCALE	60.25	10.10
ITEM MEANS	3.01	0.62
Coefficient Alpha: <u>.82</u>		

*EAS1 would represent employees ratings on the first item of the initiating structure dimension of the L.B.D.Q., in terms of what they are currently receiving from their immediate supervisors (See Appendix A).

Table 5

Means and Standard Deviations for Employee Response Items
Constructing the Consideration Dimension and Coefficient
Alpha for the Scale (CURRENTLY RECEIVING)

Item	Mean	Std. Dev.
*EAC 1	2.25	0.88
EAC 2	2.50	0.99
EAC 3	3.74	1.14
EAC 4	2.18	1.17
EAC 5	2.33	0.99
EAC 6	1.35	0.61
EAC 7	2.82	1.17
EAC 8	2.68	1.12
EAC 9	3.11	1.27
EAC 10	2.08	0.85
EAC 11	1.68	0.71
EAC 12	1.74	0.84
EAC 13	3.25	1.22
EAC 14	2.07	0.83
EAC 15	1.50	0.76
EAC 16	1.60	0.83
EAC 17	1.94	0.93
EAC 18	4.04	1.11
EAC 19	3.56	1.20
EAC 20	3.47	1.07
EAC 21	3.00	1.35
EAC 22	2.00	0.84
EAC 23	4.25	0.84
EAC 24	3.74	0.98
EAC 25	4.46	0.79
EAC 26	4.42	0.84
EAC 27	3.15	1.03
EAC 28	2.54	1.21
	Mean	Std. Dev.
SCALE	77.58	10.78
ITEM MEANS	2.77	0.93
Coefficient Alpha: <u>.79</u>		

*EAC1 would represent employee ratings on the first item of the consideration dimension of the L.B.D.Q. in terms of what they are currently receiving from their immediate supervisors (See Appendix A).

Table 6

Means and Standard Deviations for Supervisors Response Items
Constructing the Initiating Structure Dimensions and
Coefficient Alpha for the Scale

Item	Mean	Std. Dev.
*MAS 1	1.74	0.74
MAS 2	3.32	0.70
MAS 3	2.09	0.96
MAS 4	2.43	1.16
MAS 5	3.71	0.89
MAS 6	4.07	0.85
MAS 7	2.41	0.80
MAS 8	3.63	0.99
MAS 9	2.68	0.99
MAS 10	3.11	0.97
MAS 11	3.71	0.92
MAS 12	3.65	0.69
MAS 13	3.83	0.93
MAS 14	3.40	0.73
MAS 15	2.47	1.27
MAS 16	2.08	1.08
MAS 17	2.92	1.07
MAS 18	3.79	1.14
MAS 19	3.92	0.88
MAS 20	4.11	0.83
	Mean	Std. Dev.
SCALE	63.05	9.61
ITEM MEANS	3.15	0.79
Coefficient Alpha: <u>.85</u>		

*MAS1 would represent supervisor ratings of the first item of the initiating structure dimension of the L.B.D.Q. in terms of what they are currently providing their immediate employees.

Table 7

Means and Standard Deviations for Supervisors Response Items
on the Consideration Dimension and
Coefficient Alpha for the Scale

Item	Mean	Std. Dev.
*MAC 1	2.34	0.76
MAC 2	2.18	0.88
MAC 3	4.22	0.65
MAC 4	1.94	0.83
MAC 5	2.50	0.99
MAC 6	1.20	0.43
MAC 7	3.78	0.97
MAC 8	2.70	0.99
MAC 9	3.76	0.81
MAC 10	1.95	0.73
MAC 11	1.80	0.73
MAC 12	1.57	0.72
MAC 13	3.65	0.84
MAC 14	2.36	0.86
MAC 15	1.42	0.64
MAC 16	1.54	0.74
MAC 17	2.17	0.84
MAC 18	3.96	0.79
MAC 19	3.96	0.86
MAC 20	3.96	0.76
MAC 21	2.21	0.66
MAC 22	4.43	0.90
MAC 23	3.35	1.23
MAC 24	3.88	0.75
MAC 25	4.36	0.86
MAC 26	4.46	0.72
MAC 27	3.31	0.62
MAC 28	2.74	1.05
	Mean	Std. Dev.
SCALE	81.71	7.30
ITEM MEANS	2.92	1.05
Coefficient Alpha: <u>.67</u>		

*MAC1 would, therefore, represent supervisor ratings of the first item of the consideration dimension of the L.B.D.Q. in terms of what they are currently providing their immediate employees.

An interscale correlation matrix is presented in Table 8. The results indicate high correlations (.70 and .76) between scales of employees' perceptions of what they should expect from supervisors and what they believe they are being provided for the consideration and initiating structure dimensions, respectively. Low correlations (.15 and .07) are reported for the across congruence scales on the consideration and initiating structure dimensions, respectively.

Estimates of the internal consistency of the congruence measures are explored in Tables 9 and 10.

Table 8
Correlations Between Components (Scales) of
Congruence Measures

Consideration	1	2	3	4	5	6
1 Employee should receive (consideration)	1.0	.70	.15	.46	.33	.07
2 Employee believes received (Consideration)		1.0	.25	.43	.53	.15
3 Manager believes provides (consideration)			1.0	.12	.30	.67
4 Employee should receive (structure)				1.0	.76	.07
5 Employee believes receive (structure)					1.0	.24
6 Manager believes provides (structure)						1.0

Table 9

Means and Standard Deviations for Congruence (Within) on
Items Constituting the Initiating Structure Dimension
and Coefficient Alpha for the Scale

Item	Mean	Std. Dev.
*ISW 1	0.72	0.88
ISW 2	0.55	0.81
ISW 3	0.52	0.73
ISW 4	0.90	1.14
ISW 5	0.69	0.92
ISW 6	0.94	1.01
ISW 7	0.58	0.86
ISW 8	0.56	0.69
ISW 9	0.54	0.75
ISW 10	0.59	0.80
ISW 11	0.48	0.73
ISW 12	0.76	0.93
ISW 13	0.66	0.88
ISW 14	0.49	0.67
ISW 15	0.52	0.79
ISW 16	0.54	0.81
ISW 17	0.75	0.90
ISW 18	0.62	0.90
ISW 19	0.58	0.84
ISW 20	0.63	0.78
	Mean	Std. Dev.
SCALE	12.38	7.92
ITEM MEANS	0.62	0.14
Coefficient Alpha: <u>.81</u>		

*ISW1 would represent the within congruence measure of the first item on the initiating structure dimension on the L.B.D.Q.

Table 10

Means and Standard Deviations for Congruence (Within) on
Items Constituting the Consideration Dimension and
Coefficient Alpha for the Scale

Item	Mean	Std. Dev.
*CNW 1	0.40	0.66
CNW 2	0.68	0.80
CNW 3	0.75	0.88
CNW 4	0.60	0.78
CNW 5	0.55	0.69
CNW 6	0.24	0.52
CNW 7	0.70	0.95
CNW 8	0.90	0.95
CNW 9	0.75	0.98
CNW 10	0.57	0.75
CNW 11	0.52	0.69
CNW 12	0.59	0.88
CNW 13	0.62	0.96
CNW 14	0.61	0.77
CNW 15	0.47	0.67
CNW 16	0.59	0.98
CNW 17	0.70	0.87
CNW 18	0.84	1.05
CNW 19	0.69	0.98
CNW 20	0.61	0.90
CNW 21	0.89	0.98
CNW 22	0.73	0.91
CNW 23	0.55	0.82
CNW 24	0.56	0.68
CNW 25	0.39	0.73
CNW 26	0.48	0.75
CNW 27	0.56	0.77
CNW 28	0.65	0.86
<hr/>		
	Mean	Std. Dev.
SCALE	26.08	5.68
ITEM MEANS	0.93	0.37
Coefficient Alpha: <u>.88</u>		

*CNW1 would represent the within congruence measure of the first item on the initiating structure dimension on the L.B.D.Q.

In Tables 9 and 10, the means and standard deviations for the L.B.D.Q. items are shown for the Congruence between employee perceptions of what he/she is currently receiving and what should be received from an immediate supervisor. The coefficient alphas associated with the initiating structure and consideration dimensions are also presented.

In Tables 11 and 12, the means and standard deviation for the L.B.D.Q. items are generated from the congruence between employee perceptions of what he/she should expect from the immediate supervisor and the immediate supervisor's perceptions of what he/she is currently providing employees.

A high degree of internal consistency is exhibited by both congruence within scales (.82 and .89). In the congruence across scales, a modest degree of internal consistency is exhibited on the initiating structure dimension (.60) and very low internal consistency is exhibited on the consideration scale (.41).

Further computations and analyses using the congruence across scale on the consideration dimension are not carried out because of the low estimation of internal consistency.

In the administration of questionnaire, each employee was first asked about their perceptions of what they should received from their immediate supervisor. They were subsequently asked about their perceptions of what they believe they are currently receiving from their immediate supervisor. To the extent that each employee questionnaire

followed the format above, it raises the potential problem of response set. Following the suggestion by Wall and Payne (1973), this potential problem is addressed using first and second order partial correlations.

Table 11

Means and Standard Deviations for Congruence (across) on
Items Constituting the Initiating Structure Dimension
and Coefficient Alpha for the Scale

Item	Mean	Std. Dev.
*ISA 1	1.20	0.93
ISA 2	0.82	0.74
ISA 3	1.07	0.98
ISA 4	1.51	1.13
ISA 5	0.93	0.85
ISA 6	1.00	0.89
ISA 7	1.11	0.84
ISA 8	0.96	0.83
ISA 9	0.96	0.89
ISA 10	1.15	1.00
ISA 11	1.05	0.91
ISA 12	0.92	0.83
ISA 13	0.90	0.84
ISA 14	0.83	0.71
ISA 15	1.34	1.08
ISA 16	1.06	1.04
ISA 17	1.28	1.04
ISA 18	1.20	0.94
ISA 19	0.95	0.91
ISA 20	0.91	0.81
	Mean	Std. Dev.
SCALE	20.20	6.15
ITEM MEANS	1.06	0.19
Coefficient Alpha: <u>.60</u>		

*ISA1 would represent the across congruence measure of the first item on the initiating structure dimension of the L.B.D.Q.

Table 12

Means and Standard Deviations for Congruence (across) on
Items Constituting the Consideration Dimension and
Coefficient Alpha for the Scale

Item	Mean	Std. Dev.
*CNA 1	0.74	0.65
CNA 2	0.97	0.88
CNA 3	0.89	0.75
CNA 4	0.92	0.78
CNA 5	1.03	0.82
CNA 6	0.37	0.69
CNA 7	1.36	0.90
CNA 8	1.25	0.91
CNA 9	0.87	0.87
CNA 10	0.71	0.69
CNA 11	0.70	0.73
CNA 12	0.70	0.98
CNA 13	1.01	0.89
CNA 14	0.95	0.82
CNA 15	0.63	0.71
CNA 16	0.75	0.85
CNA 17	0.85	0.90
CNA 18	0.95	0.98
CNA 19	0.92	0.90
CNA 20	0.74	0.78
CNA 21	1.32	0.93
CNA 22	2.21	1.12
CNA 23	1.39	1.09
CNA 24	0.83	0.69
CNA 25	0.71	0.82
CNA 26	0.60	0.74
CNA 27	0.69	0.77
CNA 28	1.23	1.09
	Mean	Std. Dev.
SCALE	26.08	5.68
ITEM MEANS	0.93	0.37
Coefficient Alpha: <u>.41</u>		

*CNA1 would represent the across congruence measure of the first item on the consideration dimension of the L.B.D.Q.

In conclusion, the three independent variables are:

1. Congruence between employee perceptions of what he/she should expect from the immediate supervisor and what he/she believes he/she is currently receiving on the initiating structure dimension.
2. Congruence between employee perception of what he/she should expect from the immediate supervisor and what he/she believes he/she is currently receiving on the consideration dimension.
3. Congruence between employee perceptions of what he/she should expect from the immediate supervisor and supervisor perceptions of what he/she is providing the employee.

The scales derived from each of the components of the three congruence measures show a high degree of internal consistency. Scales derived from generating congruence measures on items from the components also show a modest or high degree of internal consistency.

3.6.2 Reliability and Validity of Dependent Variables

The dependent variables are made up of three indices of job satisfaction, five indices of job satisfactoriness and a one-item scale on intentions to stay or leave the organization. The scales that make up both job satisfaction (Minnesota Satisfaction Questionnaire) and job satisfactoriness (Minnesota Satisfactoriness Scale) are

widely used scales with established reliability and validity (Weiss, Dawis, England & Lofquist, 1967; Gibson, Weiss, Dawis & Lofquist, 1970). A brief examination of the reliability and validity of the scales is, therefore, conducted.

Coefficient alphas were computed for the various scales. These are laid out in Table 13 below. All the scales exhibited high coefficient alphas.

Table 13

Number of Items and Coefficient Alphas for Job Satisfaction, Job Satisfactoriness and Tenure Intentions

Scale	Coefficient Alpha	Items
General satisfaction	.88	20
Intrinsic satisfaction	.84	12
Extrinsic satisfaction	.72	6
Mean (subscales)	.78	
General satisfactoriness	.95	28
Performance	.90	9
Conformance	.90	7
Personal Adjustness	.83	7
Dependability	.83	4
Mean (subscales)	.87	
Tenure Intentions		1

The correlation matrix of the dependent variables is presented in Table 14.

In Table 14, the average intercorrelation between the three indices of satisfaction is .79. The average intercorrelation between the five indices of satisfactoriness is .65.

The average intercorrelation between the various indices of satisfaction and satisfactoriness is .15. High convergent and discriminant validation is, therefore, displayed between satisfactoriness and satisfaction (Cascio, 1982).

The average intercorrelation between tenure intentions and the various indices of satisfaction is .57. The average intercorrelation between tenure intentions and the various indices of satisfactoriness is .11.

Table 14
Correlation Matrix of Dependent Variables

[illegible]

CHAPTER FOUR

RESULTS OF HYPOTHESIZED RELATIONSHIPS

4.0 Introduction

The obtained results of the hypothesized relationships between measures of the psychological contract and various dependent variables are described below.

4.1 Test of the Hypothesized Relationships Between the Psychological Contract and Satisfaction

It was hypothesized that measures of the psychological contract could be used to predict job satisfaction. Specifically, it was hypothesized that:

1. The greater the match between an employee's perception of the rights that should be received from an immediate supervisor and the supervisor's perceptions of obligations being provided, the greater will be the employee's job satisfaction.
2. The greater the match between an employee's perception of the rights that should be received from an immediate supervisor and what he/she believes is currently being provided, the greater will be the employee's job satisfaction.

The internal consistency of the congruence "across" measure on the consideration dimension could not be

established. The results are, therefore, presented only with respect to:

1. Congruence between employee perceptions of what he/she should expect from the immediate supervisor and what he/she believes he/she is currently receiving on the initiating structure dimension.
2. Congruence between employee perception of what he/she should expect from the immediate supervisor and what he/she believes he/she is currently receiving on the consideration dimension.
3. Congruence between employee perceptions of what he/she should expect from the immediate supervisor and supervisor perceptions of what he/she is providing the employee.

The results obtained are presented in Table 15 below for the relationship between the psychological contract measures and job satisfactions.

Table 15

Relationship Between the Psychological Contract
Measures and Job Satisfaction

Congruence	General Job Satisfaction	Intrinsic Satisfaction	Extrinsic Satisfaction
<u>Within</u>			
Initiating Structure	.20*	.13	.21*
Consideration	.13	.09	.15
<u>Across</u>			
Initiating Structure	.16	.14	.14

*p < .05

n = 76

**p < .01

The signs of the correlations have been reversed to represent the relationship between congruence and satisfaction.

Table 15 indicates that there is no significant relationship between the congruence within measure of consideration dimension of the psychological contract and job satisfaction, intrinsic satisfaction and extrinsic satisfaction.

Table 15 also indicates that there is no significant relationship between the congruence across measure of the psychological contract on the initiating structure dimension and job satisfaction.

Positive and significant relationship of .20 and .21 were however established for the congruence within measure

on initiating structure dimension, job satisfaction and extrinsic satisfaction respectively.

Johns (1981) and White, Crino and Hatfield (1985) emphasize the need to examine whether the congruence measure outcome relationship is due to the individual components or to the computed congruence measure. In Table 16, the obtained relationships between components of the initiating structure congruence measure, job satisfaction and extrinsic satisfaction are presented.

Table 16

Relationship Between Components of Initiating Structure
Congruence Measure, Job Satisfaction and
Extrinsic Satisfaction

Initiating Structure Components	Job Satisfaction	Extrinsic Satisfaction
Should Receive	.17	.11
Currently Receive	.23*	.17

* $p < .05$

The signs of the correlations have been reversed to represent the relationship between congruence and satisfaction.

The results indicate that one component of the initiating structure congruence measure (employee perception) of what is currently being received has a positive and statistically significant relationship with the general job satisfaction index. Both components of the congruence measure have positive (.11 and .17), but not statistically significant relationships with extrinsic job satisfaction.

The relationship between the components and job satisfaction are further explored through first order and second order partial correlational analysis. These partial correlations are presented in Table 17 below.

Table 17

The Relationship Between the Congruence Measure on the Initiating Structure Dimension and Job Satisfaction, Controlling for Components of the Congruence Measure

Initiating Structure Congruence Controlling for:	Job Satisfaction	Extrinsic Satisfaction
Currently receive component	.17	.16
Should receive component	.23*	.20*
Both components	.19	.17

* $p < .05$

The signs of the correlations have been reversed to represent the relationship between congruence and satisfaction.

The first order partial correlational analysis indicates that employee perceptions of what he/she is currently receiving from the immediate supervisor is the primary cause of the obtained significant relationship between the congruence measure on the initiating structure dimension and job satisfaction.

When both components are controlled for through a second order partial correlation, the correlation coefficient for the congruence--job satisfaction relationship drops from a statistically significant .21 to .19.

When both components of the congruence measure are controlled for, the correlation coefficient for the congruence--extrinsic satisfaction relationship drops from a statistically significant .21 to .17.

In summary, the statistically significant correlations of .20 and .21 between the congruence measure on the initiating structure dimension and job satisfaction and extrinsic satisfaction respectively were primarily due to the congruence measure rather than its constituent components. Controlling for both components leads to a .01 drop in the congruence--job satisfaction relationship and a .04 drop in the congruence--extrinsic satisfaction relationship.

4.2 Test of the Hypothesized Relationships Between the Psychological Contract and Satisfactoriness

It was hypothesized that measures of the psychological contract could be used to predict job satisfactoriness. Specifically, it was hypothesized that:

1. The greater the match between an employee's perception of the rights that should be received from an immediate supervisor and what he/she believes is currently being received, the greater will be the employee's job satisfactoriness.
2. The greater the match between an employee's perception of the rights that should be received from an immediate supervisor and the supervisor's perceptions of obligations being provided, the greater will be the employee's job satisfactoriness.

The results obtained are presented in Table 18 below.

Table 18

**Relationship Between the Psychological Contract
Measures and Job Satisfactoriness**

Congruence	General Satisfac- toriness	Perfor- mance	Confor- mance	Adjust- ability	Depend- ability
<u>Within</u>					
Initiating Structure	.01	.04	.08	.04	.03
Consideration	.24*	.13	.23*	.21*	.25*
<u>Across</u>					
Initiating Structure	.27**	.28**	.20*	.21*	.12

* $p < .05$

The signs of the correlations have been reversed to represent the relationship between congruence and satisfactoriness.

Table 18 indicates that no significant relationship exists between the initiating structure dimension of the congruence within measure and satisfactoriness.

Positive and significant relationships of .24, .23, .21, and .25 however are established for the consideration dimension of the congruence within measure and satisfactoriness, conformance, personal adjustability and dependability respectively. Positive and significant relationships of .27, .28, .20 and .21 also are established for the initiating structure dimension of the congruence

across measure and satisfactoriness, performance, conformance and adjustability respectively.

Components of the congruence measures are examined to assess their relative impact on the obtained relationships (Johns, 1981).

These examinations, however, are first presented only to the statistically significant relationships between congruence within measure on the consideration dimension and satisfactoriness, conformance, adjustability and dependability. The results of this examination are presented in Table 19.

The examination reveals that the components of the consideration congruence measure do not have any significant relationship with job satisfactoriness, conformance, personal adjustability and dependability.

Table 19

Relationship Between Components of Consideration
Congruence Measure and Job Satisfactoriness

Components	General Satisfac- toriness	Confor- mance	Adjust- ability	Depend- ability
Should receive	.03	-.05	.06	-.09
Currently receive	.07	.04	.11	-.10

The obtained statistically significant relationship between the congruence measure on the consideration dimension and the various indices of employee satisfactoriness are further examined through first and second order correlational analysis. The results obtained are presented in Table 20 below.

The analysis above reveals that the statistically significant relationship between three of the dependent variables (satisfactoriness, conformance and dependability), and congruence measure on the consideration dimension, was not due primarily to either components of the congruence measure. Controlling for both components, the relationship between the congruence measure and satisfactoriness conformance and dependability was .28, .25 and .26 respectively. All three correlational coefficients were statistically significant.

Table 20

The Relationship Between the Within Congruence Measure
on the Consideration Dimension and Job Satisfactoriness
Controlling for the Components

Within Congruence consideration controlling for:	Employee satisfac- toriness	Confor- mance	Personal Adjust- ability	Depend- ability
Currently receive component	.24*	.27*	.19	.28*
Should receive component	.27*	.28*	.25*	.27*
Both components	.28*	.25*	.15	.26*

* $p < .05$

The signs of the correlations have been reversed to represent the relationship between congruence and satisfactoriness.

The analysis further reveals that the statistically significant relationship between the fourth dependent variable, personal adjustability and the congruence measure on the consideration dimension, was partly due to the individual components. Employee perceptions of what rights are being currently received from an immediate supervisor appears to be a dominant factor in the obtained congruence-outcome relationship. Furthermore, when both components are controlled for, the correlation between the congruence measure and personal adjustability drops from .21 to .15.

An examination of the relative impact of components and congruence measures on statistically significant relationships between the across congruence measure on the initiating structure dimension and the various indices of satisfactoriness, is carried out. The results of this examination is presented in Table 21.

Table 21

The Relationship Between the Across Congruence Measure
on the Initiating Structure Dimension and
Satisfactoriness Controlling for Components

Across congruence on initiating structure controlling for:	Satisfac- torines	Perfor- mance	Confor- mance	Adjust- ability
Should receive component	.27**	.29**	.19	.20*
Supervisor provide component	.27**	.30**	.20*	.21*
Both components	.27**	.29**	.19	.20*

* $p < .05$

** $p < .01$

The signs of the correlations have been
reversed to represent the relationship
between congruence and satisfactoriness.

The first and second order correlational analysis reveals that the statistically significant relationship between the four dependent variables (satisfactoriness, performance, conformance and personal adjustability) and the across congruence measure on the initiating structure dimension was not due primarily to either components of the congruence measure. Controlling for both components, the relationship between the congruence measure and satisfactoriness, performance, conformance and adjustability was .27, .29, .19 and .20 respectively.

In summary, statistically significant correlations of .24, .23 and .25 between the within congruence measure on the consideration dimension and satisfactoriness, conformance and dependability were primarily due to the congruence measure rather than to its constituent components. The statistically significant correlations of .27, .29, .19 and .20 between the across congruence measure on the initiating structure dimension and the various indices of satisfactoriness were primarily due to the congruence measure rather than to its constituent components.

4.3 Test of the Hypothesized Relationship Between the Psychological Contract and Tenure Intention

It was hypothesized that measures of the psychological contract could be used to predict tenure intentions.

Specifically, it was hypothesized that:

- (a) The greater the match between an employee's perceptions of the rights that should be received from an immediate supervisor and what he/she believes is currently being provided, the greater will be an employee's intention to stay in the organization.
- (b) The greater the match between an employee's perception of the rights that should be received from an immediate supervisor and the supervisor's perceptions of obligations being provided, the greater will be the employee's intention to stay in the organization.

The results obtained are presented in Tables 22 and 23.

The within congruence measure on initiating structure was correlated significantly with tenure intentions. The obtained coefficient was .23. For the congruence measure, the obtained significant correlation coefficient was not influenced by its components in any major way.

Table 22

Relationship Between the Psychological Contract
Measures and Tenure Intentions

Congruence	Tenure Intentions
<u>Within</u>	
Initiating structure	.23*
Consideration	.18
<u>Across</u>	
Initiating structure	.14

* $p < .05$

The signs of the correlations have been reversed to represent the relationship between congruence and tenure intentions.

Table 23

Relationship Between Components of the Within Congruence
Measure on the Initiating Structure Dimension and
Tenure Intentions

Components	Tenure Intentions
Should receive	.09
Currently receive	.03

First order and second order correlational analysis is carried out and presented in Table 24 below.

Table 24

The Relationship Between Congruence Measure on the Initiating Structure Dimension and Tenure Intentions Controlling for Components of the Congruence Measure

Initiating structure congruence controlling for:	Tenure Intentions
Currently receive component	.23*
Should receive component	.24*
Both components	.31**

* $p < .05$

** $p < .01$

The signs of the correlations have been reversed to represent the relationship between congruence and the dependent variables.

The correlation coefficient for the consideration congruence measure was found not to be statistically significant.

The analysis indicates that the obtained coefficient of .23 is primarily due to the congruence measure and not to the constituent components of the congruence measure. Controlling for both components, the correlation between the initiating structure congruence measure and tenure intentions goes up from .23 to .31.

In summary, the obtained correlation of .23 between the congruence measures on the initiating structure dimensions and tenure intentions is primarily due to the generated congruence measures. Controlling for the constituent components substantially increases the correlation between the congruence measure and tenure intentions of employees.

4.4.0 Exploratory Analysis

The results of the hypothesized relationships indicated a statistically significant relationship between the generated congruence measure on the initiating structure dimension of the Leadership Behavior Description Questionnaire (L.B.D.Q.) and job satisfaction. The study results also indicated a statistically significant relationship between the generated congruence measure on the consideration dimension of the L.B.D.Q. and employee satisfactoriness. Finally, the study results also indicate a statistically significant relationship between the generated congruence relationship between the generated congruence measure on the initiating structure dimension and tenure intentions.

Both the 28-item consideration dimension and the 20-item initiating structure dimension cover very broad aspects of the work relationship (Fleishman, 1953a). This section represents an attempt to explore and identify some underlying constructs within the relatively broad 28-item

consideration dimension and the 20-item initiating structure dimension and to see the relationship between the identified constructs and job satisfaction, employee satisfactoriness and tenure intentions. The exploration is, however, limited to the within congruence measures of the psychological contract.

4.4.1 Factor Analysis of Consideration and Initiating Structure Dimensions

To identify potential constructs in the two dimensions that are used to generate measures of the psychological contract, the factor analytic technique is used.

Nunnally (1978) suggests, as a rule of thumb, having ten times as many subjects as variables in order to minimize sampling error. In the present study, there was a 3 to 1 subjects to variables ratio for the consideration dimension and a 4 to 1 subjects to variable ratio for the initiating structure dimension. It is clear, therefore, that due caution must be exercised in interpreting findings.

To minimize the incidence of sampling errors, Nunnally (1978) suggested that the following rules of thumbs be adhered to:

1. Factors should have eigenvalues of greater than 1.0.
2. Variables loadings on factors should be .50 or higher.
3. Examination of the extent to which variables used to define a factor actually hang together (generation of

coefficient alpha to give an estimation of the internal consistency of the variables making up the factor).

4. Examination of the original matrix of correlations to ensure that variables used to define a factor actually have substantial intercorrelations.

Principal component analysis was initially used to extract factors for the consideration scale. The Varimax method was subsequently used to rotate these factors to enhance their interpretability. Six identifiable factors seem to cluster around the following constructs.

- | | |
|---|---------|
| 1. Supervisor backing up employee actions with upper management | 6 items |
| 2. Supervisor approachability (easy to approach) | 4 items |
| 3. Supervisor sensitivity | 4 items |
| 4. Supervisor implementation of employee suggestions | 3 items |
| 5. Supervisor Theory Y leadership | 2 items |
| 6. Supervisor Attitude | 2 items |

All six factors emerged with Eigenvalues greater than 1.0. The factor loadings are listed in Table 25.

Table 25
Factor Analysis of Consideration Scale Items¹

Items	Factor 1 Back Employee	Factor 2 Approach	Factor 3 Sensit- ivity	Factor 4 Imple- ment Sugges- tion	Factor 5 Theory Y	Factor 6 Attit- tude
Give in when you disagree with him?	.30	.04	-.13	.24	.04	-.06
Do personal favors for you?	.09	.29	.10	-.07	.17	.25
Express appreciation when you do a good job?	.56*	.36	-.27	-.17	.43	-.23
Demand more than you can do?	-.014	-.18	.76*	.13	.03	.17
Help you with your personal problems?	.16	.08	.16	-.03	.15	.04
Criticize you in front of others?	-.18	-.21	.56	.01	-.07	-.03
Stand up for you even if it makes him unpopular?	.52*	.04	.03	.18	.13	-.45
Insist that everything be done his way?	.26	-.17	.57*	.09	-.02	.28
See that you are rewarded for a job well done?	.38	.32	.02	.01	.64*	-.20
Reject suggestions for changes that come from you?	.10	-.00	.20	.80*	.12	.08
Change your duties with- out first talking it over with you?	.01	.07	.39	.56*	-.45	.17
Deal with you without considering your feelings?	-.11	-.11	.64*	.36	-.32	-.00

Table 25 (cont'd)

Items	Factor 1 Back Employee	Factor 2 Approach	Factor 3 Sensi- tivity	Factor 4 Imple- ment Sugges- tion	Factor 5 Theory Y	Factor 6 Attit- tude
Keep you in good stand- ing with higher authority? .64*		.27	.07	.03	.23	-.00
Resist changes in ways of doing things? -.02		-.03	.17	.22	.04	.77*
"Ride" you for making a mistake? -.00		-.10	.68*	.15	.01	.07
Refuse to explain his actions? -.03		-.24	.18	.10	-.10	.67*
Act without first consulting you? .13		.01	.09	.31	-.28	.31
Appear easy to understand? .23		.79*	-.04	-.24	-.19	-.09
Stress the importance of high job satisfaction to you? .74*		.30	.07	-.09	.21	.08
Back you up for your actions? .81*		.14	-.01	.13	.03	-.15
Criticize your specific act rather than your person? .70*		-.01	-.14	.14	-.28	.21
Appear slow to accept your new ideas? .05		-.37	.16	.70*	-.08	.19
Treat you as an equal? .06		.75	-.20	-.15	.08	-.07
Appear willing to make changes? .39		.37	.03	-.07	-.05	-.06
Make you feel at ease when talking to you? .23		.79*	-.12	.08	.26	-.07

Table 25 (cont'd)

Items	Factor 1 Back Employee	Factor 2 Approach	Factor 3 Sensi- tivity	Factor 4 Imple- ment Sugges- tion	Factor 5 Theory Y	Factor 6 Attit- tude
Appear friendly and easily approachable?	.23	.78*	-.28	.03	.24	-.04
Put suggestions by you into consideration?	.19	.22	-.24	.24	.14	-.11
Get your approval on important matters before going ahead?	.02	.06	-.09	.04	.74*	.10

2 Varimax Rotated Factor Matrix After Rotation with Kaiser Normalization

The first factor, labeled Back Employee, had an Eigenvalue of 6.99 and accounted for 25% of the total variance.

The second factor, labeled approachability had an Eigenvalue of 4.02 and accounted for an additional 14.4% of the total variance.

An additional 6.0% is accounted for by the third factor with an Eigenvalue of 1.68. This was labeled sensitivity.

Factors 4, 5, and 6, labeled implements suggestion, Theory Y leader and Attitude, respectively; each accounted for about an additional 5.0% of the total variance and had eigenvalues that ranged from 1.36 to 1.57.

Principal components analysis and Varimax methods of factor extraction and rotation are also used to generate four factors for the structure dimension (Table 26). These four cluster of items focus around the following constructs:

- | | |
|---|---------|
| 1. Supervisor's emphasis on work | 4 items |
| 2. Supervisor's emphasis on employee effort | 5 items |
| 3. Supervisor's decentralized decision making | 4 items |
| 4. Supervisor's innovativeness | 3 items |

The first factor, work emphasis, had an Eigenvalue of 4.94 and accounted for 24.7% of total variance.

The second factor, effort, had an Eigenvalue of 2.37 and accounted for an additional 11.8% of total variance.

Table 26
Factor Analysis of Initiating Structure Scale

Items	Factor 1 Work Emphasis	Factor 2 Effort	Factor 3 Decen- tralized Decision Making	Factor 4 Innova- tion
Encourage overtime work?	.11	.06	-.10	.50
Get you to try his new ideas?	.36	-.04	.23	.67*
Rule with an iron hand?	-.12	.36	.69*	-.02
Criticize your poor work?	-.01	.18	.07	.06
Talk to you about how much should be done?	.37	-.19	.12	.07
Encourage you to greater efforts?	.31	.32	.28	.22
Wait for you to push new ideas before doing them?	-.18	.71*	.14	.08
Assign you to particular tasks?	-.00	.31	.12	.13
Ask for sacrifices from you for the good of the entire store?	-.12	.24	.17	.62*
Insist that you follow standard ways of doing things in every detail?	.24	-.08	.77*	.16
See to it that you work up to your limit?	.57*	.19	.34	.19
Offer new approaches to problems?	.43	.53*	.30	.24
Insist that you inform him about decisions?	.31	.18	.50*	-.28
Let you do the work the way you think best?	.19	.29	.16	.52*
Stress on your being ahead of other employees?	.12	.73*	.01	.12
"Needle" you for greater effort?	.13	.61*	-.08	.07

Table 26 (cont'd)

Items	Factor 1 Work Emphasis	Factor 2 Effort	Factor 3 Decen- tralized Decision Making	Factor 4 Innova-
Decide in detail what you should do and how it should be done?	.20	.20	.68*	.27
Emphasize the meeting of deadlines?	.66*	-.19	.30	.16
Emphasize the quantity of your work?	.86*	-.10	.00	.03
Emphasize the quality of your work?	.86*	-.10	.00	.03

1 Varimax rotated factor matrix after rotation with Kaiser normalization.

Factors 3 and 4, labelled decentralized decision making and innovation respectively, account for 7.6% and 6.7% of total variance and have Eigenvalues of 1.34 and 1.18 respectively.

4.4.2 Reliability and Intercorrelations of Congruence Measures of Identified Factors

The reliabilities of congruence measures of the identified factors were subsequently computed. These generated coefficient alphas are presented in Table 27 below.

Table 27

Coefficient Alpha for Congruence Measures of Identified Factors and Inter-scale Correlations of Selected Factors

Consideration	Coefficient Alpha				
Back employees	.72				
Approachability	.66				
Sensitivity	.67				
Implements employee suggestions	.45				
Theory Y leadership	.25				
Supervision inflexibility	.22				
<u>Initiating Structure</u>					
Emphasis on employee work	.69				
Emphasis on employee effort	.60				
Decentralized decision making	.39				
Innovativeness	.30				
<u>Inter-Scale Correlation</u>					
	1	2	3	4	5
1 Approachability	1.0	.50	.48	.31	.30
2 Sensitivity		1.0	.36	.34	.28
3 Back employees			1.0	.43	.50
4 Emphasis on employee work				1.0	.51
5 Emphasis on employee effort					1.0

Three of the factors on the consideration dimension (back employees, approachability, insensitivity) exhibit acceptable levels of internal consistency. Two of the factors on the initiating structure dimension (emphasis on employee work and emphasis on employee effort) also exhibit acceptable levels of internal consistency. The remaining three factors on the consideration dimension and two factors on the initiating structure dimension exhibit unacceptable

levels of internal consistency and the variables that make up the factors cannot be said to "hang together." These five "unacceptable" factors are subsequently dropped from further analysis. The interscale correlations of factors that exhibit acceptable levels of internal consistency are presented in Table 27. The interscale correlations range from .51 (emphasis on employee work and emphasis on employee effort) to .28 (between sensitivity and emphasis on employee effort).

4.4.3 Average Inter-item Correlations of Congruence Measures Items for Identified Factors

The average inter-item correlation of items making up the congruence measures of the identified factors were computed.

The computed average correlations are presented in Table 28 below.

Table 28

Average Inter-item Correlations of Congruence Measures
Items for Identified Factors

Consideration	Average Correlation
Back Employees	.32
Approachability	.24
Sensitivity	.22
<u>Initiating Structure</u>	
Emphasis on Employee Work	.42
Emphasis on Employee Effort	.30

The computed average inter-item correlations for all five factors indicate substantial correlations between the items. The average inter-item correlations range from .22 (sensitivity) to .42 (emphasis on employee work).

4.4.4 Exploration of the Relationship between Measures of the Psychological Contract and Job Satisfaction, Satisfactoriness and Tenure Intentions

The relationship between the five measures of the psychological contract and job satisfaction, satisfactoriness and tenure intentions were examined using the Pearson's zero-order correlational technique. The findings obtained are presented in Table 29 below.

Table 29

The Relationship Between Identified Psychological
Contract Measures and Job Satisfaction, Satisfactoriness
and Tenure Intentions

Congruence Measures	Job Satisfaction	Intrinsic Satisfaction	Extrinsic Satisfaction	Satisfactoriness	Perf	Conf	Adj	Tenure Intentions
<u>Consideration</u>								
Back Employees	.10	.08	.12	.04	.00	.18	.02	.09
Approachability	.19	.18	.17	.28**	.24*	.17	.27**	.10
Sensitivity	.08	.01	.16	.16	.10	.11	.10	.27**
<u>Initiating Structure</u>								
Work Emphasis	.44***	.36***	.42***	.05	.06	.04	.05	.31**
Effort Emphasis	.32**	.24*	.32**	.06	.03	.14	.06	.31**

*p < .05 Signs of the correlations have been reversed to represent

**p < .01 the relationship between congruence and satisfaction,

***p < .001 satisfactoriness and tenure intentions.

The results of the examined relationship indicate statistically significant relationships between the two measures of the contract on the initiating structure dimension (work emphasis and effort emphasis) and the three indices of job satisfaction. Statistically significant relationships are also found between supervisor approachability and four of the five indices of employee satisfactoriness (general satisfactoriness, performance, adjustability and dependability). Finally, three of the congruence measures (work emphasis, effort emphasis and sensitivity) were found to have statistically significant relationships with tenure intentions.

4.4.5 The Relative Effects of Congruence Measures and Constituent Components in Obtained Statistically Significant Relationships

To examine whether the congruence measure--outcome relationship--was due primarily to the computed congruence measure or to its constituent components, first and second order partial correlational analysis were carried out. These analyses are carried out only for statistically significant relationships between the measures of the psychological contract and the various dependent variables. The results obtained are presented in Tables 30, 31, 32 and 33 below.

Table 30

The Relationship Between Approachability Congruence Measure, and Satisfactoriness and Tenure Intentions Controlling for Components of the Congruence Measure

Approachability congruence controlling for:	Satisfac- toriness	Perfor- mance	Adjust- ability	Depend- ability
Believe receive component	.13	.11	.10	.14
Should receive component	.23*	.19	.24*	.20*
Both components	.12	.09	.10	.14

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

The signs of the correlations have been reversed to represent the relationship between congruence and the dependent variables.

Table 31

The Relationship Between Sensitivity Congruence Measure and Dependability and Tenure Intentions Controlling for Components of the Congruence Measure

Sensitivity congruence controlling for:	Dependability	Tenure Intentions
Believe receive component	.14	.20*
Should receive component	.22*	.29**
Both components	.15	.21*

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

The signs of the correlations have been reversed to represent the relationship between congruence and the dependent variables.

Table 32

The Relationship Between Work Emphasis Congruence Measure,
and Satisfaction and Tenure Intentions, Controlling
for Components of the Congruence Measure

Work emphasis congruence controlling for:	Satis- faction	Intrinsic Satis- faction	Extrinsic Satis- faction	Tenure Intentions
Believe receive component	.37***	.29**	.36***	.29**
Should receive component	.44***	.37***	.43***	.31**
Both components	.33**	.23*	.35**	.26*

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

The signs of the correlations have been
reversed to represent the relationship
between congruence and the dependent
variables.

Table 33

The Relationship Between Effort Emphasis Congruence
Measure, and Satisfaction and Tenure Intentions,
Controlling for Components of the Congruence Measure

Effort emphasis congruence controlling for:	Satis- faction	Intrinsic Satis- faction	Extrinsic Satis- faction	Tenure Intentions
Believe receive component	.30**	.25*	.30**	.36***
Should receive component	.33**	.25*	.34**	.30**
Both components	.35**	.27**	.34**	.38***

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

The signs of the correlations have been
reversed to represent the relationship
between congruence and the dependent
variables.

The results indicate that the statistically significant relationships between work emphasis and effort emphasis on one hand, and the three indices of satisfaction, are primarily due to the generated congruence measures. The obtained relationships between work emphasis and effort emphasis on one hand, and tenure intentions are also primarily due to the generated congruence measures and not due to its constituent component. The obtained statistically significant relationships between approachability and four satisfactoriness indices are, however, primarily due to one of the constituent components of the congruence measures. This component is the employee perception of what is currently being received from supervisor. Similarly, the statistically significant relationship between supervisor sensitivity and employee dependability is primarily due to the same component (i.e. employee perceptions of what is currently being received from a supervisor). The results obtained are summarized in Table 34.

Table 34

Summary of Results Indicating the Relative Effects of Congruence Measures and Constituent Components in Obtained Significant Correlations

Congruence Measures	Satisfaction	Intrinsic Satisfaction	Extrinsic Satisfaction	Satisfaction	Satisfaction	Perf	Conf	Adj	Dep	Tenure Inten- tions
<u>Consideration</u>										
Back Employees										
Approachability					A	A		A	A	
Sensitivity									A	B
<u>Initiating Structure</u>										
Work Emphasis	B	B		B						B
Effort Emphasis	B	B		B						B

A = Relationship primarily due to constituent components of congruence measure.

B = Relationship primarily due to generated congruence measure.

CHAPTER FIVE

SUMMARY OF RESULTS AND IMPLICATIONS

5.0 Summary

The study hypothesized a positive and significant relationship between measures of the psychological contract and job satisfaction, employee satisfactoriness and tenure intentions.

The findings of the study indicate the following:

1. Statistically significant correlations of .20 and .22 between the within congruence measure on the initiating structure dimension of the L.B.D.Q. and job satisfaction and extrinsic satisfaction.

The obtained significant correlations are primarily due to the congruence measure.

2. Statistically significant correlations of .24, .23, .21 and .25 between the within congruence measure on the consideration dimension and employee satisfactoriness conformance, adjustability, and dependability respectively.

The obtained significant correlations are primarily due to the congruence measure rather than its constituent components.

3. Statistically significant correlations of .27, .29, .19 and .20 between the across congruence measure on

the initiating structure dimension on the L.B.D.Q. and satisfactoriness, performance, conformance and adjustability.

The obtained correlation is primarily due to the congruence measure rather than its constituent components.

4. Statistically significant correlation of .23 are obtained between the within congruence measure on initiating structure dimensions and tenure intentions.

The obtained correlations are primarily due to the congruence measure.

A discussion integrating the obtained results and highlighting various theoretical and practical implications of this study is carried out in the following sections. The findings of the study are summarized in Tables 35 and 36 below.

Table 35

Summary of Statistically Significant Correlations

	Satisfac tion	Intrin satis	Extrin satis	Satis facto riness	Perform	Conform	Adjust ability	Depend ability	Tenure Inten tions
Within Congruence measures:									
Initiating structure	x		x						x
Consider- ation				x		x	x	x	
Across Congruence measures:									
Initiating structure				x	x	x			

Table 36
Summary of Results Indicating the Relative Effects of Congruence Measures and
Constituent Components in Obtaining Significant Correlations

	Satisfac tion	Intrin satis	Extrin satis	Satis Facto riness	Perform	Conform	Adjust ability	Depend ability	Tenure Inten tions
Within Congruence measures:									
Initiating structure	B		B						B
Consideration				B		B	B	B	
Across Congruence measures:									
Initiating structure				B	B	B	B		

A = Correlation primarily due to constituent components of the congruence measures.

B = Correlation primarily due to congruence measure.

5.1 Implication of the Study

Some important theoretical, practical and research aspects of this study are discussed below. Suggested directions for further research are also identified.

5.1.1 Implications of the Study for Research on the Psychological Contract

The major findings of the study are presented in Tables 35 and 36.

The Portwood and Miller study reported statistically significant correlations of .37 and .25 between their measure of the psychological contract on one hand, and the dependent variables of satisfaction and satisfactoriness on the other.

The above findings are generally confirmed by the present study that reported statistically significant correlations of .20, .27 and .24 between measures of the psychological contract and satisfaction and satisfactoriness.

The present study, however, points to the need for research to identify relevant and salient measures of the psychological contract. Using two dimensions of the L.B.D.Q. to generate measures of the contract indicates that the congruence measures of the contract indicates that the congruence measure on the initiating structure dimension was significantly related with job satisfaction. The congruence measure on the consideration dimension was significantly

related to satisfactoriness. The items making up the 28-item and 18-item scales, however, cover several fairly distinct aspects of the employee-organizational relationship.

Looking at the contents of the 28-item consideration dimension, it would appear that some items seem to emphasize supervisor insensitivity and other sets of items seem to emphasize supervisor approachability and supervisory implementation of employee suggestions. In a similar fashion, the 20-item initiating structure dimension seems to have items that emphasize decentralized decision-making style of supervisors and supervisors emphasis on increased employee effort. Further research to extricate distinct congruence measures and explore their relationship with valued organizational outcomes would definitely aid research on the concept of the psychological contract.

The present study also examined the relative effect of the three congruence measures and their constituent component on the valued organizational outcomes (i.e. satisfaction, satisfactoriness and tenure intentions). The study's findings indicate that the statistically significant correlations between the within congruence measure on initiating structure and satisfaction and extrinsic satisfaction are primarily due to the congruence measure.

The statistically significant correlations between the within congruence measure on consideration and,

satisfactoriness, personal adjustability, conformance and dependability were also primarily due to the congruence measure rather than to the components of the congruence measure. The statistically significant correlations between the across congruence measure on the initiating structure dimension and various indices of satisfactoriness and tenure intentions were also primarily due to the congruence measure.

White, Crino and Hatfield (1985) advocate the parsimony of perceptual congruence measures in organizational behavior research. Perceptual congruence between employee and supervisor was generated about job problems in an organization. Regressing job satisfaction upon the two component scores of the congruence measure, the White et al. (1985) study found that one component (subordinate scores) accounted for the congruence-job satisfaction relationship. The study suggests the need to focus on employee perceptions (rather than generating congruence measures) in predicting valued organizational outcomes such as job satisfaction.

The present study, however, suggests that the closing of the component-congruence debate is rather premature. Statistically significant correlations between the across congruence measure on the initiating structure dimension and various indices of satisfactoriness were found to be primarily due to the congruence measure rather than its

constituent components. More research is, therefore, needed to throw more light on the congruence-component debate.

The study's findings, therefore, lends modest support to the concept of the psychological contract primarily in predicting employee satisfaction, tenure intentions and satisfactoriness.

A caveat against extensive generalizations of the psychological contract as a predictor of employee satisfaction, tenure intentions and satisfactoriness is necessary. The statistically significant relationships observed between the different congruence measures and dependent variables had correlation coefficients that ranged from .19 to .29. It is clear that much more empirical research needs to be done.

The study's findings also highlight potentially fertile areas of academic inquiry. First is the need for studies that generate measures of the psychological contract from both a within-person congruence perspective and an across-person congruence perspective. An examination of the relative and combined effects of both perspectives in predicting valued outcomes will clearly further light on psychological contract research.

Secondly, there is a need to further extricate important and distinct measures of the psychological contract. The use of the two L.B.D.Q. dimensions, though useful, may be too broad. Associated with the above is the

potential for measures of the psychological contract to be dependent on the initial pool of items. This potential limitation has to be balanced against the comparability across studies that the use of well validated scales such as the L.B.D.Q. offers.

Finally, this study focused specifically on perceptions of employee rights and perception of the supervisor providing these rights. It is clear that there are several other aspects of the psychological contract that will have to be addressed. The general model of the psychological contracting process that is presented in chapter two identified three key components: context of psychological contracts, contents of the contract and consequence of the contract. Further empirical research is needed in identifying important facets of each of the three components above and linking the components into an integrated framework.

5.2 Practical Implications of the Study

The dynamic and changing nature of human resource management in the 1980s makes it pertinent for managers to identify ongoing demographic and organizational environmental trends and consequently adopt appropriate strategies to aid organizational effectiveness.

Naisbitt (1984) notes that the ongoing technological revolution is generating workers who are technology literate

and whose qualifications, expectations and values are different from those of the traditional blue collar worker. The work force demographics have also been characterized by a workforce whose level of education is rising and an increase of women and minorities in the labor force (Legrade, 1978). Human resource professionals, therefore, have to adopt innovative strategies that will take the above in account and at the same time be carefully integrated into the general business strategy of the organization.

The concept of the psychological contract with its primary emphasis on perceptions and expectations of parties to the contract, therefore, represents a potentially useful tool in improving organizational effectiveness.

To begin with, the concept of a psychological contract is relatively easy to understand. It can be conceptualized as the psychological equivalent of the legal contract or collective bargaining agreement. In the legal contract, both parties set out specifically the terms and agreements governing the particular contractual agreement. However, despite the specificity of these agreements, there may be disagreements as to their interpretations. In a similar way, parties to the psychological contract may have disagreements as to the contents of the contract. Similar to the legal contract, when the psychological contract is honored by both parties, there is harmony. Violations, however, bring dysfunctional responses and behavior both by

management and employees. Violations of the psychological contract could lead to job dissatisfaction, absenteeism and decrease in productivity by employees. Managers of organizations could, in the face of perceived violations of the psychological contract, take actions such as written warnings, disciplinary layoffs and tightened work rules (Baker, 1986; Peters, 1975; Funahee & Wangler, 1974).

Secondly, the changing nature of the work force and their expectations have been noted above. For the human resource manager, there is a critical need not only to recognize and identify the current changes but also to take into account the changing nature of work force expectations.

The decline of the traditional manufacturing economy and the rise of high technology and service industries are creating new occupations with workers whose expectations and obligations are different from the traditional blue collar worker (Naisbitt, 1984).

The medium effect sizes of the correlations between the measures of the psychological contract and valued organizational outcomes such as satisfaction and satisfactoriness is generally similar to those obtained by leading models of motivation such as the expectancy models (Campbell & Pritchard, 1976; Portwood & Miller, 1976).

Much more work is, however, needed in the validation of the construct and establishment of the concurrent and predictive validity of the psychological contract.

Theoretical and empirical research is also needed to tie the psychological contract construct to other motivational constructs.

The psychological contract can also be placed within the general context of the service industry and within the specific context of the organization that was studied. This may help to better explain the obtained results.

Adequate reliability of the across congruence measure for the consideration dimension could not be established. The reliability of the across congruence measure for the initiating structure dimension, however, was established. In the organization that was studied, the average tenure of an employee is eight months. The average period that an employee stays under a specific immediate supervisor is about four months. This relatively short tenure of employees in the organization is very characteristic of the convenience food retailing industry. This may in part be because of the very low wages that are close to the minimum wage level.

With relatively short periods of time together, the psychological contract on the consideration dimension (that deals with employee-oriented rather than work-oriented issues) cannot be easily established.

Despite the relatively short periods of time together, the psychological contract on the initiating structure dimension (work-oriented issues), has to be established and

operable in order for the day-to-day operations of the stores to be maintained.

A practical implication flows from the above. The organization that was studied placed a major emphasis on employee replacement. It would appear, however, that there should be a shift of emphasis to employee retention. The benefit of such a shift in emphasis will be:

1. Length of tenure and experience of employees will be improved.
2. Cost of constant recruitment and selection programs will be reduced.
3. Time of managers used to carry out on-the-job training for new employees will be reduced.
4. Team building and group dynamics concepts can be successfully introduced if employees stay for relatively long periods. The short tenure that employees stay will make this impossible.

Several strategies can be adopted to successfully carry out an employee retention scheme. Some of these are listed below:

1. The need to carry out a wage survey of comparable organizations and pay employees above the competition rate. This is important because interviews with employees revealed that several employees simply used the organization to gain experience and then move on to other organizations to get higher wages.

2. The need to implement an incentive/bonus scheme.
3. The need to revise the current rate of wage increases. Currently, the organization makes a nine-cent per hour wage increase every six months, which most employees indicated was established years ago.
4. The need for recognition of employees who exhibit superior performance (example: employee of the month awards).
5. The need for recognition of long tenure.
6. The need to give employees a more realistic job preview.
7. The need for training of immediate supervisors about sensitivity to employee expectations and the implications of matched employee expectations.

The list above is not exhaustive. It is meant to be illustrative of some of the strategies that can be adopted. To the extent that these and other strategies are carefully evaluated and implemented, the employee retention program will stand a very good chance of success.

5.3.0 Theoretical Implications of the Study

In chapter two, the lack of a theoretical framework to integrate existing research on the psychological contract and to provide guideline for future research was noted. It served to explain the lack of consistent empirical research on the construct. A basic model of the psychological

contracting process was proposed. This was built around three interrelated components of: first, the context within which the psychological contracts are negotiated; second, the contents of the contracts; and thirdly, the consequences of the psychological contracts.

Major elements of each of the three components were subsequently described. However, as noted in the chapter, the elements described were meant primarily to be illustrative rather than all inclusive. It is very clear, therefore, that major theoretical work has to be done to further identify and integrate other salient elements of the three key components.

Secondly, there is a need to carefully integrate all three components and their respective elements. The primary theoretical emphasis of this study was component-identification rather than component-integration. A major implication, therefore, is the need for the formulation of a general theory of the psychological contract. Campbell and Pritchard (1976) defined motivation as:

a label for the determinants of (a) the choice to initiate effort on a certain task, (b) the choice to expend a certain amount of effort, and (c) the choice to persist in expending effort over a period of time (p. 65).

The established relationship between measures of the psychological contract and satisfactoriness would,

therefore, mean that a theory of the psychological contract would fall under the umbrella of "Theories of Motivation."

A distinction is drawn between the process and the content theories of motivation (Campbell, Dunnette, Lawler & Weick, 1970; Locke, 1976; Miner & Dachler, 1973). The content theories try to specify the key factors that influence behavior. The process theories, on the other hand, focus on the cognitive mechanism utilized as an individual makes choices over possible alternative actions, makes an effort and persists in carrying out his preferred actions (Campbell & Pritchard, 1976). Under this content process dichotomy, models such as those of Alderfer (1969), Maslow (1943), and Herzberg, Mausner, Peterson and Capwell (1957) fall under the content category. Models such as the equity and the expectancy theories can be placed into the process category (Vroom, 1964).

The current presentation of the psychological contract process would make it a process theory of motivation. It is clear that much integrative empirical and theoretical work needs to be done to offer a better understanding of the complex cognitive mechanisms operating as individuals go through the process of psychological contracting.

Finally, this study makes a major contribution to the component--congruence debate in the perceptual congruence research. Specifically, the study identified the congruence measure and not its constituent components as being primary

determinants of the presumed congruence--outcome relationship. Clearly, the assertion by White, Crino and Hatfield (1985) of the parsimony of the perceptual congruence measures in organized behavior research is rather premature. From a theoretical perspective, there is a need for a framework to help identify environmental or situational factors that lead to the dominance or primacy of either the congruence measure or its constituent components in a congruence-outcome relationship.

For example, one can identify two major differences between the White, Crino and Hatfield (1985) study and the present study. In the present study, the perceptual congruence measure was generated using the two dimensions of the Leadership Behavior Description Questionnaire (L.B.D.Q.). The White, Crino and Hatfield (1985) study generated perceptual congruence about job problems. The present study was undertaken in a service industry dealing with convenience retailing. The White, Crino and Hatfield (1985) study was in a manufacturing setting. It may be that situational and environmental differences may have a bearing on the primacy of either the congruence measure or its constituent components in determining the obtained congruence-outcome relationship. A theory that seeks to identify such potential factors is clearly needed.

5.4 Summary of Exploratory Analysis and Implications

Factor analysis was used to identify six factors in the 28-item consideration dimension and four factors in the 20-item initiating structure dimension of the L.B.D.Q. Of the ten factors, five (back employees, approachability, sensitivity, work emphasis and effort emphasis) exhibited accepted levels of internal consistency. The items used to generate the five congruence measures also had substantial average inter-item correlations.

The findings of the exploratory analysis indicate the following:

1. Statistically significant relationships between work emphasis and effort emphasis on one hand, and three indices of job satisfaction on the other. The obtained relationships are primarily to the generated congruence measures and not to either of the constituent components.
2. Statistically significant relationships between work emphasis, effort emphasis, and sensitivity on one hand, and tenure intentions on the other. The obtained relationships are primarily due to the generated congruence measures and not to either of the constituent components.
3. Statistically significant relationships between supervisor approachability on one hand, and four indices of employee satisfactoriness on the other. The

obtained relationships are primarily due to one component (employee perceptions of what is currently being received from a supervisor) of the generated congruence measures.

5.4.1 Implications of Exploratory Analysis

The present study's 3 to 1 subject to variables ratio for the consideration dimension and 4 to 1 ratio for the initiating structure dimension, point to the need for some caution in interpretation of findings (Nunnally, 1978). The following implications, however, flow from the exploratory analysis carried out.

Literature in these areas of study have tended to focus on a single psychological contract whose components are the work-related expectations of the two parties that make up the dyad. For example, Schein (1972) defined the psychological contract as "the degree to which the worker's expectations of what the organization will provide him and what he owes the organization match what the organization's expectations are of what it will give and get" (p. 77). The predicted outcomes (or effects of the psychological contract) are based on an overall or general match of expectations (Baker, 1986; Peters, 1975). In the Portwood and Miller (1976) study, the predicted outcomes were based on the general match of expectations on 20 items of the Minnesota work facet scale.

The exploratory analysis points to the potential utility of an inquiry into psychological contracts based on different aspects of the work relationship. Much useful ground work was laid by Kotter (1973) who identified seven key managerial expectations around which measures of the psychological could be built. Subsequent writings on the subject have reverted back to a general and overall perspective of the psychological contract (Baker, 1976; Kolb et al., 1979; French, et al., 1985).

The exploratory analysis, therefore, help in focusing on the psychological contracts about critical and different aspects of the work relationship. These different psychological contracts are of prime importance because they lead to different outcomes. For example, the exploratory analysis identified congruence on supervisor emphasis in the quality and quantity of work as leading to increased job satisfaction. Congruence on the approachability of supervisors on the other hand was associated with employee satisfactoriness.

The focus of the psychological contract from the perspective of critical and different aspects of the work relationship rather than an overall perspective would have practical organizational implications. For example, it could have training and selection implications. If measures of the psychological contract about critical and distinct aspects of the work relationship can be identified, and if

consistent relationships can be established between these measures of the psychological contract and valued organization outcomes, then training and selection programs can be built around these identified measures.

The exploratory analysis carried out showed that while some measures of the psychological contract (e.g. sensitivity, approachability) are important determinants of valued organizational outcomes, other measures such as backing employee actions against higher authority may not be pertinent factors.

The distinction between important and unimportant measures may be reflective of organizational typology. For example, the nature of the organization in which this research was carried out, is basically convenience food retailing. Each of the retailing outlets have highly routinized and uniform regulations. The limited scope of employee discretion may, therefore, explain the relative non-importance of the notion of backing employee action against higher authority.

The exploratory analysis also identified that employee perception of supervisor approachability and sensitivity led to greater employee satisfactoriness. Congruence of employee perceptions of the emphasis on work and effort that a supervisor should provide and what a supervisor is providing led to greater employee satisfaction. These findings are somewhat surprising as one would associate

emphasis of work and effort with satisfactoriness, a performance evaluation index (Wexley et al., 1980). One would also associate approachability and sensitivity to employee satisfaction rather than satisfactoriness.

A possible explanation for the findings of the exploratory analysis can be found when the results are placed within the specific organizational context of the convenience food retailing store. As indicated above, the operations of the retailing outlets are highly routinized. Employees made references to their work as being "just a job." Within the context of a non-challenging work environment, perceptions of supervisor approachability and sensitivity would afford employees greater latitude to negotiate. Latitude to negotiate has been found to be positively related to employees spending more time and energy and being more committed to the success of their units (Cashman, Dansereau, Graen, & Haga, 1976; Dansereau, Graen & Haga, 1975). Within the context of a basically non-challenging environment, supervisor emphasis on the quality of work and emphasis on deadlines could make the job context somewhat more challenging and consequently lead to greater job satisfaction.

In conclusion, the exploratory analysis seems to point to the existence of multiple psychological contract measures. It is, therefore, important for a greater focus

on multiple psychological contracts. Each of these contracts can be seen as focusing on distinct aspects of the work environment and work relationship. The consequences and effects of these distinct multiple psychological contracts appear to be different. Some (the research suggest those that are employee oriented) appear to have an effect on satisfaction. Some of the psychological contracts that are work oriented appear to be important determinants of satisfactoriness and tenure intentions. It is, however, clear that more work and research needs to be done in identifying these different psychological contracts and in establishing the extent to which the identified measures are organization specific or generalizable across different organizational settings.

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APPENDICES

APPENDIX A

APPENDIX A

Questionnaire Administered to Employees

Differences and Similarities Between Employees and Their Immediate Managers - A Research Study

Dear Employee:

As you are well aware, you and your shift manager (or manager) are in constant interaction with each other. Differences and similarities may exist between what you and your supervisor expect from each other. This study examines the way this consequently affects behavior in the workplace. Useful information can be derived to improve the work situation.

As this is not a test, there are no right and wrong answers. Answer each question as thoughtfully and as frankly as possible. You are assured of complete confidentiality. The summary of the results of this study will be made available to Quality Dairy and various employee representatives.

I shall be happy to answer any questions that you may have. Should these arise after I have left, I can be contacted at the following number: (517) 355-1003.

I thank you for your assistance.

Sincerely,

Joseph Ofori-Dankwa
School of Labor and
Industrial Relations
Michigan State University
403 S. Kedzie Hall
East Lansing, MI 48823

Section 1

- - - - - Instructions - - - - -

Print the name of your immediate supervisor in the space provided _____ . Please answer the following questions below with your immediate supervisor in mind. Please remember that this is not a test and that full confidentiality is guaranteed. Please indicate your reaction to each item according to the following scheme:

- 1 = never
2 = rarely
3 = sometimes
4 = usually
5 = always

Please read the items carefully and circle the number that best reflects how much of each quality or characteristic you should receive from your immediate supervisor.

(CONSIDERATION DIMENSION)

1 2 3 4 5

How often should your supervisor do the following?

- | | | | | | | |
|----|--|---|---|---|---|---|
| 1. | Give in when you disagree with him? | 1 | 2 | 3 | 4 | 5 |
| 2. | Do personal favors for you? | 1 | 2 | 3 | 4 | 5 |
| 3. | Express appreciation when you do a good job? | 1 | 2 | 3 | 4 | 5 |
| 4. | Demand more than you can do? | 1 | 2 | 3 | 4 | 5 |
| 5. | Help you with your personal problems? | 1 | 2 | 3 | 4 | 5 |
| 6. | Criticize you in front of others? | 1 | 2 | 3 | 4 | 5 |
| 7. | Stand up for you even if it makes him unpopular? | 1 | 2 | 3 | 4 | 5 |
| 8. | Insist that everything be done his way? | 1 | 2 | 3 | 4 | 5 |
| 9. | See that you are rewarded for a job well done? | 1 | 2 | 3 | 4 | 5 |

	1	2	3	4	5
How often should your supervisor do the following?					
10. Reject suggestions for changes that come from you?	1	2	3	4	5
11. Change your duties without first talking it over with you?	1	2	3	4	5
12. Deal with you without considering your feelings?	1	2	3	4	5
13. Keep you in good standing with higher authority?	1	2	3	4	5
14. Resist changes in ways of doing things?	1	2	3	4	5
15. "Ride" you for making a mistake?	1	2	3	4	5
16. Refuse to explain his actions?	1	2	3	4	5
17. Act without first consulting you?	1	2	3	4	5
18. Appear easy to understand?	1	2	3	4	5
19. Stress the importance of high job satisfaction to you?	1	2	3	4	5
20. Back you up for your actions?	1	2	3	4	5
21. Criticize your specific act rather than your person?	1	2	3	4	5
22. Appear slow to accept your new ideas?	1	2	3	4	5
23. Treat you as an equal?	1	2	3	4	5
24. Appear willing to make changes?	1	2	3	4	5
25. Make you feel at ease when talking to you?	1	2	3	4	5
26. Appear friendly and easily approachable?	1	2	3	4	5
27. Put suggestions by you into operation?	1	2	3	4	5

	1	2	3	4	5
--	---	---	---	---	---

How often should your supervisor do the following?

28. Get your approval on important matters before going ahead?

	1	2	3	4	5
--	---	---	---	---	---

(INITIATING STRUCTURE DIMENSION)

How often should your supervisor do the following?

- | | | | | | |
|---|---|---|---|---|---|
| 1. Encourage overtime work? | 1 | 2 | 3 | 4 | 5 |
| 2. Get you to try his new ideas? | 1 | 2 | 3 | 4 | 5 |
| 3. Rule with an iron hand? | 1 | 2 | 3 | 4 | 5 |
| 4. Criticize your poor work? | 1 | 2 | 3 | 4 | 5 |
| 5. Talk to you about how much should be done? | 1 | 2 | 3 | 4 | 5 |
| 6. Encourage you to greater efforts? | 1 | 2 | 3 | 4 | 5 |
| 7. Wait for you to push new ideas before doing them? | 1 | 2 | 3 | 4 | 5 |
| 8. Assign you to particular tasks? | 1 | 2 | 3 | 4 | 5 |
| 9. Ask for sacrifices from you for the good of the entire store? | 1 | 2 | 3 | 4 | 5 |
| 10. Insist that you follow standard ways of doing things in every detail? | 1 | 2 | 3 | 4 | 5 |
| 11. See to it that you work up to your limit? | 1 | 2 | 3 | 4 | 5 |
| 12. Offer new approaches to problems? | 1 | 2 | 3 | 4 | 5 |
| 13. Insist that you inform him about decisions? | 1 | 2 | 3 | 4 | 5 |
| 14. Let you do the work the way you think best? | 1 | 2 | 3 | 4 | 5 |
| 15. Stress on your being ahead of other employees? | 1 | 2 | 3 | 4 | 5 |

	1	2	3	4	5
How often should your supervisor do the following?					
16. "Needle" you for greater effort?	1	2	3	4	5
17. Decide in detail what you should do and how it should be done?	1	2	3	4	5
18. Emphasize the meeting of deadlines?	1	2	3	4	5
19. Emphasize the quantity of your work?	1	2	3	4	5
20. Emphasize the quality of your work?	1	2	3	4	5

Section 2

----- Instructions -----

Print the name of your immediate supervisor in the space provided
 _____. Please answer the following questions
 below with your immediate supervisor in mind. Please remember that this
 is not a test and that full confidentiality is guaranteed. Please
 indicate your reaction to each item according to the following scheme:

- 1 = never
- 2 = rarely
- 3 = sometimes
- 4 = usually
- 5 = always

Please read the items carefully and circle the number that best
 reflects how much of each quality or characteristic you are currently
receiving from your immediate supervisor.

	1	2	3	4	5
How often does your supervisor do the following?					
1. Give in when you disagree with him?	1	2	3	4	5
2. Do personal favors for you?	1	2	3	4	5
3. Express appreciation when you do a good job?	1	2	3	4	5
4. Demand more than you can do?	1	2	3	4	5
5. Help you with your personal problems?	1	2	3	4	5
6. Criticize you in front of others?	1	2	3	4	5
7. Stand up for you even if it makes him unpopular?	1	2	3	4	5
8. Insist that everything be done his way?	1	2	3	4	5
9. See that you are rewarded for a job well done?	1	2	3	4	5

	1	2	3	4	5
How often does your supervisor do the following?					
10. Reject suggestions for changes that come from you?	1	2	3	4	5
11. Change your duties without first talking it over with you?	1	2	3	4	5
12. Deal with you without considering your feelings?	1	2	3	4	5
13. Keep you in good standing with higher authority?	1	2	3	4	5
14. Resist changes in ways of doing things?	1	2	3	4	5
15. "Ride" you for making a mistake?	1	2	3	4	5
16. Refuse to explain his actions?	1	2	3	4	5
17. Act without first consulting you?	1	2	3	4	5
18. Appear easy to understand?	1	2	3	4	5
19. Stress the importance of high job satisfaction to you?	1	2	3	4	5
20. Back you up for your actions?	1	2	3	4	5
21. Criticize your specific act rather than your person?	1	2	3	4	5
22. Appear slow to accept your new ideas?	1	2	3	4	5
23. Treat you as an equal?	1	2	3	4	5
24. Appear willing to make changes?	1	2	3	4	5
25. Make you feel at ease when talking to you?	1	2	3	4	5
26. Appear friendly and easily approachable?	1	2	3	4	5
27. Put suggestions by you into operation?	1	2	3	4	5

1 2 3 4 5

How often does your supervisor do
the following?

28. Get your approval on important matters
before going ahead?

1 2 3 4 5

How often does your supervisor do
the following?

- | | | | | | |
|--|---|---|---|---|---|
| 1. Encourage overtime work? | 1 | 2 | 3 | 4 | 5 |
| 2. Get you to try his new ideas? | 1 | 2 | 3 | 4 | 5 |
| 3. Rule with an iron hand? | 1 | 2 | 3 | 4 | 5 |
| 4. Criticize your poor work? | 1 | 2 | 3 | 4 | 5 |
| 5. Talk to you about how much should be done? | 1 | 2 | 3 | 4 | 5 |
| 6. Encourage you to greater efforts? | 1 | 2 | 3 | 4 | 5 |
| 7. Wait for you to push new ideas before
doing them? | 1 | 2 | 3 | 4 | 5 |
| 8. Assign you to particular tasks? | 1 | 2 | 3 | 4 | 5 |
| 9. Ask for sacrifices from you for the
good of the entire store? | 1 | 2 | 3 | 4 | 5 |
| 10. Insist that you follow standard ways of
doing things in every detail? | 1 | 2 | 3 | 4 | 5 |
| 11. See to it that you work up to your limit? | 1 | 2 | 3 | 4 | 5 |
| 12. Offer new approaches to problems? | 1 | 2 | 3 | 4 | 5 |
| 13. Insist that you inform him about decisions? | 1 | 2 | 3 | 4 | 5 |
| 14. Let you do the work the way you think best? | 1 | 2 | 3 | 4 | 5 |
| 15. Stress on your being ahead of other
employees? | 1 | 2 | 3 | 4 | 5 |
| 16. "Needle" you for greater effort? | 1 | 2 | 3 | 4 | 5 |

	1	2	3	4	5
How often does your supervisor do the following?					
17. Decide in detail what you should do and how it should be done?	1	2	3	4	5
18. Emphasize the meeting of deadlines?	1	2	3	4	5
19. Emphasize the quantity of your work?	1	2	3	4	5
20. Emphasize the quality of your work?	1	2	3	4	5

Section 3

----- Instructions -----

The purpose of this questionnaire is to give you a chance to tell how you feel about your present job, what things you are satisfied with and what things you are not satisfied with. On the basis of your answers and those of people like you, we hope to get a better understanding of the things people like and dislike about their jobs.

Read each statement carefully. Remember: Keep the statement in mind when deciding how satisfied you feel about that aspect of your job. Do this for all statements. Please answer every item. Be frank and honest. Give a true picture of your feelings about your present job.

Ask yourself: How satisfied am I with this aspect of my job?

Very Sat. means I am every satisfied with this aspect of my job.

Sat. means I am satisfied with this aspect of my job.

N means I can't decide whether I am satisfied or not with this aspect of my job.

Dissat. means I am dissatisfied with this aspect of my job.

Very Dissat. means I am very dissatisfied with this aspect of my job.

	Very Dissat.	Dissat.	N	Sat.	Very Sat.
	1	2	3	4	5
On my present job, this is how I feel about ...					
1. Being able to keep busy all the time	1	2	3	4	5
2. The chance to work alone on the job	1	2	3	4	5
3. The chance to do different things from time to time	1	2	3	4	5
4. The chance to be "somebody" in the community	1	2	3	4	5
5. The way my boss handles his/her workers	1	2	3	4	5
6. The competence of my supervisor in making decisions	1	2	3	4	5
7. Being able to do things that don't go against my conscience	1	2	3	4	5
8. The way my job provides for steady employment	1	2	3	4	5

	Very Dissat.	Dissat.	N	Sat.	Very Sat.
	1	2	3	4	5
On my present job, this is how I feel about ...					
9. The chance to do things for other people	1	2	3	4	5
10. The chance to tell people what to do	1	2	3	4	5
11. The chance to do something that makes use of my abilities	1	2	3	4	5
12. The way company policies are put into practice	1	2	3	4	5
13. My pay and the amount of work I do	1	2	3	4	5
14. The chances for advancement on this job	1	2	3	4	5
15. The freedom to use my own judgement	1	2	3	4	5
16. The chance to try my own methods of doing the job	1	2	3	4	5
17. The working conditions	1	2	3	4	5
18. The way my co-workers get along with each other	1	2	3	4	5
19. The praise I get for doing a good job	1	2	3	4	5
20. The feeling of accomplishment I get from the job	1	2	3	4	5

Section 4

----- Instructions -----

This section asks for your feelings on the way that work is assigned, pay raises given, the way people are promoted and the way people are paid. Think about your present job and then circle the number that shows how much you agree or disagree with each of the statements given.

- A means I agree totally with the statement.
 A/S means I agree somewhat with the statement.
 N means I neither agree nor disagree with the statement.
 D/S means I disagree somewhat with the statement.
 D means I disagree totally with the statement.

	A	A/S	N	D/S	D
1. My supervisor is fair in assigning good and bad jobs to people.	1	2	3	4	5
2. My supervisor sees to it that all of us meet work standards.	1	2	3	4	5
3. My supervisor is unfair when he lets some people work on their own, but not others.	1	2	3	4	5
4. After a period of training for new employees, my supervisor sees that every person does a fair day's work.	1	2	3	4	5
5. The pay rate for my job is higher than the pay rate for the same job in other companies in the area.	1	2	3	4	5
6. My supervisor allows workers to tease other employees, be late to their work station, and to act improperly in other ways.	1	2	3	4	5
7. My supervisor tends to assign unpleasant jobs to those he does not like.	1	2	3	4	5
8. My supervisor will get after workers if they are late to work, play around in the office, or behave badly in other ways.	1	2	3	4	5

	A	A/S	N	D/S	D
9. In my store, people who need help from the supervisor in deciding how to do a job don't get it.	1	2	3	4	5
10. My supervisor is fair in deciding who should get a pay raise.	1	2	3	4	5
11. Other companies in this area pay people doing my kind of job less than I am getting paid.	1	2	3	4	5
12. My supervisor knows who should be promoted and sees that they are promoted if he can.	1	2	3	4	5
13. Compared to others outside of Quality Dairy who have the same education and experience as I, I am being paid less.	1	2	3	4	5
14. The rules that are used to give pay raises in Quality Dairy are fair.	1	2	3	4	5
15. In working with me, my supervisor is fair in letting me decide how to do my work.	1	2	3	4	5
16. Some employees can get away with working at a slow speed if they want to in my store.	1	2	3	4	5
17. My supervisor rates people fairly in giving raises.	1	2	3	4	5
18. In my store, the good jobs are assigned to a favored few people.	1	2	3	4	5
19. The rules for promotion in Quality Dairy don't seem fair to me.	1	2	3	4	5
20. My supervisor lets people get away with behaving improperly (badly).	1	2	3	4	5
21. The differences in pay for different work in Quality Dairy do not seem very fair to me.	1	2	3	4	5

Section 5

- - - - - Instructions - - - - -

Circle below the statement that best reflects your intentions to stay or leave Quality Dairy. In answering remember that full confidentiality of response is assured.

- - - - -

1. I am strongly inclined to leave.
2. I am inclined to leave.
3. I have not decided whether to stay or leave.
4. I am inclined to stay.
5. I am strongly inclined to stay.

How long do you plan to stay with Quality Dairy? _____

Section 6

- - - - - Instructions - - - - -

Finally, I would like to ask a few questions about yourself for statistical purposes.

- - - - -

Sex - Please put a X in the appropriate box.

Male _____ Female _____

How many months have you been employed in Quality Dairy? _____

How many months have you been under the supervision of your current immediate supervisor? _____

Are you a part-time or full-time worker? _____

If a part-time worker, how many hours a week do you work? _____

How old are you? _____

What is the highest level of education that you have completed?

- 1) some grade school
- 2) completed grade school
- 3) some high school education
- 4) completed high school
- 5) some college education
- 6) completed a 2-year college program (associate degree)
- 7) completed a 4-year college program (bachelor's degree)
- 8) some graduate work (beyond bachelor's degree)
- 9) completion of master's degree and beyond

Name _____

Thank you very much for answering this questionnaire. Please hand it over to the interviewer.

APPENDIX B

APPENDIX B

Questionnaire Administered to Supervisors

Differences and Similarities Between Employees and Their Immediate Supervisors - A Research Study

Dear Manager:

As you are well aware, you and employees under you are in constant interaction with each other. Differences and similarities may exist between what you and your employees expect from each other. This study examines the way this consequently affects behavior in the workplace. Useful information can be derived to improve the work situation.

As this is not a test, there are no right and wrong answers. Answer each question as thoughtfully and as frankly as possible. You are assured of complete confidentiality. The summary of the results of this study will be made available to Quality Dairy and various manager representatives.

I shall be happy to answer any questions that you may have. Should these arise after I have left, I can be contacted at the following number: (517) 355-1003.

I thank you for your assistance.

Sincerely,

Joseph Ofori-Dankwa
School of Labor and
Industrial Relations
Michigan State University
403 S. Kedzie Hall
East Lansing, MI 48823

Section 1

----- Instructions -----

Print the name of an employee who is working under you in the space provided _____. Please answer the following questions below bearing in mind the employee whose name you have just written. Please remember that this is not a test and that full confidentiality is guaranteed. Please indicate your reaction to each item according to the following scheme:

- 1 = never
- 2 = rarely
- 3 = sometimes
- 4 = usually
- 5 = always

Please read the items carefully and circle the number that best reflects how much of each quality or characteristic you are currently providing or showing the employee whose name you have printed.

	1	2	3	4	5
How often do you ...					
1. Give in when he disagrees with you?	1	2	3	4	5
2. Do personal favors for him?	1	2	3	4	5
3. Express appreciation when he does a good job?	1	2	3	4	5
4. Demand more than he can do?	1	2	3	4	5
5. Help him with his personal problems?	1	2	3	4	5
6. Criticize him in front of others?	1	2	3	4	5
7. Stand up for him even if it makes you unpopular?	1	2	3	4	5
8. Insist that everything be done your way?	1	2	3	4	5
9. See that he is rewarded for a job well done?	1	2	3	4	5

	1	2	3	4	5
How often do you ...					
10. Reject suggestions for changes that come from him?	1	2	3	4	5
11. Change his duties without first talking it over with him?	1	2	3	4	5
12. Deal with him without considering his feelings?	1	2	3	4	5
13. Keep him in good standing with higher authority?	1	2	3	4	5
14. Resist changes in ways of doing things?	1	2	3	4	5
15. "Ride" him for making a mistake?	1	2	3	4	5
16. Refuse to explain your actions?	1	2	3	4	5
17. Act without first consulting him?	1	2	3	4	5
18. Appear easy to understand?	1	2	3	4	5
19. Stress the importance of high job satisfaction to him?	1	2	3	4	5
20. Back him up in his actions?	1	2	3	4	5
21. Appear slow to accept his new ideas?	1	2	3	4	5
22. Treat him as an equal?	1	2	3	4	5
23. Criticize his specific acts rather than his person?	1	2	3	4	5
24. Appear willing to make changes?	1	2	3	4	5
25. Make him feel at ease when talking to you?	1	2	3	4	5
26. Appear friendly and easily approachable?	1	2	3	4	5
27. Put suggestions by him into operation?	1	2	3	4	5

	1	2	3	4	5
How often do you ...					
28. Get his approval on important matters before going ahead?	1	2	3	4	5
How often do you ...					
1. Encourage overtime work?	1	2	3	4	5
2. Get him to try out your new ideas?	1	2	3	4	5
3. Rule with an iron hand?	1	2	3	4	5
4. Criticize his poor work?	1	2	3	4	5
5. Talk to him about how much should be done?	1	2	3	4	5
6. Encourage him to greater efforts?	1	2	3	4	5
7. Wait for him to push new ideas before doing them?	1	2	3	4	5
8. Assign him to particular tasks?	1	2	3	4	5
9. Ask for sacrifices from him for the good of the entire store?	1	2	3	4	5
10. Insist he follow standard ways of doing things in every detail?	1	2	3	4	5
11. See to it that he works up to his limit?	1	2	3	4	5
12. Offer new approaches to problems?	1	2	3	4	5
13. Insist that he informs me about decisions?	1	2	3	4	5
14. Let him do the work the way they think best?	1	2	3	4	5
15. Stress on his being ahead of other employees?	1	2	3	4	5
16. "Needle" him for greater effort?	1	2	3	4	5

	1	2	3	4	5
How often do you ...					
17. Decide in detail what he should do and how it should be done?	1	2	3	4	5
18. Emphasize the meeting of deadlines?	1	2	3	4	5
19. Emphasize the quantity of his work?	1	2	3	4	5
20. Emphasize the quality of his work?	1	2	3	4	5

Section 2

- - - - - Instructions - - - - -

Please carefully read each question and circle the best answer for each question.

- - - - -

	not as well	about the same	better
	1	2	3
Compared to others in his/her work group, how well does the employee . . .			
1. Follow company policies and practices?	1	2	3
2. Accept the direction of his/her supervisor?	1	2	3
3. Follow standard work rules and procedures?	1	2	3
4. Accept the responsibility of his/her job?	1	2	3
5. Adapt to changes in procedures or methods?	1	2	3
6. Respect the authority of his/her supervisor?	1	2	3
7. Work as a member of a team?	1	2	3
8. Get along with his/her supervisor?	1	2	3
9. Perform repetitive tasks?	1	2	3
10. Get along with his/her co-workers?	1	2	3
11. Perform tasks requiring variety and change in methods?	1	2	3

	not as good	about the same	better
	1	2	3
Compared to others in her/her work group...			
12. How good is the quality of his/her work?	1	2	3

	not as well	about the same	better
	1	2	3
13. How good is the quantity of his/her work?	1	2	3
If you could make the decision, would you...			
	yes	not sure	no
14. Give him/her a pay raise?	1	2	3
15. Transfer him/her to a job at a higher level?	1	2	3
16. Promote him/her to a position of more responsibility?	1	2	3
Compared to others in his/her work group, how often does the employee...			
	less	about the same	more
	1	2	3
17. Come late for work?	1	2	3
18. Become overexcited?	1	2	3
19. Become upset and unhappy?	1	2	3
20. Need disciplinary action?	1	2	3
21. Stay absent from work?	1	2	3
22. Seem bothered by something?	1	2	3
23. Complain about physical ailments?	1	2	3
24. Say 'odd' things?	1	2	3
25. Seem to tire easily?	1	2	3
26. Act as if he/she is not listening when spoken to?	1	2	3

- | | less | about
the
same | more |
|--|------|----------------------|-------|
| 27. Wander from subject to subject when talking? | 1 | 2 | 3 |
| 28. Now will you please consider this worker with respect to overall competence, the effectiveness of job performance, proficiency, and general overall value. Take into account all the elements of successful job performance, such as knowledge of the job and functions performed, quantity and quality of output, relations with other people (subordinates, equals, superiors), ability to get the work done, intelligence, interest, response to training, and the like. In other words, how closely does he/she approximate the ideal, the kind of worker you want more of? With all these factors in mind, where would you rank this worker as compared with the other people whom you now have doing the same work? (or, if he/she is the only one, how does he/she compare with those who have done the same work in the past?) | | | |
| In the top 1/4 | | | _____ |
| In the top half but not among the top 1/4 | | | _____ |
| In the bottom half but not among the lowest 1/4 | | | _____ |
| In the lowest 1/4 | | | _____ |

Section 3

- - - - - Instructions - - - - -

Finally, I would like to ask a few questions about yourself for statistical purposes.

- - - - -

Sex - Please put a X in the appropriate box.

Male _____

Female _____

How many months have you been employed in Quality Dairy? _____

How old are you? _____

What is the highest level of education that you have completed?

- 1) some grade school
- 2) completed grade school
- 3) some high school education
- 4) completed high school
- 5) some college education
- 6) completed a 2-year college program (associate degree)
- 7) completed a 4-year college program (bachelor's degree)
- 8) some graduate work (beyond bachelor's degree)
- 9) completion of master's degree and beyond

Name _____

Thank you very much for answering this questionnaire. Please hand it over to the interviewer.

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