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OF CRITICAL ISSUES

presented by

Mark Vincent Roehling

has been accepted towards fulfillment
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Ph.D. degree in Business Administration

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CONCEPTUALIZING THE PSYCHOLOGICAL CONTRACT CONSTRUCT: THE IDENTIFICATION AND EMPIRICAL INVESTIGATION OF CRITICAL ISSUES.

By

Mark Vincent Roehling

A DISSERTATION

Submitted to
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DOCTOR OF PHILOSOPHY

Department of Management

1997

ABSTRACT

CONCEPTUALIZING THE PSYCHOLOGICAL CONTRACT CONSTRUCT:
THE IDENTIFICATION AND EMPIRICAL INVESTIGATION
OF CRITICAL ISSUES

By

Mark Vincent Roehling

This dissertation has three main components. First, an extensive review of the psychological contract (PC) literature is conducted and four issues that, it is argued, are critical and need to be addressed in future conceptualizing are identified and discussed. Second, an integrative conceptualization of the PC construct is presented. Third, a field study that investigates one of the four issues that were identified is reported and discussed. The study uses survey data collected from 1052 employed participants to investigate the equivalence of three measures of the employee PC construct that are based on conceptualizations of the construct that incorporate alternative belief elements (obligations, expectations, or promises). The results of multiple group confirmatory factor analyses suggest that the measures have similar factor patterns. The pattern of correlations between the respective measures and external criteria indicates that while the measures behave similarly in many regards, depending on the measurement purpose, results may vary significantly depending on whether the PC measure focuses on obligations, expectations or promises.

DEDICATION

This dissertation is dedicated to my beloved family, Pat, Alex, and Julia.

ACKNOWLEDGMENT

I would like to acknowledge my gratitude and appreciation for the constructive criticism, advice, and support I received from all of the members of my dissertation committee: John Hollenbeck, Georgia Chao, Dan Ilgen, and Alison Barber. I am particularly obliged to John Hollenbeck for his role as my chairperson, his training in research methods, and his manner of challenging me while providing the necessary support.

I would also like to acknowledge my gratitude and appreciation for the enormous support and encouragement provided by my spouse, Patricia Roehling. Her support came in many forms, and I feel greatly obliged.

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INTRODUCTION

The relationship between individual employees and their employers has been conceptualized as involving a "psychological contract". At a general level, the term "psychological contract" is used to refer to a set of beliefs regarding what employees are to give and receive with respect to their employer. Early references to psychological contracts ascribed them a central role in organizational behavior. Psychological contracts were described as "dominating" the relationship between employee and employer (Argyris, 1960, p. 96), and as operating "powerfully as determinants of behavior" in organizations (Schein, 1965, p. 11).

Acceptance of the concept of a psychological contract has grown steadily and is being reflected in a variety of forums, including: scholarly journals (Guzzo, Noonan, & Elron, 1994; Rousseau, 1990; Van Dyne, Grahm & Dienesch, 1994), management books (Bowditch & Bruno, 1982), textbooks (French, Kast, & Rosenzweigh, 1985; Noe, Hollenbeck, Gerhart, & Wright, 1993; Schuler, Bentell, & Youngblood, 1989), practitioner journals (Baker, 1986; Dunahee & Wangler, 1974; Goddard, 1988; Tornow, 1988), and the popular press (Yates, 1993).

It has been argued that the violation of a psychological contract can have important individual and organizational consequences, including deep, long lasting feelings of betrayal and resentment, anger and frustration, decreased employee motivation, job dissatisfaction, reduced employee commitment, turnover, employee initiated litigation, and unionization efforts (cf. Cole, 1981; Rousseau, 1989; Schein, 1980; Tornow, 1988). Organizations are being told that the management of psychological contracts is

essential to the organization's successful functioning (cf. Covey, 1988; Goddard, 1988; Herriot, 1988; Kotter, 1973). Human resource professionals are being urged to explicitly consider the implications of the psychological contract construct for their organization's human resource practices (Guzzo & Noonan, 1984; Rousseau & Greller, 1994; Sims,1944), and schemes have been offered which prescribe the type of employee psychological contract that is likely to be most appropriate for an organization based upon the organization's business strategy (defenders, prospectors, analyzers, responsives; cf. Rousseau & Wade-Benzoni, 1994).

Acceptance of the concept of a psychological contract and the importance attributed it has greatly out paced developments in the explication and empirical assessment of the psychological contract construct. Efforts to formally explicate a psychological contract construct are scarce. As the existing literature moves from discussing the general notion of a psychological contract to specifying the elements necessary to fully articulate a theory, there is considerable disagreement regarding a number of fundamental issues such as the level at which psychological contracting occurs (e.g. individual, dyadic) and the nature of the beliefs that constitute the psychological contract (e.g. expectations, obligations, likelihoods, hopes). These and other important issues are seldom explicitly addressed, and it is not unusual for the writings of a single person to reflect inconsistent treatment of these issues.

The relatively few attempts that have been made to empirically assess the psychological contract construct have done little to resolve these disagreements or otherwise promote movement toward a conceptual consensus. The empirical studies have

typically adopted a particular conceptualization, with little or no discussion of competing conceptualizations. Similarly, while there are several thought provoking non-empirical articles that discuss psychological contracts in organizations (e.g. Rousseau, 1989), no published article provides an in depth discussion of competing conceptualizations of the construct or the critical issues that should be addressed in any conceptualization of the construct.

The psychological contract construct is a promising vehicle for integrating theory and findings from a number of established literatures that have been found to be useful to explain behavior in organizations (e.g. social exchange theory, equity, procedural justice). As a construct, however, the psychological contract construct is still in a relatively early stage of development. The evolution of the construct from an intuitively appealing concept that means very different things to different people to a construct that may assume a "key role" (Schein, 1970) in understanding behavior in organizations requires that attention be focused on current competing conceptualizations and the issues that are critical to future theorizing.

Overview

The focus of my dissertation is the psychological contract construct. I seek to address what I perceive as the lack of conceptual clarity that characterizes much of the thinking about psychological contracts (PC) that appears in the literature. The focus of my dissertation reflects the influence of Ilgen and Hollenbeck (1991), Van Dyne, Cummings, & McLean Parks (1994), and others who have articulated the importance

of attending to the theoretical development of "the constructs themselves" (Ilgen & Hollenbeck, 1991, p. 199).

I view my dissertation as having three main components. First, using an inductive approach, I conducted a comprehensive review of the literature and identified four issues that I argue are critical and need to be addressed in all future conceptualizing about employee PCs. The results of the review are reported in Chapter I. Non-empirical works that did not appear to make an original contribution are not reported. Nonetheless, the review of the PC literature that is provided is substantially more comprehensive than any review that currently exists in the literature (no attempt to provide a comprehensive review exists in the literature). Areas of agreement among those writing about PCs are also identified in Chapter I. The four critical issues that should be addressed in future conceptualizing are discussed at length in Chapter II.

The second major component of my dissertation is the development of an integrative conceptualization (or re-conceptualization) of the employee PC construct. My conceptualization and supporting arguments are presented in Chapter III. Among other considerations, the four critical issues that I have identified are specifically addressed. With further time spent on articulating the PC's nomological network, my effort in this regard might be characterized as working "Toward a Theory of Psychological Contracting in Organizations".

The third main component of my dissertation is a field study that focuses on the investigation of one of the critical issues that were identified. The study investigates the equivalence of three measures that are based on alternative conceptualizations of the PC

construct. The specific hypotheses that were investigated are set forth in Chapter IV. In addition to those hypotheses, in the process of investigating the equivalence of the three measures, evidence was collected that is relevant to a number of other hypotheses that have been repeatedly asserted in the literature but, based on my review, never empirically investigated.

CHAPTER I

Review of the Literature

Theoretical Origins of the Concept of Psychological Contracts

Social contracts. It has been suggested that the PC concept is an extension of what has been written by philosophers about social contracts (Schein, 1980 p.22). With origins traceable to ancient Greek philosophers, social contract theories and theorists (e.g. Hobbes, 1651/1946; Locke, 1690/1967; Rousseau, 1762/1988) experienced their "heyday" in the seventeenth and eighteenth centuries. Gough (1978) distinguishes between two kinds of contracts referred to under the name "social contract". One kind of contract, which deals with the origin of the state, supposes that a number of individuals who were living in a state of nature voluntary consented to form an organized society. Commonly associated with this kind of social contract is the notion of "natural rights" that belong to individuals as a result of their agreement to form an organized society.

The second form of social contract may be called the "contract for government" or the "contract for submission" (Gough, 1978, p. 3; cf. Barker, 1980). This form of social contract presupposes the existence of a state, addressing the terms on which the state is to be governed. In this sense, the social contract is an "agreement" regarding the reciprocal rights and duties of the state and its citizens. For example, the governed promise to pay taxes, obey the laws, and share the risk of defense in exchange for security, protection, and opportunity for development provided by the state.

While the concept of a social contract originated in the context of philosophical inquiries aimed at prescribing principles and rights, more recently, some writers and researchers have used the term social contract descriptively, to refer to shared, collective beliefs regarding appropriate behavior in a social unit (cf. Rousseau & McLean Park, 1993). Further diffusion and translation of the term can be found in the management literature. For example, Goldberg (1994) defines an "implied social contract" between employer and employee that is said to consist of an unwritten set of rights and obligations that each expects the other side to live up to. This definition sounds very much like the employee PCs described by Schein (1980), and others, suggesting that the PC literature is now influencing thinking about "social contracts".

Employer/employee relations as involving exchange. Barnard's (1938) theory of equilibrium employs an exchange perspective in describing the conditions under which an organization can get its members to continue their participation. According to the theory, each employee receives from the organization inducements (pay, etc.) for which the employee makes contributions. An employee will continue his participation so long as the contributions offered him are as great or greater (measured in terms of the employee's "values") than the contribution the employee is asked to make. The inducement-contribution model discussed in March & Simon's (1958) book Organizations, built upon Barnard's equilibrium theory, further detailing the nature of the exchanges influencing an employee's decision to participate in an organization. March and Simon allude to the concept of unwritten contractual obligations between the organization and employee: "In joining the organizations, he (the employee) accepts an

authority relation, i.e. he agrees that within some limits (defined both explicitly and implicitly by the terms of the employment contract) he will accept as the premise of his behaviors orders and instructions supplied by the organizations." (1958, p. 90).

Menninger (1958). A chapter in Karl Menninger's book Theory of Psychoanalytic Technique (1958), provides a general discussion of "two-party contracts" as a preface to his discussion of the psychotherapist-patient contract in particular. Menninger emphasized that contracts and contractual relationships require that the exchange between the parties result in the reciprocal satisfaction of the parties' needs in order for the contractual relationship to be continued:

> [I]n any engagement between two individuals in which a transaction occurs, there is an exchange, a giving and a gain of something by both parties with a consequent meeting of the needs in a reciprocal way, mutual way. When this balance is not achieved, either because one does not need what the other has to offer or because one does not give what the other needs or because there is a feeling on the part of one that the exchange is not a fair one, the contracts tends to break up prematurely.(Menninger, 1958, p. 21)

Using simple examples such as a man purchasing apples from a vendor, and the barber-client relationship, Menninger illustrates how the parties' needs are met in a variety of tangible and intangible ways (e.g. the pleasure of companionship). This discussion is credited with having made a substantial contribution to the origination of the PC construct (cf. Levinson, et al., 1962, discussed at length, below).

The reciprocity norm. The norm of reciprocity has been incorporated into theories of social exchange, and later, conceptualizations of PCs. Gouldner's (1960) article is the standard reference provided in discussions of the norm of reciprocity. Gouldner distinguished between reciprocity as a pattern of exchange and the general "moral"

norm of reciprocity. As a pattern of exchange, reciprocity may be defined as the mutually contingent exchange of benefits between two or more units. Beyond reciprocity as a pattern of exchange, there is a generalized norm of reciprocity which defines certain actions and obligations as repayments for benefits received. The generalized norm of reciprocity leads us to experience obligation to others because of what they have previously done for us (i.e. because of the history of previous interaction we have had with them; Gouldner, 1960, p. 171). The norm of reciprocity plays a central role in exchange theories, and exchange theories, in turn, play a central role in most conceptualizations of PCs.

Social exchange theories. Social exchange theories (e.g. Homans, 1961; Blau, 1964) extended the exchange perspective of human behavior by explicitly distinguishing between social exchange and strictly economic exchange. Two primary distinctions are made. First, social exchange entails unspecified obligations, while economic exchange is said to require specified obligations. Second, since there is no way to assure the appropriate performance of an unspecified obligation (e.g. the return of a favor), social exchange both requires and promotes trust among the exchange partners, strictly economic exchange does not (Blau, 1964). Social exchange theories point to the potential role of non-economic, "social exchange commodities" that may motivate behavior in organizations. For example, it is argued that a basic reward that people seek in their associations is social approval (Blau, 1964). The conscious or unconscious desires to obtain this basic reward may explain helping behaviors in organizations that do not lead to economic rewards.

Origins Of The Term "Psychological Contract"

Both Argyris (1960) and Levinson (1962) have been given credit for introducing the "psychological contract" terminology. Argyris (1960) used the term "psychological work contract" to describe an implicit understanding between a group of employees and their foreman that arose as a result of a particular leadership style. He observed that the foremen at a plant in which he was conducting field research had a "passive" or "understanding" leadership style. Argyris attributed this to the fact that all of the foreman had come up through the ranks, and in the process, they had been influenced by the informal employee culture. As a result, the foreman realized that the way to get the employees to behave in the desired manner was to maintain the informal employee culture and not to behave in a way that violates the culture's norms. Argyris hypothesized that one result of the passive or understanding leadership style was an employee-management relationship that was "dominated" by the "psychological work contract". He described the contract as follows:

> Since the foreman realize that this system will tend to produce optimally under passive leadership, and since the employees agree, a relationship may be hypothesized to evolve between the employees and the foreman which might be called the "psychological work contract". The employee will maintain the high production, low grievances, etc., if the foreman guarantees and respect the norms of the employee informal culture (i.e., let the employees alone, make certain they make adequate wages, and have secure jobs)" (Argyris, 1960, p. 97).

Argyris observed that the psychological work contract between the employees and their foremen was deemed to have been violated when the foremen were required, by upper management, to implement a budgeting system that usurped employees sense of control over their work.

The parties to the psychological work contract identified by Argyris were a group of rank and file employees who shared certain norms and their immediate supervisors, who were at least aware of the employees' norms. Argyris seems to suggests that the informal employee culture was the driving factor behind the formation of the psychological work contract. He states that the "predispositions" of employees which were the basis for the contract were shaped by the employee culture. But, Argyris acknowledged that the extent to which the relevant predispositions were brought by employees to the work place versus were shaped by the work place was uncertain.

Although it may have been unspoken, the PC that Argyris described involved actual mutual agreement; the parties had the same understanding of what they were obliged to do in order for the contract to be maintained. The extent to which Argyris' conceptualization of the psychological work contract was bound to the particular context he was investigating, or whether it was intended to have greater generalizability, is unclear.

Levinson's similarly termed "psychological contract" concept was clearly intended to generalize across people and organizations. In a book titled Men, Management, and Mental Health (Levinson, Price, Munden, Mandl, & Solley, 1962), Levinson et al. introduced their conceptualization of employee psychological contracts. While earlier works of Argyris were cited, Argyris' (1960) concept of the psychological work contract was not referenced in the Levinson et al. (1962) book. Rather, Levinson's thinking about PCs apparently evolved out of a study funded by the Menninger Foundation in which 874 employees at a large utility were interviewed in order to

investigate the effects of the work experience on mental health. In the course of conducting the interviews, they observed that when people spoke about their work, they spoke of expectations, and that these expectations seemed to have an obligatory quality, "as if the company were duty-bound to fulfill them" (p. 20). This observation, they report, reminded them of Karl Menninger's (1958) discussion of the intangible aspects of contractual relationships, out of which they evolved the concept of the psychological contract.

Levinson et al. defined PCs as "a series of mutual expectations of which the parties to the relationship may not themselves be dimly aware but which nonetheless govern their relationship to each other." (p.21). The expectations of both the individual employee and the company were conceived of as "components" of the PC. Levinson et al. describe the expectations as being mutual in the sense that each side to the PC tacitly agrees to the other side's expectations (often described as "demands"). The mutual expectations that make up the PC were described as having two characteristics: 1). they are largely implicit and unspoken, and 2). they frequently antedate the relationship of the person and the company.

Levinson et al. identified a number of different types of employee expectations, both unconsciously and consciously held, that may make-up the employee's side of the PC. Unconscious expectations included those having to do with psychological issues, such as nurturence. They also identified more explicit expectations having to do with job performance, the use of specific skills, social relations in the work place, job security, and economic rewards.

The company's expectations were described as arising out of the company's history and business environment. They suggested that inferences regarding the company's expectations may be drawn from the circumstances under which it operates, it polices and practices, it values, statements at managers' meetings, and its evaluations of employee job performances. Levinson et al. deduced that the company in which they conducted their interviews expected employees to: be good citizens in the community, be concerned about cost control and efficiency, acquire skill to advance to supervisory level, be dedicated to the principal of free enterprise, and demonstrate a certain amount of employee flexibility

While expectations were described as frequently antedating the employment relationship, Levinson et al. explicitly recognized the dynamic relationship of PCs. They viewed PCs as often evolving or changing over time as a result of the changing needs of the individual or the organization, and through the reciprocal interaction of the two parties.

Finally, Levinson et al. noted that in addition to the PC between the individual and the organization, there are also in effect PCs "of lesser proportion" between people in the organization, within work groups, and between groups and the organization. They argued that these PCs may be viewed as "collateral agreements that have bearing on the person-organization relationship" (Levinson, et al., 1962, p. 38).

Early Developments in Thinking About the Concept of a Psychological Contract

Schein (1965, 1970, 1980). Schein's belief that the psychological contract is a key concept in understanding behavior in organizations is reflected in the extensive

treatment the concept receives throughout all editions of his book "Organizational Psychology" (1965, 1970, 1980). Schein originally described the PC as follows:

> The notion of a psychological contract implies that the individual has a variety of expectations of the organization and that the organization has a variety of expectations of him. These expectations not only cover how much work is to be performed for how much pay, but also involve the whole pattern of rights, privileges, and obligations between worker and organizations. For example, the worker may expect the company not to fire him after he has worked for a certain number of years and the company may expect that the worker will not run down the company's public image or give away company secrets to competitors. Expectations such as these are not written into any formal agreement between employer and organization, yet they operate powerfully as determinants of behavior (1965, p. 11)

The second edition of Schein's book contains the same description of the PC. Schein also notes that the concept of a psychological contract relates to the inducement-contribution model of March and Simon (Schein, 1970, p. 13). The third edition of the book expanded the description somewhat, making a linkage between psychological contracts and organizational roles, and elaborating on the nature of the respective expectations.

According to Schein, individual employees forge their expectations from their inner needs, what they have learned from others, traditions and norms which may be operating, their past experiences, and "a host of other sources" (Schein, 1980, p. 24). Schein also states, however, that ultimately the relationship between the individual and the organization is interactive, unfolding through mutual influence and mutual bargaining to establish a workable psychological contract. The psychological contract is viewed as changing over time as the organization's and employee's needs change, requiring that the contract be constantly renegotiated.

Gibson (1966). Gibson's (1966) theory of absence takes into account the psychological contract, incorporating the view that absence behavior was "very closely bound up with contractual relationships between the worker and organization" (p. 113). According to Gibson, the need-oriented individual and the goal-oriented organization negotiate a "work contract" that specifies the various rights and duties of the worker and the organization. In describing the work contract, a distinction is made between its formal contract and "quasi-contract" components. The formal contract is explicitly agreed upon, usually reduced to writing, and it specifies relatively few rights and duties of the parties. The quasi-contract involves an unwritten understanding of the rights and duties of parties regarding when there is a "consensus between the parties" (p. 117). Gibson describes the term "psychological contract" as being a less formal term that alludes to the individual's perception of the quasi-contractual aspect of the work contract.

In Gibson's theory of absence, the work contract and the perception of how it is being fulfilled influences absences in at least two ways. First, the contract specifies which kinds of absences are legitimate and those that are not. The significance of this categorization is that legitimate absences would not be the basis for punishment, and the worker may be entitled to compensation. Second, workers' perceptions of management's adherence to the work contract is thought to influence their assessment of their own obligations. Gibson argues that if management is perceived as not meeting its obligations, workers feel relieved of their obligations, allowing them to legitimize a

greater range of behavior (including absences) outside or at variance with the formal contract.

Jurek (1968). Based upon my review of the literature, Jurek's (1968) unpublished dissertation reports the earliest effort to quantitatively assess the psychological contract concept. The purpose of the study was to assess the relationship between the strength of the psychological contract of route salesmen (i.e. the extent to which a psychological contract existed) and their sales performance. According to Jurek's conceptualization, a psychological contract between the worker and his company existed to the extent that there were agreed upon expectations that were being met. The psychological contract was assumed to develop along the motivator and hygiene needs of the employee, as described in Herzberg's two-factor theory of motivation (Herzberg, Mausner, & Synderman, 1959).

Subjects in the study were 107 salesmen for eight laundry and dry cleaning companies and 29 supervisors. The nature of employee psychological contracts and the extent of their existence was assessed using questionnaires that addressed the six motivator and nine hygiene job factors stated by Herzberg et al. (1959). Each party to the contract (the routeman and his supervisor) first indicated the importance to themselves of selected motivator and hygiene items, and then each indicated the extent to which the other was meeting their needs. The extent to which a psychological contract existed was "established" by comparing the extent to which each party met the other's needs. The percentage of needs met by the other party was calculated for each party in the dyad, and the lower of the two percentages was taken as the ranking of the

extent to which a psychological contract existed. Simple correlational analysis indicated that sales performance was greatest when the psychological contract was of moderate strength and reasonably well met by the parties. There did not appear to be a linear relationship between the psychological contract and sales performance, prompting the researcher to conclude that the relationship appears to be dependent on other factors. Obvious limitations in the conceptualization and design of the Jurek study make it difficult to draw any firm conclusions from its modest findings.

Lawless (1972). Lawless (1972) described the psychological contract as having "the most general and all pervasive influence over a person's behavior while he carries out his work as a member of his organization" (p. 144). His thinking about psychological contracts appears to have been heavily influenced by the writings of Schein (1965). Lawless describes the PC as involving the employee and organization's mutual expectations, and as being dynamic. Lawless, however, incorporates the notion of self-fulfilling prophecies into the psychological contracting process, focusing on management perceptions and how those perceptions influence management action and workers actions. In Lawless' view, management makes certain assumptions about workers according to some general philosophy. These assumptions lead management to treat workers in certain ways. The worker perceives how the organization perceives him and responds accordingly: "He is like little Johnny who is perceived by the parents as their "problem child". He, perceiving their perception, rises to the challenge and meets their expectation. This is the self-fulfilling prophecy in operation again" (p. 146). Consistent with this view, Lawless explicitly states that because management is

the dominant force in the management-worker interaction, management's side of the contract has more influence on the outcomes of the relationship (p. 148).

Kotter (1973). Kotter defines 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). While Kotter's conceptualization of the PC incorporates the expectations of both the employee and employer, unlike conceptualizations that define the PC as involving agreed upon expectations, Kotter allows incongruent employee-employer expectations within the psychological contract. He introduces notion of "matching" to describe the situation where the employee and organization agree regarding a given expectation, and the extent to which the PC is comprised of "matched" or "mismatched" expectations is treated as an independent variable of interest.

Kotter (1973) discusses the findings of an unpublished master thesis that applied his matching concept to investigate the role of the psychological contract at early stages of the employee's involvement with an organization. Ninety randomly selected, relatively recent graduates of the Sloan School of Management's master program completed a questionnaire that asked them to indicate the extent to which they expected to give certain things to their employer (e.g. ability to work with group, conformity) and the extent to which they expected to receive certain things from their employer (e.g. interesting work, personal development opportunities). Responses were provided using a five point Likert scale, 1=not expected, 5=strongly expected. The individual employee expectations were purportedly matched with employer expectations regarding

giving and receiving the same things. Kotter reports that psychological contracts which were made up primarily of matches in expectations were related to greater job satisfaction, productivity, and reduced turnover (p. 92). Kotter emphasized it was the matching of expectations that was important, claiming that mismatches that gave employees more than they expected caused as many "problems" as those that gave the employee less than had been expected (p.94).

It was stated that the employee-employer expectations were "purportedly" matched because, although many details of the study are not reported in the article, it appears that in addition to indicating their own expectations, the employee-respondents were also asked to indicate what their employer's expectation were pertaining to them. Thus, what appears to have been "matched" was an employee's expectations and the employee's perceptions of his/her employer's expectations, both being assessed retrospectively. If this is the case, the validity of the interesting findings Kotter discusses might be challenged for a variety of reasons (e.g. levels of analysis issues, mono-method bias, causal ambiguity).

Kotter (1973) also briefly discussed a case study in which the expectations of new employees, their supervisors, and senior managers from the same organization were measured, and matches and mismatches in expectations were identified. A workshop was conducted in which misunderstandings and misperceptions were "aired and resolved" (p. 97). In a footnote provided in the third edition of his book, Schein (1980, p. 22) indicates that case study Kotter (1973) reported "tested" his idea of a

psychological contract. This footnote suggests that Schein viewed Kotter's conceptualization of the PC as being at least consistent with his own conceptualization.

Portwood and Miller (1976). Portwood and Miller defined the PC as "an implicit agreement negotiated between the employee and 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). They present a model of the psychological contracting process that posits that individual's expectations about their employment relationship are influenced by factors such as their individual needs, attitudes toward work, relevant job knowledge and experience. An organization's expectations pertaining to the individual and individual's job are said to become formalized into policies and management practices, creating a "job reality". The extent to which the individual's expectations match this job reality is positively related to the individual's job satisfaction, commitment, and productivity.

The Portwood and Miller (1976) study focused on the relationship between the extent to which employees' expectations were met, which they referred to as the degree of "job integration", and two dependent variables: a) job satisfaction; and b) a measure of employee's satisfactoriness to the organization (task competence, commitment, compatibility). Job integration was operationalized as the difference between job expectations about outcomes at the time of hire and the extent to which the outcomes were perceived to have been fulfilled after taking the position. The study was conducted in a midwestern retail firm with 43 locations in the Michigan area. They found a correlation of .37 between job integration and job satisfaction, and a

correlation of .25 between job integration and job satisfactoriness. Portwood and Miller conclude that their findings indicate that organizations' compliance with employee PCs is positively related to employee job satisfaction and work behaviors.

Holtz (1978). Holtz's unpublished dissertation reports an exploratory, qualitative study that investigated the PCs of 13 managers working in a single, large organization. She was particularly interested in assessing how PCs change as a function of personal development over one's life cycle and career development. Holtz defined the psychological contract as "an ongoing, implicit agreement between an individual and a company, made up of a variety of expectations that specifies the needs and obligations of each and, thus, dictates the relationship between the two parties."(p. 23). The individual's expectations were assessed through interviews that were "open-ended but not unstructured" (p. 68). The company's expectations were assessed through interviews with the 13 managers' superiors and members of the personnel department, and from a review of company written philosophy, policies , and practices. Based upon her findings, Holtz concluded that: a.) the PCs of young managers (n=4) were characterized by expectations for technical training, education and broad experience, frequent job moves with increasing challenge and responsibility, and adequate supervisory support; b.) the PCs of middle-age managers (n=5) were characterized by a review, reassessment, and resetting of expectations based on their past experiences with the company and in anticipation of their futures; and c.) the PCs of older managers (n=4) were characterized by a sense of finality, a resolute acceptance of the past, and a determination to make the most of the final stage of their careers. They

expected recognition (including advancement within limits), opportunities for continued contribution, and security.

Weick (1979). In his influential book, "The Social Psychology of Organizing" (1979), Weick's discussion of individuals' reasons for joining organizations incorporates the PC concept. Weick appears to accept both Schein's definition of PC and Schein's belief that PCs play a central role in organizational behavior. Schein's (1965) definition of the PC is restated with apparent approval, and in speaking of PCs, Weick states: "Satisfaction, productivity, interpersonal ties, and the likelihood of leaving are all dependent on the terms of the contract and its fate at any given moment of time." (Weick, 1979, p. 19).

Nicholson & Johns (1985). Building on the work of Gibson (1966), Nicholson and Johns employed the concept of PC to provide a new theoretical framework for understanding absence behavior. They described the psychological contract as being comprised of mutual assumptions about employment rights and obligations (p. 400), and as being "the essence of the individual-organizational linkage, because employment entails an implicit exchange of beliefs and expectations about what constitutes legitimate actions by either party." (p. 398).

Nicholson and Johns argue that one's PC is likely to influence interpretations of absence events and absence behavior. The level at which they conceptualize the PC construct, and its relation to organizational culture, is, however, somewhat ambiguous. In presenting a typology of absence cultures based on the degree of salience of the culture and the level of trust inherent in the PC, and in stating that the trust inherent in

the PC influences the content of the absence culture (p. 402), Nicholson and Johns appear to be defining the PC as either an antecedent or part of the organization's culture. But, they also describe psychological contracts as emerging through interaction and communication (which derive from culture), and as the "psychological mechanism by which collective influence is translated into individual behavior" (p. 398). The latter descriptions suggest that PCs are influenced by organizational culture, mediating the influence of organizational culture on individual behavior. Finally, although they describe the PC as the essence of the individual-organizational linkage, they seem to assume that classes of employees (e.g. by occupational class) share the same PC, indicating a group level construct. As Rousseau (1989) has suggested, it appears that Nicholson and Johns (1985) are describing issues of psychological contracting at some level of conceptualization above the individual level.

The Generalization of the Psychological Contract Concept

While the concept of a PC was originally employed to describe employees' relationships at work, it has since been argued that the concept generalizes to a variety of relationships, including those between renter and landlord (Radford & Larwood, 1982), consultant and client (Boss, 1985), husband and wife (Dunahee & Wangler, 1974), and student and teacher (Kolb, Rubin, & McIntyre, 1984). In fact, Menninger, whose discussion of the psychological aspects of "two-party" contracts (Menninger, 1958) influenced Levinson et al.'s adoption of the term, revised his discussion of two-party contracts so that the second edition of his book (Menninger & Holzman, 1973) expressly adopts the term psychological contract to describe the relationship that exists

between the client and the therapist. Given the application of the term to a variety of relationships, it will be increasingly important for theoretical statements to indicate whether they purport to apply to PCs in general, or whether the statements are limited to PC involving certain kinds of relationships (e.g. employer-employee).

Rousseau and Colleagues

In recent years, no one has been more influential in the psychological contract literature than Denise Rousseau. In terms of generating interest in employee PCs, it would be difficult to over-state the contribution of the work she has published, individually and with others. This section focuses on the work of Rousseau and her colleagues. I will begin by discussing what may be described as Rousseau's seminal article regarding PCs, a theoretical piece that appeared in a 1989 issue of the Employee Rights and Responsibilities Journal. The article is frequently referenced in contemporary writings about PCs, including Rousseau's current work. Next, three studies conducted using a single group of MBA students, and two data collection times, 1987 and 1989, will be discussed. The studies were reported in three separate publications: Rousseau (1990), Robinson, Kraatz, & Rousseau (1994), and Robinson & Rousseau (1994). The findings of these studies have been cited to support a variety of claims. In addition to discussing the studies' main findings, I will identify inconsistencies that have apparently gone unnoticed, calling into question the claims based on the studies' findings. Further review and critical analysis of the work of Rousseau and colleagues will be provided at various places in subsequent sections of my proposal (Chapter III and Chapter IV).

Rousseau (1989). Rousseau initially described the PC as follows:

> The term psychological contract refers to an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party. Key issues here include the belief that a promise has been made and a consideration offered in exchange for it, binding the parties to some set of reciprocal obligations. (p. 123) [1]

The general statement provided in the first sentence identifies the level at which the PC was conceptualized. Rousseau (1989) explicitly distinguished between conceptualizations of contractual construct at the level of the individual level versus the level of the relationship (eg. dyadic, inter-organizational). Her conceptualization of PC as involving individuals' subjective beliefs is at the individual level. The parties to the contract, the employee and the employer, need not agree. In contrast, conceptualizations that view PC as existing to extent that agreement exists between the parties are at relational level.

Although the first sentence of Rousseau's description of PCs (quoted above) refers to beliefs generally, the qualifying statements made in the second sentence of the quoted definition reflect Rousseau's focus on beliefs about obligations. More particularly, Rousseau's conceptualization focuses on a specific kind of obligation: those that are based on perceived promises. The central role of promise in Rousseau's

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[1] The role of consideration in contract law is fraught with intricacies and controversy. It has been described as a "tortuous and extraordinary concept" that is too ad hoc to be of explanatory value, and, is so complex that it offers little guidance (Levin & McDowell, 1983, p. 29). Black's Law Dictionary (1968) defines over twenty "types" of consideration. I would argue that what value the concept of consideration has in the law of contracts (as a device for sorting contracts that should be legally enforceable from those that should not) does not transfer to the process of psychological contracting, particularly where the process is viewed as involving subjective perceptions.

conceptualization of PCs is clearly conveyed in her writings. For example, Rousseau (1989, p. 126) describes PCs as involving "an individual's belief that a promise of future return has been made, a consideration or contribution has been offered (and accepted), and an obligation of future benefit exists", and Rousseau (1990) states that "psychological contracts differ from the more general concept of expectations in that contracts are promissory and reciprocal" (p. 390; emphasis added).

The focus on promised based obligations sets Rousseau's conceptualization apart from every conceptualization of the PC that preceded her. Others have focused on obligations (e.g. Gibson, 1966; Nicholson & Johns, 1985); other conceptualizations have emphasized the importance of individual subjective perceptions (e.g. Stagner, 1964; Dunahee & Wangler, 1974); and, most conceptualizations have recognized that promises play a role in shaping the PC. But no one prior to Rousseau (1989) suggested that perceived promises were the sole basis for the beliefs that constitute the PC. It is quite likely that the implications of using a promise framework in conceptualizing PCs are not readily apparent to the reader. They will be discussed at length in Chapter III (at pp. 87-96).

Subsequent work by Rousseau maintains the focus on promise, but it also contains general definitions of PCs, such as that provided in the first sentence of the definition set forth above. This is significant because researchers describing Rousseau's (1989) conceptualization of employee PCs, including some who purport to adopt it (e.g. Guzzo, Noonan, & Elron, 1994), have focused on her general statements and left out the most distinctive aspect of her conceptualization - the focus on promise.

Rousseau (1990). In the first of three studies conducted using the single group of MBA students, Rousseau (1990) imports the notion of a transactional-relational continuum to the PC literature (the terms were briefly alluded to in Rousseau, 1989, p. 135). According to Rousseau, Macneil (1985) argues that there are two types of contracts, anchoring opposite ends of a continuum underlying contractual arrangements (p. 391)[2]. Transactional contracts are described as involving specific monetizable exchanges between parties over a specified period of time. Relational contracts, in contrast, are described as involving open-ended agreements to establish and maintain a relationship that involves both monetizable and non-monetizable exchanges.

The 1990 study investigated whether recruits' perceptions of employee and employer obligations were interrelated, and if so, whether the pattern was consistent with the two types of contracts. The subjects were 228 MBA students who had accepted job offers. The subjects' PCs were assessed by asking them to indicate what they believed were their obligations to the particular employer whose job offer they accepted, and what they believed were their future employer's obligations to them. Using a five point Likert scale (1=not at all obligated, 5=very highly obligated), subjects indicated to what extent their employer was obligated or owed them:

1. promotion and advancement
2. high pay
3. pay based on your current level of performance (merit pay)

2

Macneil does not argue that the two contract ideals actually exist, and he has repeatedly emphasized that modern contractual relations involve both discrete (what Rousseau describes as transactional) and relational elements cites. This important point will be discussed more fully in Chapter II.

4. training
5. long-term job security
6. career development (development)
7. support with personal problems

Beliefs about employee obligations were assessed using the same type of scale, with subjects indicating the extent to which they believe that they were obligated to:

1. work extra hours (overtime)
2. loyalty
3. volunteer to do non-required tasks (extra role behavior)
4. advance notice if you were taking a job elsewhere (notice)
5. willingness to accept a transfer
6. refusal to support your organization's competitor
7. protection of proprietary protection
8. spending a minimum of two years in the organization

Canonical analysis was conducted to determine the underlying relations between specific employee and employer obligations. The study derived its measures of psychological contract obligations through canonical factor scores weighting employee obligations in terms of perceived employer obligations, and vice versa. Analysis of sets of employee and employer obligations yielded two significant canonical functions. The first function linked employee obligations to work overtime, to volunteer to do non-required tasks, and to give notice before quitting, along with absence of an obligation for company loyalty, with a set of employer obligations to provide high pay, performance based pay, training, and career development. The second function revealed relationship between employee obligations (loyalty and minimum length of employment) with employer obligations to provide job security.

Rousseau characterized the first function as reflecting an empirical relationship between hard work on part of employees and exchange for high extrinsic reward,

consistent with the terms of a transactional contract. The second function was characterized as reflecting the relationship between loyalty and continued membership and job security, and was said to be consistent with a relational contract (Rousseau, 1990, p. 395). It should be noted that the items were not characterized on an a priori basis as being either indicators of either transactional or relational contracts, and there was little discussion of the theoretical basis for the characterizations of canonical functions that were made. Also, the basis for considering specific obligations as transactional versus relational are not entirely obvious. For example, Rousseau characterized the employer obligation to provide employees career development opportunities as an extrinsic reward that was consistent with the terms of a transactional contract (p. 395). Such an obligation is relatively general, and it may be viewed as implying that there is an on-going relationship between the parties that is expected to continue in the future, indicating a relational contract (Macneil, 1980, 1985). The same might be said of the obligation to provide training, depending on whether the obligation pertained to specified training for a current job, versus training to improve skills and prepare for future positions (the item did not distinguish between these levels of training).

Robinson, Kraatz, & Rousseau (1994). The second study involving the Rousseau (1990) MBA subjects sought to examine: a.) the factor structure of the items used to assess EPCs; b.) changes in employee PCs over time; and c.) violations of PCs and how they relate to transactional and relational contracts. The questionnaire that was used in 1987 was mailed in 1989 to the same MBAs (now graduated), and a total of

216 responded. Of those who responded to the first questionnaire, 128 responded to the second.

The factor structure of items at time 1 (1987) and time 2 (1989) was evaluated using exploratory factor analysis. At both times, employer obligations to provide promotion and advancement (described in the report as "rapid advancement"[3]), high pay, and pay based on performance loaded onto one factor. They described this factor as reflecting "transactional" obligations in that the obligations are specific, monetizable, and of a quid pro quo nature that requires them to be fulfilled at a definite time"(p. 143). Employer obligations to provide long-term job security, training, and career development also loaded on a single factor at both times. This second factor was described as reflecting "relational obligations in that the obligations serve to maintain the relationship and are not of a quid pro quo nature but rather, require fulfillment over an indefinite period during the course of the relationship." (pp. 143-144). One obligation, support with personal problems, loaded on the so-called relational factor at time 1, but did not load on any factor at time 2.

Employee obligations to work extra hours, to be loyal, and to volunteer to perform non-required tasks loaded on the same factor at time 1 and time 2. This factor was said to represent relational obligations, but no explanation for this characterization was

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[3] The use of adjective "rapid" appears to be a post hoc characterization. The actual instrument simply asked respondents to indicate the extent to which they believed that their employer's obligations to them included "promotion and advancement", and the adjective "rapid" was not referred to in Rousseau's (1990) description of the same obligation.

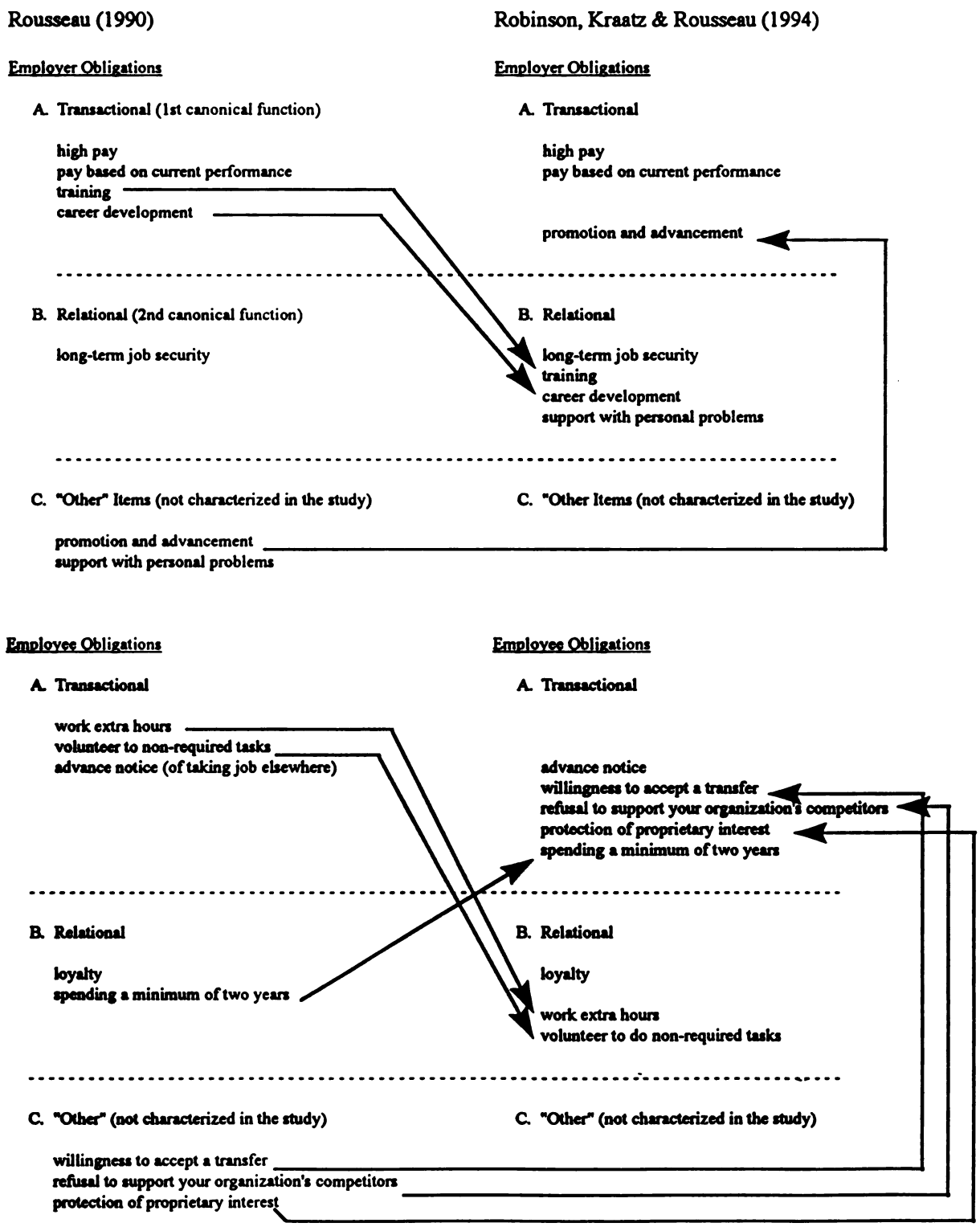
provided. At both time, employees' obligations to give advance notice, to be willing to accept transfer, to refuse to support the organizations competitors, and to protect proprietary information loaded on a single factor that was described as reflecting "transactional obligations in that the obligations concern legal issues and possibly constitute formal rules that are necessary in a transactional relationship in which the focus is not long-term trust." One item, spending a minimum of two years with the organization, loaded on the so-called transactional factor at time 2, but did not load on any factor at time 1.

Robinson et al. (1994) conclude that "in sum, the factor analysis results reveal that both employee and employer obligations can be categorized as either relational or transactional." (p. 145). But, the careful comparison of the factor analysis findings and their interpretation with the arguments made and findings reported in Rousseau (1990) would seem to require a different conclusion. It appears that the factor analysis findings fail to support Robinson et al. conclusions.

I have prepared Figure 1 to support the statements made in the preceding paragraph. The table compares how the identical obligations where characterized in the first study, Rousseau (1990), versus how they were characterized in the second study, Robinson, Kraatz and Rousseau (1994). Recall that each obligation was measured by a single item, identical items were used in the two studies, and the subjects in the two studies were from a single sample of MBA students. The left hand column of the table reports how obligations were characterized in Rousseau (1990). Under each of the two main headings, "Employer Obligations" and "Employee

Figure 1

Characterization of Obligations in Rousseau (1990) and Robinson, Kraatz, & Rousseau (1994)



Obligations", the obligations are listed in three categories: "Transactional", "Relational", or "Other". The Other category includes obligations that were not characterized in the Rousseau (1990) study because they were not included in either of the canonical functions. The right column categorizes the same items based on how they were characterized in Robinson et al. (1994). Because all of the items used to assess PCs were characterized as either relational or transactional in Robinson et al., the right column of Figure 1 does not list any items under the "Other" category.

Arrows have been drawn in Figure 1 to indicate those items that switched categories from the first study to the second study. For example, in Rousseau (1990), the employer's obligation to provide training and the employer's obligation to provide career development were both characterized as being transactional obligations. But as the arrows indicate, in Robinson et al, those same items were characterized as being relational items. The employer obligation to provide promotion and advancement was not characterized in Rousseau (1990), but was characterized as being a transactional obligation in Robinson et al.(1994)

There was even more switching among the employee obligations. Employee obligations to work extra hours and volunteer to do non-required tasks were described as transactional obligations in Rousseau (1990). It was argued that these obligations and their canonical counterpart reflected relations of hard work on the part of employees for high extrinsic rewards. In Robinson et al., however, these two obligations loaded on the same factor as the obligation to be loyal, and it was simply stated that "this factor

represents relational obligations" (Robinson et al. 1994, p. 144); no further explanation was provided.

The employee obligation to spend a minimum of two years that was characterized as relational by Rousseau (1990) was characterized as transactional by Robinson et al. (1994). Finally, as Figure 2 indicates, three employee obligations that were not included in either relational or transactional canonical function in Rousseau (1990) were subsequently characterized as being transactional. The theoretical basis for their categorization is not readily apparent. I would argue that the nature of these items are particularly likely to be contextually bound; it depends on what, if anything, was expressly communicated between the parties.

The amount of recharacterization between the two reports is considerable. Of the ten obligations that were characterized as being either relational or transactional in Rousseau (1990), fifty percent (5 of 10) were characterized as being exactly the opposite in Robinson et al. (1994). Again, the studies used identical items to assess the perceived obligations, and the subjects came from the sample. There may be sound reasons for the recharacterizations that occurred. The difficulty presented for those reviewing the PC literature is that no reasons were provided.

In addition to investigating the factor structure, Robinson et al. (1994) also sought to investigate changes in PCs over time, and, the impact of contract violations on relational and contractual obligations. To assess changes in PCs over time, MANOVAs were computed for both employer and employee obligations, treating the time 1 obligations (1987) as the dependent variables and the time 2 obligations as the

covariates. Significant MANOVA findings were followed up by conducting paired-sample t-tests to assess differences between the individual obligations at time 1 and time 2. The findings indicated that most perceived employee obligations decreased over time, and most employer obligations increased over time.

Robinson and Rousseau (1994). The data for the third study using the Rousseau (1990) MBA students was apparently collected at the same time as that analyzed in the second study. Subjects were the 128 graduated MBAs who responded to both the first and second questionnaires. The impact of violations on a number of dependent variable was assessed both quantitatively and qualitatively. Contract violations were quantitatively assessed two ways. First, a single item asked subjects to indicate the extent to which employee fulfilled promised obligations, 1=very poorly fulfilled, 5=very well fulfilled. Second, a single dichotomous item asked subjects to indicate whether their employer had ever failed to meet the obligations that were promised. The qualitative assessment of violations involved an open response format question that asked subjects to explain the nature of violations that occurred.

Fifty-four percent of the subjects responded that their employer had, at sometime, violated an obligation owed them. The dichotomous measure of violation and the continuous measure of the extent of contract fulfillment were cross-tabulated, and the results indicated that some people who reported that an obligation of violated contracts reported a significant degree (moderate to high) of fulfillment. There are a number of possible explanations for this finding. Fundamentally, the finding raises a question regarding the reasonableness of using the obligation fulfillment scale as a measure of

violations, and the reasonableness of treating an employer failure to keep any promise as a measure of contract violation. It would seem plausible that some subjects recognized that a promise had not been kept, but did not treat the unmet promise as a violation because they perceived that there was an explanation for failure.

Other analysis found that the occurrence of violations correlated positively with turnover, and negatively with trust, satisfaction, and intentions to remain with the employer. Robinson and Rousseau acknowledged their measurement of violations at a single time did not allow them to establish causality of violations impact on trust; lower trust may lead to greater likelihood to perceive violations.

Other, non-empirical work by Rousseau and colleagues. Rousseau and colleagues have published a number of other, conceptual articles that provide further evidence of their view of PCs. In a chapter in the Research in Organizational Behavior series titled "The contracts of individuals and organizations", Rousseau and McLean Parks (1993) argue that obligations between employee and employer can come from one of two forms of contract: social or promissory. Rousseau and McLean Parks defined social contracts as follows, providing the citations indicated:

> Social contracts are normative, addressing shared collective beliefs regarding appropriate behavior in a social unit (often discussed at the level of the organization or society by anthropologists and philosophers, Gough, 1963; Homans, 1961). Norms of exchange, reciprocity, and prosocial behavior can create obligations between work or within organizations. Such social contracts are in effect cultural.

As indicated earlier, at page 6, this descriptive use of the term social contract is significantly different than philosophers' use of the term to prescribe rights and responsibilities. They describe promissory contracts as being "essentially paid for

promises where commitment of future behavior is offered in exchange for payment" (Rousseau & McLean Parks, 1993, p. 4). Promissory contracts are said to have three components: promise (a commitment to do something); payment, a commitment offered in exchange for the promise - which they identify as being the equivalent of "consideration" in the law of contracts; and acceptance, consent to the terms of the contract reflecting the contract's voluntariness. They describe PCs as "an individual's beliefs regarding terms and conditions of a reciprocal exchange between that person and another party (Rousseau, 1989)", but they go on to state that their use of the term focuses on an individual's belief in and interpretation of a promissory contract (Rousseau & McLean Parks, 1993, p. 19).

A discussion of transactional-relational continuum by Rousseau & McLean Parks (1993), and its apparent re-characterization of earlier findings, further obscures and undermines the claims that there is empirical support for the classification of PCs as transactional or relational. The reader will recall that Rousseau's (1990) canonical analysis of employer and employee obligations yielded two significant canonical functions. The canonical function said to be associated with transactional contracts was described as reflecting a relationship between hard work on the part of employee in exchange for high extrinsic reward (Rousseau, 1990, p. 395). However, Rousseau and McLean Parks write: "Rousseau (1990) found that two factors characterized patterns of employee and employer obligations reported by new recruits, a transactional one emphasizes fast track advancement and pay for performance and a relational one including loyalty for long term commitments." The re-characterization is misleading

because based on the results of the canonical analysis, the item regarding promotion and advancement was not even among those included in the canonical function that was described as being transactional (the item was not included in either canonical function; see Rousseau, 1990, p. 395).

Rousseau recently served as a guest editor of a special issue of Human Resource Management that was devoted to employment contracts. She co-authored two articles that appeared in the issue. In the first article titled "Human resource practices: Administrative contract makers" Rousseau and Greller (1994) argued that a major function of an HRM department is to foster the appropriate PC. In this article, PCs were defined as "an individual's system of beliefs, shaped by the organization, regarding the terms of the exchange agreement between himself/herself and the organization (Rousseau, 1989; Rousseau & Parks, 1993)" (Rousseau & Greller, 1994, p. 384). The article makes a strong statement regarding the antecedents of PCs. Rousseau and Greller state: "employee interactions with the organization are the source of information about the contract" (emphasis added, p. 386). In emphasizing the importance of employee-organization interactions as the source of PCs, the role of individual differences or societal influences is relegated to the distant background.

Rousseau's second article in the special issue was titled: "Linking strategy and human resource practices: How employee and customer contracts are created." (Rousseau & Wade-Benzoni, 1994). In this article, a definition of PCs that emphasizes Rousseau's focus on promise was provided: "Psychological contracts refer to beliefs that individuals hold regarding promises made, accepted, and relied upon between

themselves and another."(p. 466). The article describes what its claims are four "common" types of PCs in United States firms. To arrive at the four types of PCs, two contact terms that were said to be emphasized in contemporary employment relations, time frame (the duration of employment) and performance requirements (well specified or weakly specified), were arranged in a 2 x 2 framework. The resulting four categories of PCs were labeled and described as follows:

Transactional contracts, of limited duration with well specified performance terms

Relational contracts, open-ended membership with incomplete or ambiguous performance requirements attached to continued membership.

Balanced contract, open-ended and relationship oriented employment with well-specified performance terms such to change over time.

Transitional contracts, essentially a break-down in contracts, reflecting the absence of commitments regarding future employment as well as little or no explicit performance demand or contingent or contingent incentives.

Rousseau and Wade-Benzoni state that there may be other kinds of contracts, but they state "we find that most modern organizations contain one or more of the variants of these contracts" (p. 468); no references are offered in support of their claim. The article goes on to provide a scheme for matching up types of PCs with specific organizational business strategy. For example, they argue that "prospectors" (Miles & Snow, 1984) have a need for flexibility, and as a result, will develop transactional employee PCs. Finally, Rousseau and Wade-Benzoni seek to link the type of employee PC found in an organization with the type of relations the organization has with its

customers. For example, they argue that transactional employment relationships tend to breed transactional customer relations.

Other Recent Developments

Ofori-Dankwa (1991). Virtually all writing and research regarding PCs has focused on the PC between individual employees and their respective organizations. Ofori-Dankwa's unpublished dissertation, however, investigated the PC between employees and their supervisors. He attempted to assess the relationship of both individual level and dyadic level "measures of employee PCs" and three dependent variables: a.) job satisfaction, b.) employee satisfactoriness (task performance, commitment, compatibility), and c). employee turnover intentions.

Ofori-Dankwa defines the PC 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 is to give and receive from his employer" (pp. 9-10). In further describing the PC, he states that it "focuses specifically on the rights and obligations of the parties to a dyadic relationship" (p. 11; emphasis added). Thus, at least initially, Ofori-Dankwa describes the PC at the dyadic or relational level. Accordingly, his first measure of the PC assesses the agreement between the employee and supervisor regarding their mutual rights and obligations. This measure was referred to as the "across congruence measure" (p. 31). He also claims to measure the PC at the individual level, describing the purported individual level measure as assessing the match between the employee's perception of his or her rights (and the supervisor's obligations) and the employee's

perception of what is actually being provided by the supervisor. This measure was referred to as the "within congruence measure" (p. 31).

Clearly, the purported measures of the PC are assessing different constructs. Given that Ofori-Dankwa described the PC as existing at the dyadic level (pp. 9-10), it would be more consistent, and less confusing, to describe the within congruence measure as a measure of the extent to which the employee perceives that the supervisor has fulfilled his or her obligations to the employee.

At a general level, Ofori-Dankwa hypothesized that both the across congruence measure and the within congruence measure would be positively related to the three dependent variables (identified above). From this general hypothesis, more specific hypotheses were derived that focused on perceived rights and obligations relating to supervisors' leadership behaviors. Items from the Leadership Behavior Description Questionnaire (LBDQ) were used (Fleishman, 1953A; Fleishman, 1953B) to assess expectations regarding two dimensions of leadership behaviors: initiating structure (18 items), and consideration (28 items). The study was conducted using employees from 19 locations of a retail chain. Questionnaires were administered to 76 employees and their immediate supervisors. It should be noted that although his hypothesis speak of rights and obligations, it appears that the questionnaire assessed expectations regarding leadership behaviors (p. 79).

Separate analyses were performed for two dimensions of the LBDQ, initiating structure and consideration. The correlation between the across congruence measure (matching employee-supervisor expectations) on the initiating structure dimension and

employee satisfactoriness was significant (.27). There was a significant correlation (.24) between the so-called within congruence measure on the initiating structure dimension and job satisfaction. There were also significant correlations between the within congruence measure on the consideration dimension and both employee satisfactoriness (.24) and tenure intentions (.23). In summary, the results were mixed, providing support for approximately half the hypotheses that were investigated.

Guzzo, Noonan, & Elron (1994). Guzzo et al. state that they endorse Rousseau's (1989) conceptualization of the PC (Guzzo et al., 1994, p.618) in their investigation of the role of EPCs in mediating the impact of company practices on retention relevant outcomes, organizational commitment and intentions to leave employer. As previously indicated, however, they do not address Rousseau's focus on promise. The subjects in the study were 148 expatriate managers working in 43 different companies. Subjects provided data on the"status" of their PC in two ways. First, subjects responded to a questionnaire that asked them to rate both: a) the extent to which each of 43 company practices was provided by the respective employers (5=to no extent/not provided, 1=to a great extent); and, b) the extent to which what was being provided was different from what they though should be provided (-3=much less, 0=about the same, 3=more than should be). The 43 items (one of each practice) were grouped by content into three scales: financial inducements, general support, family oriented support. The ratings regarding the sufficiency of employer practices were viewed as one set of indicators of the extent to which subjects thought their PC was being fulfilled (p. 620).

Perceptions of organizational support were used as a second set of indicators of the status of employee PCs. The use of perceived organizational support as a measure of the extent to which the organization is perceived as fulfilling the employee PC only makes sense if one assumes that as part of their PCs, the subjects expected or believed that their employer was obligated (depending on the belief element in the particular PC conceptualization adopted) to provide the kind of organizational support assessed by the instrument. Guzzo et al. appear to make this assumption, stating: "we believe that expatriates experience broad relational PCs because virtually all parts of their daily lives are open to employer influence" (Guzzo et al., p. 618). No attempt was made to measure whether or not subjects actually believed that their employers were obligated to provide the kind of support assessed by the perceived organizational support instrument.

No significant correlations were obtained between the measure of how much organizations provided their expatriates and the retention relevant outcomes. In other words, organizations that provided employees more did not necessarily realize stronger loyalty among their overseas managers. Indicators of the fulfillment of the PC was positively related to organizational commitment and negatively related to intention to leave. Perceived organizational support was also positively related to organizational commitment and negatively related to intention to leave. Guzzo et al. conclude that their study provides evidence that the status of the employee PCs (the extent to which it is perceived as being fulfilled) mediates the relationship between employer practices and retention relevant outcomes.

Areas of Agreement Regarding the Nature of Psychological Contracts

At a general level, it is possible to identify a number of areas of agreement among the conceptualizations of the PC construct that have appeared in the literature. It should be emphasized that to the extent there is any consensus, it exists at a very general level. As soon as one probes for details, a divergence of thinking manifests itself. With this disclaimer, it can be said that all current conceptualizations of employee PCs:

1. include at least some role for employee subjective beliefs about what the employee is to give to and receive from his/her employer (in some conceptualizations, employees subjective beliefs constitute the contract; in other conceptualizations, the beliefs are matched with employer beliefs to constitute a contract)
2. purport to distinguish PCs from "legal" contracts on the basis that the former are less formal, involve unwritten or implicit elements, and are not enforceable in court (as we shall see, however, conceptualizations vary in the extent to which they seek to incorporate, or are influenced by, traditional contract law)
3. view PCs as dynamic in nature
4. adopt an exchange perspective
5. view employee PCs as a central, compelling force affecting behavior in organizations
6. propose that "violations" of employee PCs can potentially produce strong, negative affective and behavioral consequences

Around and among these areas of agreement, there are many differences, both basic and esoteric, in how researchers conceptualize the PC construct. In the next chapter, I will identify and discuss some of the important areas of difference.

CHAPTER II

Critical Issues in Conceptualizing the Psychological Contract Construct

There is no shortage of issues that have been raised but remain unanswered by the work currently appearing in the psychological contract literature. Four issues, in particular, warrant careful consideration and should be explicitly addressed in future conceptualizing about the psychological contract construct. These issues may be generally stated as follows:

1. At what level is (or should) the psychological contract construct be conceptualized?
2. What is the nature of the beliefs that either constitute, or are an element of, the psychological contract?
3. What is the nature of the discrete ("transactional")-relational continuum (Macneil, 1980), and is it a useful framework for understanding psychological contracts?
4. What is the role of individual differences in psychological contracting?

Some issues, such as the level of conceptualization, are critical in the sense that it should be addressed in the articulation of any construct. Other issues, such as the nature and usefulness of the discrete-relational continuum of exchange behavior, have assumed special importance as a result of the treatment that they have received in the literature. In other words, in the abstract, one might imagine a reasonable conceptualization of the psychological contract construct that did not address the issue. But, in light of the attention that the issue has received in the existing literature, the issue

cannot be reasonably ignored. The foreseeable consequence of ignoring the issue is an increasingly fragmented literature. The specific nature of these four issues, and the basis for my claim that they should be carefully considered and explicitly addressed in future conceptualizing, will be more specifically developed in the discussion that follows. Other "sub-issues" related to the four critical issues will also be identified and discussed.

The Level of the PC Construct

Miller recommends that in all organizational research: "Every discussion should begin with an identification of the level of reference, and the discourse should not be changed to another level without a specific statement that this is occurring" (Miller, 1978, p.25). The explicit identification of level fosters clear conceptual thinking and helps identify measurement issues that need to be taken into account (cf. Klein, Dansereau, & Hall, 1994).

Rousseau (1989) is one of the few people writing about PCs that has explicitly addressed the levels issue. She distinguished between conceptualizations of the PC construct at the level of the individual versus the level of the relationship (eg. dyadic, inter-organizational). Conceptualizations of PCs as involving individuals' subjective beliefs were described as being at the individual level. The parties to the contract, the employee and the employer, need not agree. In contrasts, conceptualizations that view PC as existing to the extent that agreement exists between the parties are at the relational level.

In terms of levels issues, existing conceptualizations may be more specifically categorized by first determining whether or not the conceptualization involves issues at the relational level (e.g. does it focus on the agreement of the parties?). If the answer is "yes", one needs to then determine the focal level for each party to the PC (e.g. individual, group, organization). If the construct only involves the subjective beliefs of one party, it does not involve relational level issues; it may be categorized as "non-relational", indicating that relational issues between or among the parties are not involved. For non-relational conceptualizations, one still needs to ask the question "what is the focal level of the subjective beliefs, the individual, group, or organization?"

Unfortunately, since the level of conceptualization typically has not been explicitly addressed, it is sometimes difficult to ascertain the intended level. Based upon my review of their respective works, I have characterized the apparent levels at which selected researchers and writers have conceptualized employee PCs and related constructs, and I have summarized my characterizations in Figure 2. The Figure is organized in a 2 x 3 format (non-relational/relational level x individual/ group /organization level). Using this framework, Rousseau's conceptualization of PCs as involving individual subjective beliefs is characterized as being non-relational, and at the individual level (upper, left-hand cell). In contrast, Ring & Van de Ven's (1994) description of PCs between organizations involved in cooperative relationships as involving congruent beliefs regarding each other's prerogatives and obligations is

Figure 2: Conceptualizations of Psychological Contract Characterized by Level of Construct

Employee Beliefs	Non-Relational	Relational
Individual (subjective)	Rousseau (1989, 1990) Robinson & Rousseau (1994) Guzzo, Noonan, & Elron (1994) McFarlane Shore & Tetrick (1994)	1. Individual - Individual (e.g. supervisor) Schein (1980) between employee and "managers & others in the organization" Ofori-Dankwa (1990) between employee & supervisor 2. Individual - Group 3. Individual - Organization Levinson et al. (1962) Schein (1965, 1970, 1980)* Gibson (1966) Lawless (1972) Kotter (1973) Dunahee & Wangler (1974) Portwood & Miller (1976)
Group (shared among employees)	Nicholson & Johns (1985)	1. Group - Individual Argyis (1960; hourly employees and their supervisor) 2. Group - Organization
Organization		Ring & Van de Ven (1994) between organizations in cooperative inter - organizational relationships

characterized as being relational, and involving organizational level beliefs (lower, right-hand cell).

Relational conceptualizations require one to determine the focal level on both sides of the PC. Therefore, further level differentiations are made within the three general relational cells[4]. For example, although most relational conceptualizations focus on the agreement between individuals and their employers (Levinson, et al. 1962; Gibson, 1966), Ofori-Dankwa's research focused on the agreement between individuals and their supervisors.

Kotter (1973) presents the most troublesome characterization. On one hand, he does not appear to require any kind of agreement or mutual understanding for a PC to exist, describing PCs as being made up of the "matches and mismatches" among employee and employer expectations (Kotter, 1973, p. 92). Instead, he looks at the extent to which a PC is made up of match expectations, and argues that those PCs that are made up primarily of matches are related to greater job satisfaction, productivity, and reduced turnover. On the other hand, unlike the other beliefs, I have characterized Kotter's (1973) conceptualization as relational because his main interest appears to be in assessing the extent of shared expectations - but it is not clear that it is a clean fit.

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4 To avoid a cumbersome and confusing number of cells, I adopted the following convention in categorizing conceptualizations involving relational issues. The determination of whether a conceptualization was placed in the relational x individual, relational x group, or relational x organization level was made based upon the focal level of the employee beliefs (for this purpose, managers acting as agents of the organization capacity were not treated as employees). Once allocated to one of the existing six cells, where necessary, sub-headings where added to indicate the focal level of the "other" party to the PC.

Figure 2 and the preceding discussion focuses on the level of the focal construct (i.e. the PC construct). Figure 2 does not purport to discuss the full range of levels issues likely to be involved in theories about PCs (cf. Klein et al., 1994, for a general discussion of levels issues in organizational behavior research).

The Nature Of The Beliefs

All conceptualizations of PCs involve a belief element, some kind of belief about what an employee or group of employees is to give to and receive from his or her employer. As the review of the literature revealed, the belief element of the psychological contract has been conceptualized, with varying degrees of clarity, in a number of different ways. Figure 3 summarizes the beliefs that have been the focus of selected researchers' conceptualizations. Included among the belief elements identified in Figure 3 are expectations, which may be viewed as beliefs about future states.

To the extent that early writings had a focus, they tended to focus on employee expectations. With very few exceptions (e.g. Portwood & Miller, 1976), no attempt was made to define what was meant by the use of the term "expectations". Also, discussions of expectations, obligations, and other types of beliefs were often intertwined. For example, Levinson et al. (1962) spoke of expectations that took on the quality of "obligations", and although Schein generally speaks of the parties'

Figure 3 The Nature of the Belief Element of Psychological Contracts

Researcher/Writer	Belief(s) Focused On
Argyris (1960)	Employee and supervisor shared expectations (norms)
Levinson et al. (1962)	Employee and company expectations that have obligatory quality
Schein (1965, 1970, 1980)	Employee and management expectations concerning a pattern of rights, obligations, & privileges
Jurek (1969)	Employee and employer expectations
Gibson (1966)	Rights, duties, and obligations
Lawless (1972)	Unverbalized employee and employer expectations
Kotter (1973)	Employee and company expectations
Dunahee and Wangler (1974)	Employee and company expectations
Portwood & Miller (1976)	Employee and organization expectations; also describes PC as a recognition of mutual obligations
Holtz (1978)	Mutual expectations that represent a need and a obligation on each side of the contract
Nicholson & Johns (1985)	Mutual assumptions about rights and obligations
Rousseau (1989, 1990)	Employee beliefs regarding mutual employer-employee promise based obligations
Ofori-Dankwa (1991)	Defines PC as involving expectations, but also states he focuses on the parties' rights and obligations
Robinson, Kraatz & Rousseau (1994)	Employee beliefs regarding mutual employer-employee promise based obligations
Robinson & Rousseau (1994)	Employee beliefs regarding mutual employer-employee promise based obligations
Robinson (1994)	A person's beliefs regarding the terms and conditions of an exchange agreement
McFarlane Shore & Tetrick (1994)	Employee beliefs regarding reciprocal obligations
Guzzo, Noonan, & Elron (1994)	Unclear - they endorse Rousseau's (1989) conceptualization, but do not specifically focus on obligations or promises; discusses expectations but suggest PC involves more than expectations
Ring & Van de Ven (1994)	Sets of congruent expectations and assumptions held by transacting parties about each other prerogatives and obligations

expectations, he also states that the psychological contract addresses "the whole pattern of rights, privileges and obligations between the individual and the organiza-tion" (Schein, 1965, p. 11). While a relationship between expectations and obligations was frequently suggested, it was never explicitly addressed. More recently, Rousseau and colleagues explicitly distinguished between expectations and promised based obligations (cf. Rousseau, 1989; Robinson et al., 1994). The distinction they seek to make is obscured by their practice of sometimes describing PCs generally as beliefs about the terms of an exchange agreement (cf. Rousseau & Greller, 1994; Robinson, 1994), a definition that does not distinguish between expectations, obligations, or promise based obligations.

Expectations. Recently, it was suggested that researchers should be more concerned with the definition of expectations (Colella, DeNisi, & Wanous, 1994). This observation is particularly applicable to the PC literature. Some researchers have distinguished between two types of expectations, normative and probabilistic (e.g. Higgins, 1992). Normative expectations are beliefs regarding what ought to occur, based upon a prevailing normative standard. Probabilistic expectations are beliefs regarding the probability of something (e.g. an event, outcome) occurring. In this sense, the use of term expectation sometimes takes into account the full range of probabilities (e.g. calculations in expectancy theory). Sometimes the term expectations is used in a more limited probabilistic sense, such that expectations are defined as those things that are thought to be <u>likely to occur</u> (e.g. Portwood & Miller, 1976).

Normative and probabilistic expectations are related but distinct. Normative expectations are likely to influence probabilistic expectations, but this relationship is likely to be moderated by other factors (such as perceived ability and willingness of the other party to do what they "ought" to do). Probabilistic expectations may lead to normative expectations over time, for example, with performance or reliance by the expectation holder. The two types of expectations may relate to other variables of interest in different ways. Finally, reactions to the perception that another has not met one's expectations are likely to be different for normative and probabilistic expectations (cf. Higgins, 1992). Generally, unmet normative expectations that we hold for others may be more likely to result in a sense of being wronged, leading to emotional feelings of anger, and resentment. Probabilistic expectations may be easier to cognitively adjust to, for example, by re-evaluating the reasonableness of the expectation we held for another.

I have discussed three distinct uses of the term expectations, its normative use and two probabilistic uses. Colella et al. (1994) illustrate a fourth way in which the term expectations has been used, one that may be described as focusing on the level of some anticipated event or condition. They define job expectations as "the amount of some attribute that a person believes will be present in his or her job" (Colella et al., 1994, p. 4). To measure job expectations, they used the Job Characteristics Inventory. The measure asked subjects to indicated how much of certain characteristics they believed their job would contain. No effort was made to assess probabilistic or normative

expectations. No doubt, the term expectation has been used in ways not described above.

Obligations. As Figure 3 indicates, a number of researchers have either focused exclusively on rights and obligations, or they have included obligations among the belief elements of PCs. Except for Rousseau, those who conceptualized PCs as involving beliefs about obligations have not attempted to define or explain their use of the term "obligation". This is unfortunate because the term obligation is also used in a variety of ways. For example, Rousseau's use of the term obligation focuses on a particular kind of obligation - those based upon perceived promises. In contrast, the term obligation has been more generally defined as "a duty, contract, promise, or other social, moral, or legal requirement that compels one to follow or avoid a certain course of action" (The American Heritage Dictionary, 1993).

Relationship of obligations to expectations. The relationship between obligations and expectations may be viewed in a number of ways. Obligations may be viewed as a kind of expectation. This appears to be the view of Rousseau (1989). Although it has not been articulated, this approach implies a kind of hierarchy of expectations that are ordered based upon the strength of the consequences associated with expectations that are not met. At the top are obligations. If they are not met, the expectation holder is likely to experience strong feelings: anger, betrayal, mistrust (Rousseau, 1989). At the bottom of the hierarchy are mere "hopes", which may be thought of expectations that are void of a normative element, and relatively weak in a probabilistic sense. If a hope goes unmet, the feelings are likely to be weaker (e.g. disappointment instead of

betrayal). One might view probabilistic expectations of a moderate magnitude as falling somewhere near the middle of the hierarchy.

An alternative view of the relationship between expectations is that obligations are a basis or source for expectations, both normative and probabilistic. In this view, beliefs about obligations are not higher order expectations; they are a specific category of beliefs that lead to expectations. Other, somewhat more complex, views of the relationship are possible, as reflected in the view that will be presented in my conceptualization of the PC construct in Chapter III.

Summary. The nature of the belief element of PCs is another area of considerable ambiguity. Future conceptualizations should specifically identify what the belief element is: obligations, expectations, some combination of the two, or some other belief. The identified belief element should be explicitly defined, and if the conceptualization involves expectations or obligations, the hypothesized relationship between expectations and obligations should be articulated. The possibility that the theoretical distinction that has been made between obligations and "mere expectations" by Rousseau and colleagues, and myself, is really "much ado about nothing" should also be entertained. The assessment of meaningfulness of the distinction that has been made should be informed by the collection of relevant empirical evidence.

The Discrete ("Transactional") - Relational Continuum

Macneil's notion of a continuum of exchange or contracting behavior has been widely adopted by researchers writing about PCs since the continuum was imported to the PC literature by Rousseau (1989, 1990) (cf. Nelson & Quick, 1991; Robinson et

al., 1994; Robinson & Rousseau, 1994; McFarlane Shore & Tetrick, 1994; Guzzo et al., 1994). Prescriptive schemes have been developed based upon the continuum which suggest that, depending on the employer's business strategy, the employer should seek to develop PCs among its employees that fall at a particular location on the continuum (Rousseau & Wade-Benzoni, 1994).

To date, no work published in the PC literature has questioned either the general notion of continuum, how it has been translated and applied in the PC literature, or the extent of its usefulness in helping us understand PCs. On the surface of the PC literature, the continuum is certainly not being treated as a critical issue - it is not an issue at all. But, a careful review of the treatment that the continuum has received in the PC literature reveals a "looseness" that is disconcerting. The continuum is described in general terms, usually involving a brief (2 or 3 sentences) reference to Macneil (1985). There is little explanation of why particular obligations should be considered appropriately classified as representing one or the other ends of the continuum, and once identified, some obligations have moved from one end of the continuum to the other (see discussion of Rousseau, 1990, and Robinson, et al., at pp. 31-34 of this manuscript). Also, researchers have provided examples of transactional and relational contracts which, on their face, do not fit the researcher's own descriptions of the contract types. For example, Rousseau and colleagues have repeatedly described transactional contracts as involving high pay or high extrinsic reward (Rousseau, 1990; Robinson et al., 1994; Robinson & Wade-Benzoni, 1994). However, when they recently sought to provide an example of a transactional contract,

they selected the job of public accountant which they state involves "work for low pay" (p. 478)[5]. Later in the same article, the job of a MacDonald's counter worker, which clearly involves relatively low pay, was also described as involving a transactional PC (pp. 478-479).

If one turns to the parent literature to investigate the origins of the continuum and how it evolved before its importation to the PC literature, additional grounds for questioning the PC literature's treatment of the continuum are found. Macneil has been the author of many detailed works addressing the continuum and relational contracting theory (cf. Macneil, 1974, 1978, 1980, 1985). The most complete statement of his theory is provided in a book devoted to the topic (Macneil, 1980). Yet, with few exceptions, references in the PC literature are to a single article by Macneil (1985).

When the detail, complexity, and nomenclature of Macneil's original works are sorted through, it becomes evident that the brief references that are made in the PC literature to Macneil's theory of relational contracting are sometimes mistaken (discussed below). Also, the way in which Macneil's continuum of exchange behavior has been incorporated into conceptualizations of the PC is, it will be shown, fundamentally inconsistent with Macneil's theory of relational contracting. In summary, it appears that the risk that exists any time a translation is undertaken was in fact realized when Macneil's continuum was translated in the PC literature: something got lost in the translation.

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5 Macneil does not identify high or low pay as being characteristic of any type of contract.

Given the frequency with which Macneil has been cited in the PC literature, the widespread adoption of his continuum, and evidence that his work is being misunderstood (or at least mischaracterized), it would seem that a more developed discussion of Macneil's work is warranted - and is probably overdue. The following is a summary that I believe improves significantly upon the existing treatment Macneil's work has received in the PC literature in terms of the depth and accuracy of the discussion. The reader should be forewarned, however, that Macneil's work regarding relational contracting has been criticized as being difficult to read and as being too complex (cf. Whitford, 1985). Unfortunately, such criticisms are not totally without merit.

Macneil's relational contract theory: An overview. Ian Macneil is a lawyer who has been primarily writing in the legal literature. He introduced the concept of a relational contract in an article titled: "Contracts: Adjustments of Long-term economic relations under classical, neoclassical, and relational contract law" (Macneil, 1972; cf. Goetz & Scott, 1981; Macneil, 1985). Macneil distinguishes between contracting behavior and contract law. His theory of relational contracting focuses on behavior, and it has implications for contract law scholarship. Macneil's work may be viewed as an attempt to influence thinking about contract law in a way that would, ultimately, make the law more reflective of actual contracting behavior.

Traditional definitions of contract focus on promise (Macneil, 1980), and are likely to sound familiar to the reader: "A contract is a promise or a set of promises for the breach of which the law gives a remedy, or the performance of which the law in some

way recognizes as a duty." (Restatement of Contracts, Sect. 1, 1932). Macneil's theory adopts a view of contract that contrasts sharply with traditional definitions: "By contract I mean no more or no less than the relations among parties to the process projecting exchange into the future." (Macneil, 1980, p.4). Noticeably absent is any reference to "promise", the law, or terms with special legal meaning, such as "offer", "acceptance", or "consideration". According to Macneil, contracts -in-law (i.e. those enforceable by the legal system) are just a small fraction of the contracts that exist in the modern world (Macneil, 1980, p. 5).

Macneil has described the essence of his theory as involving a description of a.) behavior essential to exchange relations and of "norms" such behavior yields, and b.) the variants of these behaviors as they occur in a spectrum of exchange behavior from "extreme discreteness" to "extremely relational" patterns (Macneil, 1985, pp.523-524). The spectrum of exchange behavior is the continuum that was imported into the PC literature by Rousseau (1989, 1990), and that has been referred to above.

As reflected in the polar extremes of his continuum, Macneil distinguishes between two basic types of exchange behavior: discrete exchange and relational exchange. Discrete exchange involves the separation of the transaction from all else between the participants. Its ideal, never achieved in life, occurs when there is nothing else between the parties, never has been and never will be. (Macneil, 1980, p. 60, note 1). Discrete exchange is epitomized by the one-time, market exchange between a buyer and seller in which the parties had no previous relations and no expectations of possible future

relations. The participants in discrete exchanges have been likened to microeconomics' "maximizer" (Macneil, 1985, p. 524, n. 187.)

According to Macneil, purely discrete exchange is not possible (Macneil, 1974, 1980). This point warrants emphasis, and therefore, I will be returning to it. For now, it should be understood that when Macneil refers to discrete contract, he means relatively discrete (which is a way of saying relatively less relational). An example of a relatively discrete exchange would be an out-of-town traveler's one-time purchase of gasoline from a gas station located along an interstate highway.

In contrast to discrete exchange, relational exchange is embedded in patterns of interaction among the parties to the exchange. The relations of the parties, and the anticipated continuation of those relations in the future, influences and constrains the parties exchange behavior. The concept of relational exchange challenges the view of exchange as being discrete that has dominated thinking in economics and traditional contract law (Macneil, 1980; Whitford, 1985).

While what constitutes discrete exchange is relatively easy to describe, what constitutes relational exchange requires a more involved description. My goal in the following discussion is to provide a more parsimonious description of relational contracting, focusing on what I believe are its essential, defining characteristics. This description is based on a review of Macneil's works (Macneil, 1974, 1978, 1980, 1985), the interpretations, criticisms, and applications of his work (e.g. Barnett, 1992; Dwyer, Schurr, & Oh, 1987; Kaughman & Stern, 1988; Provan & Gassenheimer,

1994; Whitford, 1985), and proposed alternative conceptualization of relational contracting (Goetz and Scott, 1981).

The essence of relational exchange. Since discrete and relational exchange are said to represent two ends of a single continuum, it may be generally observed that the less exchange fits the description of discrete exchange, the more it takes on relational characteristics. More specifically, relational exchange can be usefully described as having six primary characteristics[6].

First, compared to discrete exchange, relational exchange involves expectations that the exchange between the parties will be of a relatively longer duration. While the discrete exchange ideal involves a single transaction requiring single "performances" by the parties (one party providing a monetizable good or service, the other providing monetary compensation), relational exchange involves repeated and continuous performances (cf. Macneil, 1974, p. 383, where employment is used as an example of exchange requiring repeated and continuous performances). Related to duration of the exchange is the amount of contact that exists between the parties. In discrete exchange, contact is minimal, and is usually instantaneous with performance (Macneil, 1978).

Second, the subjects of relational exchange are difficult or impossible to measure or specify. In discrete transactions, the subjects of exchange are money on one side, and a commodity with monetary value on the other, and these will be carefully measured

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One could reasonably divide the relational pie into more or fewer pieces. The particular division that was made reflects my judgment regarding the appropriate balance between preserving the distinctiveness of important characteristics and the goal of a more parsimonious description.

and specified. The difficulty of measuring or specifying what is being exchanged may be due to the nature of what is being exchanged (its intricacies, complexity, or intangible nature), uncertain future conditions, and/or the interaction of the two.

Third, in contrast to impersonal discrete exchange, relational exchange involves relations between the parties that are personal or "primary" in nature. Relying on Selznick (1969), Macneil describes three characteristics of primary relations: a.) the parties respond to the "whole person" (i.e. they respond to many aspects of another's character and background, permitting feelings to enter into the relationship); b.) communication is deep and extensive, not restricted to formal and public modes of interaction; and c.) individual participants derive personal noneconomic satisfaction and engage in social exchange as well as economic exchange (Macneil, 1974, p. 722; 1980, p.13).

Fourth, future cooperation between or among the parties to relational exchange is required. In discrete transaction, almost no future cooperation will be required because each party produces either the money or the bargained for commodity at the time and place agreed upon (Macneil, 1980).

Fifth, in relational exchange there is a sharing of benefits and burdens. In discrete transactions, benefits and burdens are sharply divided. Each party is allocated certain benefits and certain burdens (with associated risks), and the parties are rigidly held to the allocation that was made. The sharing of benefits and burdens that is characteristic of relational exchange can be viewed as arising from the interaction of the foregoing

characteristics and the norm of reciprocity, which requires that parties to a relationship maintain some kind of equivalence in their exchange.

The sixth characteristic that distinguishes relational exchange from discrete exchange is the nature of the parties' obligations. In extreme discrete contracting, obligations are specific, founded on promise, and monetizable (Macneil, 1978, p. 904; Macneil, 1980). In contrast, in extreme relational contracting, obligations are nonspecific, leaning toward the diffuse and ill-defined, and the relation itself develops obligations, "with only modest input from individual promise" (Macneil, 1980, p.17). A discussion of Macneil's view of the role of promise in contracting behavior will give greater meaning to the preceding statement regarding obligations in relational exchange.

A fundamental tenet of relational contracting theory, one that is emphasized in all of Macneil's writings, is that in contracting behavior, obligations between the parties are not limited to those based on promise; promise can never cover more than a fragment of the total situation (Macneil, 1980). Accordingly, Macneil has argued that promise-centered theories of contracting are inadequate to deal with complex contractual relations without distortion and omission (Macneil, 1985). Obligations arising out of the parties' relationship(s) include obligations based on customs, status, habits, expectations created by the status quo, "and other internalizations" (Macneil, 1980). Also, for certain relationships in society, some relational obligations may come from external sources (e.g. the government regulation of employment relationship).

It is Macneil's attention to the non-promissory sources of obligations that arise between or among parties in a relationship that distinguishes Macneil's writing from traditional contract scholars. Throughout his writings, Macneil contrasts his notion of relational contracts with the contracts recognized under traditional, promise centered theories of contract[7]. Further, he vehemently, and repeatedly, argues that a focus on promises impedes our ability to understand contracting behavior. For example, after describing how the focus on contract law instead of contract behavior inhibits our ability to understand "contract", Macneil goes on to state: "But an even more serious hindrance to understanding is the limitation of contract to `promise or a set of promises'" (Macneil, 1980, p.5). Also, at the conclusion of his 1985 article that is so frequently cited in the PC literature, Macneil states that our knowledge of relational contracting "is hindered in part by immense intellectual barriers we put in the way of its acquisition, particularly those created by our addiction to promise." (Macneil, 1985, p. 525, emphasis added).

The anchors are "ideals" that do not necessarily exist. Macneil has also emphasized that the discrete and relational prototypes are ideals. Macneil has expressed doubts that ideal discrete or relational types of exchange exists (Macneil, 1980). According to Macneil, if the discrete exchange ideal exists, it is likely to be found only in highly specialized societies. On the other hand, the ideal relational

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7 American contract scholarship has increasingly recognized relational elements of contracting behavior. Relational concepts such as unconscionability, duress, and good faith recognize non-promissory obligations among contracting parties (Macneil, 1985).

contract is likely to be found only among primitive societies (1980). Thus, according to Macneil, if the two extreme ends of the exchange continuum exist at all, they won't be found in the same society.

In contrast to the ideals that may or may not exist in the real world, but which have been the focus of attention in the PC literature, Macneil describes "modern contracts" (i.e. those existing in societies that are not primitive), as involving both relational and discrete aspects. Like the relational ideal, modern contractual relations generally involve primary personal relations, tend towards long life, and tacit assumptions abound. But there are important differences between the relational ideal and modern contractual relations. First, modern relational contracts "are ridden with measurement and specificity" (Macneil, 1980, p. 22). But the complexity of modern society calls for processes and structures that tend to organize even the most specific and measured exchange into relational patterns, and all modern relational contracts also involve a great deal of exchange that cannot be or is not measured (e.g. social exchange; Macneil, 1980, pp. 22-23).

Second, modern relations tend to include both sharp divisions of benefits and burdens and a sharing of them. For example, employees may receive a precise wage for performing specific job tasks (dividing benefits and burden), but they may also share prosperity with management through bonus schemes or more comfortable working conditions. They may also share hard times through lay-offs, reduced bonuses, pay cuts etc.

Third, modern contractual relations tend to combine both discrete and relational obligations. The source of obligations are both promises and the relation itself (i.e. based on customs, habits expectations, status, and "other internalizations"). Obligations are both specific and general. Similarly, sanctions are likely to be both very specific and of an ongoing, accommodating nature.

Clearing up misleading or mistaken references. There are a number of references to Macneil's work in the PC literature that should not be perpetuated. I will identify and briefly discuss four. When Rousseau imported Macneil's continuum into the PC literature (Rousseau, 1989), she described the anchors as transactional and relational, referencing her statements to Macneil (1985). Macneil's 1985 article never uses the term "transactional contract." Rather, Macneil focuses on the spectrum of exchange behavior described above, referring to discrete and relational exchange (Macneil, 1985, p. 524), and corresponding discrete and relational contracts. If one were to convert this continuum of exchange behavior to a continuum of contracts or contracting behavior, which was done by Roderick Macneil, Ian Macneil's son, in Macneil (1986), the appropriate ends of the contractual continuum would be the discrete contract, on one end, and the relational contract on the other end.

Where, then, did the transactional contract term that has been used in the PC literature originate? In an early work, Macneil (1974) contrasts contract transactions with contract relations, and in the discussion, the term "transactional contract" is used on a couple of occasions. In subsequent works, however, as the spectrum of exchange behavior was developed and refined, the term was abandoned in favor of a different

focus and a different terminology. This explains where the term transactional contract was likely to have originated; how the term was attached to Macneil's (1985) article is less clear. The result is that the PC literature's use of term transactional contract appears to be an anomaly. Based upon my review, references to Macneil's theory outside the PC literature describe the continuum either in terms discrete and relational exchange or discrete and relational contracts (e.g. Barnett, 1992; Dwyer, Schurr, & Oh, 1987; Kaufman & Stern, 1988; Provan & Gassenheimer, 1994; Whitford, 1985). Given the acknowledged, direct linkage of the presently labelled transaction-relational continuum to Macneil's theory, and to promote consistency and communication across disciplines, the term discrete should replace transactional in future references to the continuum in the PC literature. Accordingly, I will use the terms discrete and relational to refer to polar extremes of the continuum.

Nelson and Quick (1991, p. 56) make the following claim: "MacNeil (1985) posits two types of psychological contracts in organizations: transactional and relational." This claim is obviously not based on a review of Macneil's work. Macneil (1985) does not posit two types of PCs; he makes no reference whatsoever to psychological contracts. Based on my review, Macneil never explicitly discusses PCs. Nelson and Quick's mistaken claim appears to be based on an inappropriate interpolation of Rousseau's discussion of Macneil's work.

Guzzo et al. (1994) described Macneil as viewing contracts as either transactional or relational. They went on to offer their view that PCs would be better viewed as containing elements of both types of contracting. From the discussion provided earlier,

it should be clear that Macneil does not view contracts as falling on one end of the continuum or the other. On the contrary, Macneil has argued, for many years, that modern contracts contain both relational and discrete elements.

A final example of a reference that should not be perpetuated comes from Rousseau and Wade-Benzoni (1994, p. 466), where Macneil (1985) was cited to support the following claim: "Two major types of contracts have been common in the work place and anchor two ends of what has been described as a contractual continuum-transactional and relational contracts (Macneil, 1985; Rousseau, 1989)". Macneil never indicates a belief that there are two types of employment contracts. To the extent that Macneil discusses employment, employment is described as involving relatively relational contracting behavior. For example, in the article cited by Rousseau, Macneil describes employment as "an extremely relational contract, no matter how strenuously a party attempts to make its discrete" (Macneil, 1985, p. 492). Supporting the claim that two "major" types of employment contracts are "common" in the work place with a reference to Macneil (1985), or to Macneil's work more generally, is misleading.

Summary. The assumption that there are two types of PCs must be abandoned in favor of more rigorous conceptual inquiry regarding the nature of the discrete-relational continuum and how it might help us know and understand PCs. The outcome of this inquiry may depend, in part, on how one addresses other important issues regarding level of PC construct, and the nature of the belief elements. If the continuum is to be applied to PCs, the conceptualization of the PC construct should at least be consistent with relational contracting theory. Also, consideration should be given to the fact that

the continuum was meant to describe the full range of exchange behavior that occurs in society. To what extent do employment relations, and employee PCs, reflect that full range? Can there be such a thing as purely discrete PC, or are employee PCs inherently relational? Ultimately, one's "conceptual findings" need to be empirically assessed. Claims that Rousseau (1990) and Robinson et al. (1994) provide empirical evidence that PCs, or particular groups of obligations, can be categorized as discrete or relational are unjustified, and should not be made.

What is the Role of Individual Differences in Psychological Contracting?

The issue of the impact of employee "predispositions" on PCs has been around since the earliest writing about PCs (Argyris, 1960). The role of individual differences in psychological contracting, however, has seldom been formally discussed, and even less frequently investigated. Nonetheless, in all writings regarding PC, the treatment that individual differences does (or does not) receive permits inferences regarding the author's underlying assumptions. I will discuss the treatment that several, influential researchers have given individual differences. But first, I will make several general comments and observations that will help frame the discussion of individual differences in psychological contracting.

General comments. Ackerman & Humphreys (1990) identify three broad varieties of individual differences: a) interindividual differences (differences between individuals), and two types of intra-individual differences: b.) differences within an individual over time, c.) intra-individual differences between two or more attributes of a single individual (e.g. the difference between a person's verbal and spatial abilities).

To the extent that individual differences has received attention in PC literature it has involved two of these varieties of individual differences: interindividual differences and differences within individuals over time.

Individual differences may play a role at a number of steps or stages of the psychological contracting process. They may affect the formation of beliefs, the strength of the relationship between perceived obligations and behavior, the likelihood of perceiving violations of one's PC, and the nature (e.g. intensity) of one's response to perceived violations.

One might expect that the level at which the PC construct is conceptualized would greatly influence the theorized role of individual differences. For example, Argyris's (1960) view of PCs as involving a group's shared beliefs with their supervisor, almost by definition, limits the role of individual differences. The requirement that beliefs must be shared, first among the employee group and also between the group and the supervisor, restricts the potential impact of individual differences.

The role of individual differences may also be influenced by the nature of the belief elements(s) in the conceptualization of the PC construct. For example, a focus on beliefs about promises made and exchanged is, I would argue, more likely to emphasize the role of representations and other interactions external to the individual (e.g. policies, practice) in shaping beliefs than would be the case when there is a more general focus on expectations or obligations.

The role of individual differences has obvious implications for theory building; it should be considered an issue that must be addressed in any specification of a

nomological network for the PC construct. It also has implications for research design (e.g. variables to be included as primary independent variables or to control variance, samples to use) and specific analysis performed (e.g. to assess additive or moderator effects; cf. Klein et al., 1994). The extent to which employee PCs are influenced by inter-individual and intra-individual differences has implications for practical advice regarding the management of employee PCs, something that employers are being urged to do (e.g. Rousseau & Greller, 1994). For example, if employee PCs, or certain obligations commonly found within PCs, are strongly influenced by individual differences that are relatively stable over time, then efforts to manage employee PCs through the manipulation of organizational communications with the employees may be misguided. It may be more appropriate to attempt to manage employee PCs by selection practices, or by adapting organizational policies and practices in ways that take into account the PCs of the work force.

Selected researchers' treatment of individual differences. Levinson et al. (1962) viewed employee expectations, which are said to frequently antedate the relationship of the person and company, as a product of one's needs and motives, tempered by ones past experience and knowledge of current situation. The work experience, accordingly to Levinson et al., can be seen as a process of fulfillment of a contractual relationship in which both parties seek to continuously meet their respective needs. Levinson et al. give examples of employees who come to the company with different needs and motives, that lead to different expectations, which lead to different PCs. Levinson et al. also incorporate intra-individual difference in the conceptualization of the PC.

Employee PCs are viewed as changing over time as a result of the individual's experience in the work place and their evolving understanding of their individual needs, and a number of other factors, such as changes in the employer's requirements.

Schein (1980) argues that both employee and the manager forge expectations from their inner needs, what they have learned from others (knowledge), traditions, norms that may be operating, their own past experience, "and a host of other sources." (Schein, 1980). Interindividual differences in needs, knowledge, and experience are important determinant of PCs. Schein's description of changes in individual PCs that occur over the course of a career, as one's needs change, also addresses the role of intraindividual differences. According to Schein (1980), in early career, peoples' needs and expectations revolve around self-tests. Therefore, they expect the organization to provide them with challenges. In mid-career, when employees are typically most productive, they expect most in terms of recognition and rewards. At later career stages, need for security increases and expectations shift accordingly.

Both Levinson et al. and Schein recognized the role of other factors, such as group norms and organization needs, in influencing PC. But, both have argued that employees' interindividual (e.g. needs, motives, job experiences) and intraindividual differences have a strong influence on employee beliefs about what they should give to and receive from their employer, and, to lesser extent, the relational PC that is enacted.

Focusing only on the level of the construct, one might predict that Rousseau's (1989) conceptualization of PC as involving the individual's subjective beliefs, "existing in the eye of the beholder", would lead to a greater role for individual

differences than Levinson et al. (1962) and Schein's (1980) conceptualizations at the relational level, where at least some degree of objectivity (in the form of agreement) is required. But, when one compares the treatment these three researchers give individual differences, precisely the opposite appears to be the case (an explanation for this occurrence is offered below).

In her seminal article, Rousseau (1989) identifies a number of factors that can promote or influence employee beliefs about "paid for promises" (i.e. promise based obligations): the norm of reciprocity, organization's requests and promises, organizational policies, normative beliefs associated with the organization, interaction with other employees, and characteristics of the individual's position within the organization (e.g. seniority and tenure). Of all of the antecedents of employee beliefs that are identified by Rousseau (1989), only the characteristics of individual's position are individual level factors. In sharp contrast to the discussions regarding the antecedents of employee beliefs provided by Levinson et al. (1962) and Schein (1980), Rousseau (1989) does not mention the potential impact of individual needs, motives, dispositions, experience or other individual differences on employee beliefs.

Rousseau (1990) does discuss the possibility of a role for individual differences in shaping employee beliefs regarding obligations, stating:

> Employee perceptions regarding contributions and entitlement might to some extent reflect individual pre-dispositions, consistent with the interactionist model of newcomer socialization (Reicher, 1987)...The role of individual differences in beliefs regarding obligations merits further research. However, in a recent study of third party beliefs, no variation in beliefs found to be due to individual differences (Rousseau and Anton, 1988). (Rousseau, 1990, p. 399; emphasis added)

A similar, limited discussion occurs in Rousseau and McLean Parks (1993), where psychological contracting is described as recognizing individual differences in conditions, values, and information processing[8]. However, when discussing the antecedents of employee beliefs about promised obligations, Rousseau and colleagues clearly focus on personnel policies, practices, communications and other factors that may be manifestations of a promise. To the extent that individual differences are taken into account, they take a distant back seat to factors that involve manifestations of promise. This is particularly evident in the recent article, Rousseau and Greller (1994), that makes the strong statement that: "employee interactions with the organization are the source of information about the contract" (emphasis added, p. 386). Here, again, the importance of employee-organization interactions via personnel polices and practice in particular as antecedents of employee PCs is emphasized, and the potential role of individual differences is alluded to only indirectly.

The fact that although Rousseau conceptualizes the PC at the individual level - existing in the eye of the beholder, she places relatively little emphasis on individual differences as antecedents of employee PCs is paradoxical, but explainable. I would argue that it is the belief element of her conceptualization that has, either consciously or unconsciously, greatly influenced her treatment of individual differences. Rousseau's focus on promise based obligations inevitably focuses attention on policies, practices

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The possibility is suggested that some predispositions, such as equity sensitivity, Huseman et al. (1987), could influence the nature of the contracts that individuals enter into.

and other representations, and away from the potential role of individual differences among employees.

Summary. Consideration of the role individual differences in the psychological contracting has been in very general terms, and, it has focused on the influence of individual difference at one stage of the psychological contracting process: the formation of the beliefs that constitute the PC. Even in this limited scope, very different views of the magnitude of the role of individual differences are reflected in the literature. Early writing about employee PCs suggested that individual needs, desires, and other individual differences have a strong influence on the content of employee PCs (cf. Levinson et al., 1962; Schein, 1965). More recently, attention has been focused on organizations' representations and interactions with employees as "the" source of the beliefs that constitute the PC. Which of these general views one subscribes to has important theoretical and practical implications. Future conceptualizations of the employee PC would benefit from a more explicit and detailed consideration of the role of individual differences than has typically been the case.

CHAPTER III

An Integrative Conceptualization of the Psychological Contract

(or "Towards a Theory of Psychological Contracting in Organizations")

In this chapter I present my conceptualization of the psychological contract construct. It is an integrative conceptualization in that it incorporates and builds upon: a.) early thinking about the antecedents of PCs (e.g. Levinson et al., 1962; Schein, 1965, 1979, 1980); b.) Rousseau's view of the PC as involving individual level, subjective beliefs; c.) a more accurate understanding of relational contracting theory (Macneil, 1980, 1985); and, what I believe are d.) original insights regarding the nature of psychological contracting in organizations.

Defining the Construct

Because the PC construct has been generalized beyond the organizational literature in which it originated, I will provide both a general definition of the construct and a more specific definition that focuses on the construct's application in organizational contexts.

General definition of the "psychological contract" construct: A psychological contract is an individual's beliefs regarding the mutual obligations between that focal person and another party. The obligations are mutual only in the sense that the focal person perceives obligations flowing in both directions: from the focal person to the other party, and from the other party to the focal person. There is no restriction that there be agreement between the parties regarding what constitutes their respective obligations.

One may think of individuals within an organization as having a variety of psychological contracts with different parties, including, but not limited to, the organization, an immediate supervisor, a co-worker, or a work-group. I have chosen to focus on individual's beliefs regarding the mutual obligations between the individual and his or her employer, and I reserve the use of the term "employee psychological contract" to refer to that set of beliefs

Definition of the employee psychological contract construct (EPC): An EPC is an individual employee's beliefs regarding the mutual obligations between that individual employee and his or her employer. Again, the perceived obligations are mutual only in the sense that the individual employee perceives obligations flowing in both directions: from the employee to the employer, and from the employer to the employee.

The decision to focus on the individual employee's PC with his or her organization was influenced, in part, by the fact that most researchers in the PC literature have focused on the employee-organization relationship. The result is that the person-organization PC captured my attention and interest, framing my thinking about the construct. The decision also reflects my agreement with Levinson et al.'s (1962) position that the many other PCs that may exist within an organization may be usefully viewed as involving collateral relationships that have a bearing on the employee-organization relationship. While I have chosen to focus on the EPC, I recognize that there may be circumstances or particular issues where PCs involving other parties, such as an employee and his or her supervisor or co-worker, would be the more appropriate

focus of attention (just as I would expect that those who study organizational commitment would concede that there may be circumstances that employee commitment to their supervisor or co-workers, and not the organization, would be a more appropriate focus of attention).

My conceptualization of the EPC does not involve an assumption that employees' interactions and relationships with their supervisor or co-workers are unrelated to an individual employee's PC with his or her organization, nor does it involve an assumption that employee beliefs about their obligations to their employer, supervisor or co-workers never overlap. I am, however, making the assumption that when you ask people about their psychological relationship with their "employer", they are capable of distinguishing their employer from their supervisor, co-workers, and others who they may come into contact with in the work place. So, for example, if I asked my committee members "what obligations do you believe you owe to your employer", that stimulus would lead you to identify obligations that you believe you owe to MSU, and not obligations to the department chair, fellow faculty members, etc. (even though obligations may overlap). This assumption is relevant to the reliability of the EPC construct; though I have a definite opinion, no assumptions regarding the discriminant validity of EPC construct is intended.

Level of the PC Construct

As my definition indicates, I view the EPC as existing at the individual level. This conceptualization reflects a growing consensus among researchers investigating PCs (e.g. Rousseau, 1990; Robinson & Rousseau, 1994; Guzzo et al. 1994; , McFarlane

Shore & Tetrick, 1994). Individual perceptions have been demonstrated to play an important role as a relatively immediate precursor of individual behavior, mediating impact of "objective" circumstances on individual behavior. Even researchers who have described the PC at the relational level have pointed out the importance of employee perceptions (e.g. Dunahee & Wangler, 1974). An individual level conceptualization also has the advantage of enhancing the discriminant validity of the construct. Formal employment agreements, and legal contracts in general, are typically thought of as existing at the relational level. Also, work regarding organizational roles has provided a rich literature that focuses on relational level (dyadic) constructs. It should be noted that the conceptualization of the PC at the individual level represents an evolution of the original use of the term. The evolution began as least as far back as Stagner (1963), and has been advanced most by the work of Rousseau (1989).

Relevant Relational Level Variables

Contract congruence. The extent to which an individual's beliefs correspond with his/her employer's perspective (measurement issues aside, for the moment) is a potentially important variable. Kotter (1973) and Ofori-Dankwa (1990) provide evidence that the degree to which employees' beliefs correspond with employers' understanding may be related to important organizational outcomes. The extent of matching can be captured by a construct at the relational level. I suggest that the term "psychological contract congruence", or simply "contract congruence", be employed to refer to the extent to which the beliefs of the focal party corresponds with the other party's belief regarding their mutual expectations or obligations. The general notion of

contract congruence is referred to by both Ring & Van de Ven (1994) and Ofori-Dankwa (1990). In both instances, PCs were conceived of as involving congruent beliefs; contract congruence was not viewed as a separate construct.

Where both parties are individuals, assessing contract congruence will not pose any special measurement problems. A measure of agreement can be used. However, where the other party is the organization (or some collectivity within the organization, such as a work group), measurement issues arise regarding what are appropriate indicators of the other party's perception of the agreement (e.g. information from informants that reflect agreement among the collectivity, evidence of employer practices). Researchers need to articulate a composition theory supporting their use of particular information as an appropriate indicator of the organization's understanding of the mutual obligations, and empirical evidence needs to be assessed to determine the extent of support for the composition theory (cf. Rousseau, 1985).

Correspondence versus compatibility. Measures of matching or agreement assess correspondence, but they do not necessarily assess the extent to which the parties to a relationship have compatible beliefs regarding their mutual obligations. There may be circumstances where the lack of correspondence does not indicate or result in a lack of compatibility. For example, one party may hold itself to higher obligations than the other party, there would be a lack of congruence, but the congruence may not be likely to lead to a lack of compatibility. Also, there may be circumstances, such as conditions as munificence, in which a lack of congruence does manifest itself in a lack of compatibility. Thus, an employer that has experienced continuous growth may have

never believed itself to be obligated to provide a high level of job security, but this belief was not manifestly incompatible with employers belief in obligation to provide security so long as the employer was growing and not being required to lay employees off. These possibilities suggest that there may be situations where, rather than simply looking at agreement in a global sense, in might be important to assess "agreement" in a more circumscribed way.

For the present, I define contract compatibility as referring to the extent to which the focal person's belief regarding the mutual obligations and the other's beliefs regarding their mutual obligations can exist in harmony. Contract compatibility is contextually bound. The absence of perceived violations by the focal person and the other party (in the case of an organizations, its agents) is an indication that the parties' beliefs are compatible. Assessment of compatibility will require more sophisticated measurement than that involved in assessing contract congruence. At the present, I am not prepared to defend any particular method of assessing compatibility, but raise the issue to point out the potential limitation of measures of agreement.

Shared psychological contracts. There may also be reasons to be interested in assessing the extent to which groups or classes of employees possess similar EPCs. For example, assessing the degree to which employees have the same beliefs may help identify the antecedents of psychological contracts. Evidence that a heterogeneous group of employees have very similar EPCs may suggest that organizational factors have a dominant influence on individual employee EPCs. Conversely, evidence that a heterogenous group of employees performing the same job in the same organization

have very dissimilar contracts would suggest that the PC is being influenced by factors outside of the organizational content (e.g. individual differences that are independent of the organizational setting). It might also be hypothesized that the violations of obligations that are shared amonhg employees will result in more severe negative consequences because the employee will be less likely to cognitively adjust to the violation (cf. Olson et al., 1994). Finally, sharredness may be important in predicting or evaluating the impact of change efforts in organizations. Terms of EPCs that are widelly shared among employees may create a status quo against which changes will be compared, leading to greater resistance to change (Rousseau & Greller, 1994).

Nature of Beliefs

The belief element in my conceptualization of the PC are beliefs about obligations. I adopt the following general definition of "obligation": an obligation is a social, moral, or legal requirement that compels one to follow or avoid a certain course of action (cf. The American Heritage Dictionary, 1993). Thus, an individual's belief that an entity is obligated in a certain way involves the subjective perception that the entity is required by society, morality, or the law to follow or avoid a certain course of action.

The focus on obligations is, at a general level, consistent with the attention that Rousseau and colleagues give obligations (Rousseau, 1989; Robinson et al., 1994). However, I have a very different understanding of the nature of the obligations that are involved, and in particular, the relationship between promise and obligations. Before discussing my differences with Rousseau and colleagues' treatment of the relationship

between promise and obligation, I will first discuss how I view the relationship between expectations and obligations and why I have specified obligations as the belief elements rather than expectations.

The relationship between expectations and obligations. As indicated in my earlier discussion, the relationship between obligations and expectations can be viewed as being very simple (i.e obligations are merely higher order expectations, cf. Rousseau, 1989), or it can be seen as being more complex. In adopting obligations as the belief elements in the PC, I focus on the role of obligations as a source of expectations, and I argue that obligation based expectations take on a special significance. At the same time, I recognize that expectations can play a role in shaping obligations. In particular, acts carried out in reliance upon a probabilistic expectation tend to convert the probabilistic expectation into an obligation. The role of expectations in shaping obligations is of secondary interest to me, one that comes into play when considering the antecedents of EPCs.

It has been argued that all beliefs imply expectations, in that it is possible to derive expectations from any belief (cf. Olson, Roese, & Zanna, 1994). In my view, attached to all beliefs about obligations are expectations, both normative and probabilistic. Normative expectations and obligations are closely related, and arguably difficult to distinguish. I would argue that normative expectations include some expectations that, although they reflect beliefs regarding what "ought to" or "should" be done, do not rise to level of a duty or responsibility (i.e. an obligation). Therefore, as a category, normative expectations are more inclusive than obligations. While I can distinguish the

two conceptually, I am not convinced that there will be much of a practical difference between the two. The distinction is not central to my conceptualization of the EPC. I presume that where obligations are identified, normative expectations of similar magnitude are attached. Probabilistic expectations, on the other hand, are clearly distinguishable from beliefs about obligations.

A focus on beliefs about obligations. Any comprehensive theory of psychological contracting in organizations will need to address both employee expectations and beliefs about obligations. For a number of reasons, I believe that a focus on beliefs about obligations in defining the EPC construct will increase the construct's potential for uniquely contributing to our understanding of employment relationships.

The attention that the PC literature has historically given the obligatory quality of employee beliefs distinguishes it from other literatures that deal, more generally, with expectations (e.g. socialization). This historical focus is reflected in the writings of the first researchers to provide an in depth discussion of the notion of PC. Levinson et al. (1962), distinguished their treatment of expectations using the PC framework from the general literature on expectations by pointing to the obligatory quality of the expectations they investigated:

> There is an extensive literature on expectations. What we emphasize here, however, is the interplay of expectations and their compelling quality. It is as if both employees and the company are saying, `You must, for I require it'. When the employee goes to work, he brings expectations with him. The company tacitly accepts the expectations when it accepts him. In turn, he tacitly accepts the company's expectation. This mutuality, with its inherent obligatory quality and system of rewards, constitutes a psychological contract." (p. 36).

A focus on obligations distinguishes the PC construct from the general consideration of employee expectations by drawing attention to certain expectations that are likely to have special importance, expectations that are attached to obligations. Expectations attached to obligations are likely to have special importance for two main reasons. First, the perceived failure for the other party to meet one's expectations is more likely to result in strong negative reactions directed at the non-performing party when the expectation reflects (is "attached to") a perceived obligation. Though stated somewhat differently, this is the main argument offered by Rousseau (1989) in support of her focus on obligations instead of "mere expectations".

Second, expectations regarding one's own performance that are attached to perceived obligations are more likely to influence employees' day to day behavior (i.e. when violations are not an issue). Very little has been written about how PCs influence behavior on a day to day basis. Drawing an analogy to the goal setting literature, one may look at expectations as being goal-like. Both goals and expectations involve projections about future states. Like goals, expectations may come from without (presented by others) or from within the person (self set goals or self generated expectations). We know that goals are most effective in influencing behavior when there is commitment to the goals (Locke & Latham, 1992). Similarly, I would argue, expectations that have attached obligations are more likely to influence behavior. The expectation exists as a kind of standard, and the greater the individual's sense of duty or responsibility to meet the standard (i.e. the person's commitment to the standard), the more likely the person will strive and persist in effort to meet the standard.

Finally, I believe defining PC as beliefs about obligations rather than expectations is likely to sharpen our thinking about the nature of expectations, reducing the risk of confusing normative and probabilistic expectations. By identifying obligations and keeping them distinct from probabilistic expectations, we will be in a better position to evaluate factors such as trust, that may relate differently to normative and probabilistic expectations.

In summary, a focus on obligations has historical roots in the PC literature, it appears to have greater potential for predicting behavior than a focus on expectations, and it enhances the EPCs discriminant validity. Together, these considerations lead me to conclude that a focus on obligations increases the potential for EPCs to uniquely contribute to our understanding of employment relationships. A focus on obligations in defining the EPC construct does not eliminate the need to consider the role of expectations in theorizing about psychological contracting in organizations, but it does help structure thinking about the role of expectations in psychological contracting.

Obligations or promised based obligations? A major difference between Rousseau and colleagues' conceptualization of PCs and my conceptualization of the PC is that Rousseau's conceptualization appears to focus on a specific kind of obligations: those that are based on perceived promises. No such focus or restriction is intended in my conceptualization of PC. The belief element in my conceptualization are obligations which may have their origins in either social, moral, or legal requirements. Promise may play a role in the origin of some obligations, but, it is believed, promise does not play a role in all obligations. Moreover, not all promises result in obligations.

If this all is not readily apparent, it should become some when what constitutes a promise is more specifically addressed.

"Promise" has been defined as a "declaration assuring that one will or will not do something" (American Heritage Dictionary, 1993), and, similarly, as "a commitment to do (or not do) something" (Rousseau and McLean Parks, 1993 p. 6). Promises are based on some statement or pledge attributable to the promisor. There are, however, a host of social and legal obligations imposed on us without our declaration or commitment to conduct ourselves in the obligated manner. Whether a specific declaration or commitment to do something (i.e. a promise) gives rise to an obligation depends on the circumstances of the declaration or commitment and prevailing social, legal, and moral standards. For example, a promise made by a mentally incompetent or a person under unconscionable duress may not be deemed to create an obligation - social, legal or moral - to fulfill the promise.

No compelling reason has been offered for restricting obligations to those that are based on perceived promises. On the contrary, in restricting obligations to those that are based on perceived promises, Rousseau appears to have been influenced by a particular, and some would argue - outdated, approach to contract law. Specifically, Rousseau's (1989) conceptualization of the PC incorporates elements that have played a prominent role in determining contractual relations under classical and neo-classical contract law: "offer", "acceptance", "consideration", and a focus on promise (Rousseau, 1989, pp.125-126). The only references proximally related to her assertion that PCs are composed of promise based obligations are to contract scholars that can be

described as reflecting a neoclassical view (Farnsworth, 1982). Rousseau, having adopted a traditional promise centered view of contracts, appears to be saying, "contracts are based on promises, therefore, in order to have a psychological contract, there must be a belief in promise".

I have been careful to say that it "appears" that this is Rousseau view, because it its not precisely clear what was intended. At times, it seems as though Rousseau and colleagues are using the term promise in an extremely broad sense, so that when both expressed and implied promises (whatever that means) are considered, promise essentially covers all obligations. While Rousseau and colleagues distinguish between obligations and mere expectations, they never distinguish between obligations and promises. On the contrary, in Rousseau and McLean Parks (1993), almost identical definitions are provided for the terms promise and obligation. They define obligation as "a commitment to some future action" (p. 3), and, as indicated earlier, they define promise as "a commitment to do (or not do) something" (p. 6).

Clearly, Rousseau and McLean Parks (1993) have a much narrower view of the what constitutes an obligation than the view which I have adopted. Under Rousseau and McLean Park's view, an employee will believe a party is obligated to act in a certain way when the employee believes that the party committed to act in that certain way. Under my view, an employee will believe a party is obligated to act in a certain way when the employee believes that there is either a social, moral, or legal requirement that compels the party to act in the certain way.

There are a number of problems associated with the use of promise in such a broad way that promise based obligations are treated as being synonymous with obligations. The fundamental problem is that promises are not the sole basis for obligations. In law, including modern contract law, and in social relations, obligations are created and exist without promises (Macneil, 1980; Blau, 1964). Equating obligations with promise based obligations is contrary to what appears to be a common usage of the term obligation to refer to duties or responsibilities that may arise from a variety of sources: moral, social, legal, or based on promises (cf. American Heritage Dictionary, 1993). Such a use of the term is also inconsistent with my experience as a lawyer, interviewing dozens of discharged employees seeking legal advice regarding their possible rights. These individuals typically showed the symptoms said to accompany violations of EPC (e.g. anger, outrage, betrayal). All felt that their employer had treated them wrongfully, doing something or failing to do something the employer was obligated to do (fired them without good reasons, did not give them adequate warning). But when asked whether their employer had ever directly or indirectly promised to treat them in the relevant specified manner (e.g. "did your employer ever promise only to fire you for good reasons?"), more often than not, they would respond "no, but I thought that....".

One might ask, if we all agree that when we speak of promises, we really mean all obligations, what harm would result (i.e. what harm is there in forcing all obligations into a promise based framework)? There are a number of potential negative consequences associated with employing such a fiction. In discussing how the use of

different terms to describe relations among organizations are likely to affect one's view of the relations, Simon (1991) observed:

> The choice of name matters a great deal. The name can affect the way in which we describe its institutions, and the order of description can affect the theory. In particular, it may strongly affect our choice of variables that are important enough to be included in a first-order theory of the phenomena (p. 28).

A promise framework shifts the focus of inquiry from the full range of antecedents traditionally discussed (needs, motives, personnel practices, etc.) to a narrower focus on the specific representations of parties and their interpretation. It also implies a very rational psychological contracting process, particularly when a focus on promise is combined with legalistic terms such as offer, acceptance, and exchange of consideration, to define the PC construct.

Using the term promise to include all perceived employer and employee obligations could obscure important distinctions between obligations based on perceived representations originating with the employer versus those obligations that arise from other considerations, such as one's moral standards or understanding of employment law. There is also the danger of potentially misleading employers, and researchers, regarding the malleability of EPCs. The framing of EPCs as involving the exchange of promises suggests that employers can readily manipulate employee EPCs through the promises the employer makes. The magnitude of this risk is not presently known; we do not know enough yet about the extent to which employee EPCs are driven by relatively stable internal factors versus external factors, such as employer representations.

Finally, there are some perceived obligations that simply cannot be reasonably "crammed into a promise framework" (Macneil, 1980, p. 54). For example, Roehling & Winters' (1994) findings indicated that even in the face of an explicit statement from an employer indicating that it reserved the right to discharge employees with or without cause, many people still believe that the employer is obligated to only discharge the employee for good reasons. It is simply unreasonable to talk of such perceived obligations as being based on employer promises. For other examples of obligations that cannot be fit into a promise framework, see Macneil (1980).

In summary, there is no basis for asserting that all beliefs that individuals have regarding the mutual obligations between the individual and his or her employer are exclusively based on perceived promises. Any conceptualization that is based on this assertion would be employing a fiction that has a number of potential negative consequences, described above. It is also possible that Rousseau and colleagues truly intend to limit PCs to obligations that are, either expressly or implied (again, whatever that means), based on perceived promises. That is, of the total set of employee beliefs regarding mutual obligations between the employee and his or her employer, only those that are actually based on perceived promises constitute the PC. As stated earlier, such a restricted view of PC represents a radical departure from the origins of the PC construct, and it has a number of implications for researchers adopting the view. Researchers adopting this restricted view need to do a number of things that have not been adequately done to date.

First, they need to define what they mean by "promise" and "implied promise". Promise has many meanings (Macneil, 1980). The meaning of implied promise is perhaps even less certain. In the field of law, the term implied promise has been equated with the terms "fictitious promise" and "promises implied in law" (Black's Law Dictionary). In this use of the term, no promise was actually or "in fact" made, but under the circumstances, it is deemed just or fair that one party should have a right and another party an obligation. In other words, instead of finding a promise that leads to the imposition of an obligation, the court finds an obligation that leads the invoking of a fictional promise to reach a fair outcome. This use of the term implied promise results in the equating of promise with obligation, and therefore, presents all the potential problems that were described immediately above.

The term implied promise might also be used to describe a promise that was intended and understood, but never explicitly declared or "openly uttered". In this use of the term implied promise, the promise that is implied is not a fiction. It can be thought of as a promise recognized based on circumstantial evidence (instead of an explicit declaration, which would be direct evidence of a promise). Both of these very different uses of the same term can be found within the PC literature.

Second, researchers need to specify how promise based obligations are different from other obligations that are excluded from their conceptualization of the PC. What criterion was used? References to classical or neoclassical descriptions of what constitutes a legally enforceable contract should not dictate the content of a construct that purports to explain psychological processes and human behavior. In my view, a

claim that promise based obligations involve more serious consequences when violated cannot be the sole reason. There are likely to be perceived rights, not based on promises, that lead to the same strong reactions if violated (e.g. the "right" to be treated with some dignity; the "right" not to be arbitrarily discharged). Also, there are promises that can be violated without negative consequences. We expect that some promises will be broken, and under certain circumstances may view the breaking of the promise as a necessary or good thing (Macneil, 1980). Also, there are likely to be some promises that are simply not all that important to the promisee, so that their violation would not result in hypothesized feelings of anger and betrayal.

Third, researchers must be more precise in the definitions of PC they provide. Instead of describing PCs as involving beliefs regarding mutual obligations between the parties, or beliefs about the terms of the exchange agreement, it should be clearly stated that PCs involve mutual promised based obligations if the intent is to limit the PC to promised based obligations.

Fourth, efforts to empirically assess PC need to carefully avoid confounding beliefs in obligations generally, with those based on promises. For example, the questionnaires that Rousseau and colleagues have used asked subject to indicate the extent of obligations, not the extent of promises or promise based obligations. If they conceptualize PC in the narrower sense, limiting PCs to only promised based obligations, the findings of their studies may have inappropriately confounded

perceived obligations based on other factors with those based on perceived promises[9].

Fifth, researchers who conceptualize PCs as being composed of only promise based obligations need to make sure the other aspects of their theorizing about PCs are consistent with the notion that the PC is made up of only promise based obligations (i.e. that their theorizing is internally consistent). In particular, attention must be given to the appropriateness of applying Macneil's discrete-relational continuum to a conceptualization of PC that is limited to promised based obligations. A promise based constraint is fundamentally inconsistent with theory of relational contracting that has been presented by Macneil (1980, 1985). In the event that the support for this conclusion was not obvious from the earlier discussion of Macneil's work regarding relational contracting, I will reiterate and supplement relevant portions of Macneil's work.

Macneil introduced the relational contract concept to address limitations resulting from traditional contract scholarship's over reliance on promise as the basis of contracts. He sought to draw attention to actual contracting behavior, which, he argued, did not limit obligations to those based on promises. Macneil has repeatedly indicated his strongly held view that a promise framework, or an analysis based on promise, inhibits our ability to understand contracting behavior involving relations. He

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The instrument Rousseau and colleagues used has a "priming" paragraph that states that employers make a variety of promises to employees. But the question used to elicit responses asks subjects to indicate the extent to which their employer is obligated to do a number of things, and the labels on the Likert scale are stated in terms of obligations. No reference to promise is made in the eliciting question or the response scale.

has lamented contract scholars "addiction to promise" (Macneil, 1985, p. 525), and has stated that promise centered theories of contracting "virtually guarantee that we will not understand highly relational contract behavior" (Macneil, 1985, p. 508). Bluntly stated, relational contracting theory involves an outright rejection of a promise framework for understanding contracting behavior. In a very real sense, Rousseau's application of Macneil's relational contracting concept to her promise centered conceptualization of PCs involves the use of a concept (relational contracting) to describe its antithesis (a promise centered conceptualization of contracting).

While Macneil rejects the promise framework, he still recognizes the obvious role that promises play in contracting behavior. But Macneil argues that promise is the essence of discrete contracting behavior, and that the more a relationship relies on promise, the more discrete it is (Macneil, 1983, p.360). Thus, a conceptualization of PCs that is framed in promise focuses on the discrete aspects of contracting behavior.

Summary of the nature of the belief elements. The theory of psychological contracting in organizations that I am developing addresses both beliefs about obligations and expectations. In defining the EPC construct, however, I focus on individual employee's beliefs about the mutual obligations between the employee and his or her employer. I share Macneil's view that a promise framework inhibits our ability to understand contracting behavior in relations, and I would argue that a conceptualization of the EPC that does not focus on "promise" will have greater promise. Accordingly, the beliefs about obligations that are at the heart of my conceptualization of the EPC are not restricted to those based on perceived promises,

but include beliefs about obligations that may come from a variety of sources, including social norms, legal, moral, or "other internalizations".

Antecedents of EPC

In this section I will identify and briefly discuss factors that are thought to influence the beliefs that constitute the EPC. I have organized my treatment of antecedents of PCs into three general categories: societal factors, organizational factors, and personal factors. The constructs within given categories are clearly related to constructs in other categories. But, they are believed to be sufficiently distinct to make their separation useful. The list of constructs is not exhaustive, and there are other reasonable ways of categorizing the factors. Nonetheless, I believe that, as a beginning, the scheme provides a useful framework for organizing a variety of factors that have been discussed or alluded to in the PC literature, but which have received little systematic attention.

Societal factors. The kind of psychological contracts that are conceivable in an organization are ultimately the reflection of societal factors (cf. Schein, 1980; Gibson, 1960). It is useful to think of societal factors as setting the parameters for the nature and conduct of psychological contracting in organizations. Societal factors include such things as society level social norms, legislation (the two are distinguishable because legislation, particularly in the employment area, sometimes shapes social norms as much as it reflects them), and societal level environmental influences (e.g competitive business environment, changing demographics).

The influence of societal level factors on EPCs is reflected in writings about the "new psychological contract" that is said to be evolving among American workers. The perceived change has been attributed to a number of factors that are thought to be changing at the societal level, including: an increased emphasis on quality of life and personal growth among American workers (Sims, 1994, p. 372); sky-rocketing employee benefit costs (Lucero & Allen, 1994, p. 439); increased global competition, sales, acquisitions, mergers, reductions (Wilhelm, 1994, p. 23); and increasing mobility, collapse of church and family, and greater search for meaning at work (Spindler, 1994).

Organizational factors. Organizational factors include factors that influence EPCs and are directly connected to the organizational setting. Organizational factors operate at a number of different levels within the organization. Organizational level factors would include organizational culture, organizational climate, and company wide personnel policies and practices. Each of these factors may also be operating at the group level. Role negotiation between an employee and his or her supervision is an example of a organizational factor that operates at the level of a dyad. The formal job requirements are viewed as an organizational factor that is connected an employee's position within the organization.

Personal factors. Personal factors are individual level factors that are more directly related to the individual employee than to the particular employment setting. At any given time, an employee has a set of personal factors that may influence or shape the impact of societal and organizational factors on his or her beliefs. One's set

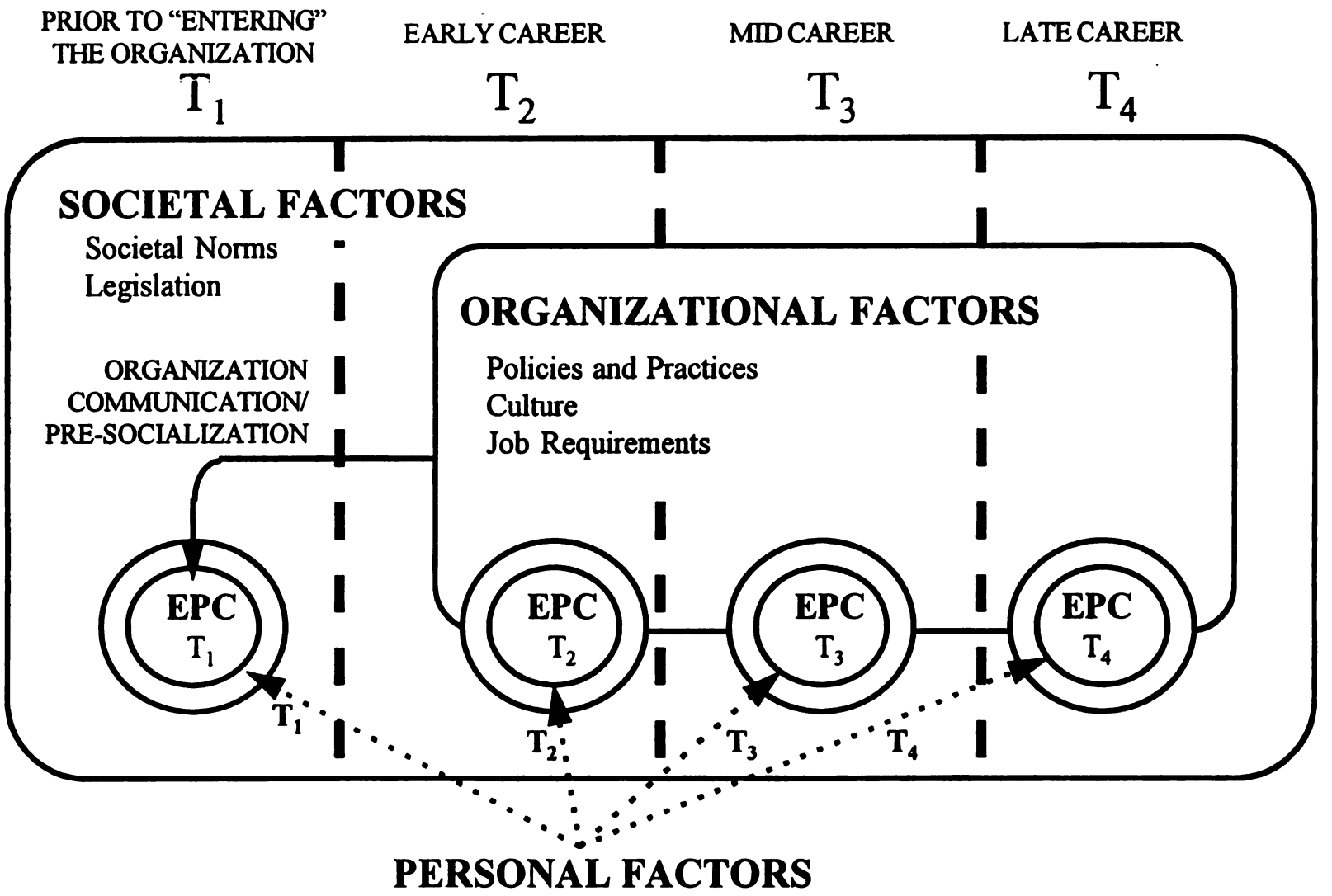
of personal factors, however, are likely to have been influenced by societal and organizational factors (some individual factors more than others). Moreover, over time, societal and organizational factors will continue to exert an influence on personal factors (again, some more than others).

The personal factors that have been most frequently identified as antecedents of employee beliefs about obligations are employee needs, values, and motives (Levinson et al., 1962; Schein, 1980), and prior work experience (Levinson et al., 1962; Schein, 1980). Other personal factors that have been identified in the PC literature include equity sensitivity (discussed below), work centrality (Schein 1965, 1980), and careerism (Rousseau, 1989).

A heuristic representation. Figure 4 provides a heuristic representation of the antecedents of EPCs, and attempts to illustrate the dynamic nature of EPCs. The figure depicts both the individual and the organization existing within the parameters of a given society. Both the individual and the organization are subject to societal influences, and as society changes, these changes effect both individual and organizational factors, and come to be reflected in the EPC. Before the individual becomes a member of the organization, at Time 1, the individual's beliefs about the mutual obligations between himself or herself and a specific employer are primary shaped by personal factors (e.g. prior work experiences, needs, wants, traits, etc.) and communications from the organization. Other organizational factors, such as the organizational culture, are likely to have an indirect effect, if any, on the new employee's beliefs prior to the employee's entry into the organization.

Figure 4

ANTECEDENTS OF EPCs



After the individual enters the organization, Time 2, organizational factors exert a more direct, stronger influence on employee beliefs, both in an absolute sense and relative to the influence of personal factors. The circle representing the individual's EPC is drawn so that it is not fully within the organizational setting to reflect the belief that the EPC can never be fully explained by organizational factors. Personal and societal factors continue to influence EPCs in ways not mediated by the organizational setting. In Figure 4, the EPC circle is drawn so that one-half of it falls within the organizational context. This is a neutral, symmetrical, and somewhat arbitrary starting point. To the extent that there is a strong organizational setting (strong culture and climate, clearly specified and communicated personnel policies, etc.), it would be useful to think of a greater percentage of the EPC as falling within the organization.

Finally, Figure 4 indicates that as an individual's career within an organization unfolds over time, Time 3 and Time 4, the individual's EPC may evolve as result of changes in individual or organizational factors, both of which may be influenced by societal changes.

The Usefulness of the Discrete-Relational Continuum

In Chapter II, I noted the widespread importation of Macneil's notion of a discrete-relational continuum of contracting behavior to the PC literature, and argued that the question of the usefulness of the continuum for understanding PCs should be addressed. In this section, I seek to address that question.

Employment relationships are inherently relational. It is important to recognize that the discrete-relational continuum was introduced by Macneil in a much broader context than the context in which it is being applied in the PC literature. Macneil was describing the full range of exchanges that occur within society, from one-time, arms length transactions conducted under market conditions to marital relations. When the full range of exchange is considered, virtually all, if not all, employment relations fall closer to the relational end of Macneil's continuum than to the discrete end. Stated another way, employment is, relatively speaking, inherently relational. Support for this claim can be found in the many specific references Macneil makes to employment. Macneil frequently uses the employment relationship as an example of relational contracting (cf. Macneil, 1980). He has identified employment relations as being among those structures that are "obviously relational in nature" (Macneil, 1978, p. 858). Macneil has observed that employment is an "extremely relational contract, no matter how strenuously a party attempts to make it discrete" (Macneil, 1985, p. 492), and in describing the nature of the most discretely organized economy possible, he states that "of course, no employment is possible." (Macneil, 1985, p. 489).

By focusing on important elements of relational contracting, identified originally at pages 57-59, the relational nature of employment relations can be more particularly demonstrated. Employment relations necessarily involve some uncertainty that precludes a specification of all of the terms and conditions of exchange. It has been observed that no job can be completely specified in advance, eliminating all employee discretion (Fox, 1974; cf. Levinson et al., 1962). Unlike the single performances

involved in the discrete exchange ideal, employment, even part-time employment, involves multiple performances. Commons (1924) has argued that the employment contract "is not a contract, it is a continuing implied renewal of contracts at every minute and hour, based on the continuance of what is deemed, on the employer's side, to be satisfactory service, and, on the laborers' side, what is deemed to be satisfactory conditions and compensation (Commons, 1924, p. 285). What Commons (1924) describes has also been referred to as a contingent sequential contract. Goetz & Scott (1981) discuss contingent sequential contracts as examples of relational contracts.

The relational nature of employment in the United States, and in many other societies, is further promoted by the set of obligations imposed on the employment relationship by the government. Employment legislation creates obligations that arise as a result of the employment relationship (Macneil, 1980). Even in the absence of promises or agreements between the parties, based upon the existence of a specific relationship between the parties (i.e. that of employer and employee), employers are obligated to employees in a variety of ways relating to non-discriminatory treatment, safety and health, minimum wage, etc.

It has been suggested that employment agencies such as Manpower and Kelly create "purely transactional agreements with workers" (Rousseau and Wade-Benzoni, 1994, p. 466). Even though this kind of temporary employment contains relatively more discrete aspects than more traditional employment relations, it still does not come close to reaching the pure discrete ideal. In contrast to the discrete ideal, even contract employees' work involves multiple performances that cannot be fully specified, in

every detail, in advance. Moreover, expectations relating to future exchange are likely to creep in (e.g. the possibility of the contract being renewed or the employee being brought on as a "regular" employee), and many of the relational obligations imposed by society apply to contract employees
(e.g. health and safety laws).

In a sense, because all employment involves relational elements, the usefulness of Macneil's discrete-relational continuum suffers from a restriction of range limitation when applied to the employment relationship. The result is that while the theory of relational contracting and the continuum it describes can and does contribute to our understanding of EPCs, its usefulness for specific purposes may be more circumscribed than the PC literature currently suggests.

The usefulness of the continuum at a general level. Macneil's theory of relational contracting and its discrete-relational continuum points out the relational nature of most modern contracting behavior, and employment relationships in particular, providing converging support for the concept of employee PCs. Writing in a literature that is distinct from the literature in which the PC concept evolved, and drawing on a different disciplinary focus (contract scholarship), Macneil fleshed out details of how parties in exchange relationships develop expectations and related obligations that cannot be captured by simply examining the formal arrangements or promises exchanged between the parties.

Macneil's theory of relational contracting is also useful in that its description of the conditions under which contractual relations are likely to succeed has stimulated

thinking about the role of different employee held beliefs, and it provides a set of reasoned propositions to be tested. Some of these conditions sound remarkably similar to the kind of organizational conditions that were identified by Levinson et al. (1962) as being necessary to successful psychological contracting in organizations (e.g. the parties having a belief in their shared fate and interdependence).

The usefulness of placing EPCs on a continuum. Relational exchange is inherent in employment relations, and EPCs focus on relational aspects of employment relations. The question remains, is it useful to describe EPCs as being more or less relational? The answer to this question ultimately depends on the extent to which theory based relational characteristics can be reliability employed to identify patterns or profiles of EPCs, and, relationships can be established between those patterns and variables of interests such as employee trust, commitment, risk taking and other performance related behaviors. So far, the literature has failed to do these things. Thus, the classification of specific EPCs as being either relational or discrete that has occurred in the literature is generally not very useful.

Before the continuum can be meaningfully used to classify EPCs, additional foundational work needs to be done. Perhaps the most urgent need is a more careful explication of the concept of relational employee and employer obligations. Current definitions tend to be perfunctory in nature, referring to obligations regarding a variety of "socio-emotional concerns". Although discussions of relational concepts in the EPC literature typically provide a reference to Macneil, the concepts are only loosely linked to the theory of relational exchange (Macneil, 1980).

Relational Employment, Relational Obligations, and Relational EPCs

In the PC literature, the discrete-relational continuum has been used to characterize specific employee-employer obligations, EPCs (which are made up of many obligations), and, more generally, employment. Some authors have shifted back and forth in their use of these terms, appearing to use them interchangeably. I found that recognizing distinctions among these concepts helped clarify my thinking about relational obligations. Therefore, in this section, I will discuss these clearly related but distinct concepts. First, I will identify and discuss the main characteristics of relational employment. Once the nature of relational employment is described, then, a general definition of relational employee-employer obligations will be provided, and, six general categories of relational employee-employer will be identified. Finally, I will discuss my view of what constitutes a relational EPC.

The nature of relational employment. Relational employment can be viewed as a particular example of relational exchange. Like relational exchange, relational employment is a dyadic level concept - it describes what goes on between two parties, not one party's subjective perception of the relationship. In contrast, the EPC, as I have conceptualized it, is an individual level construct that assesses one party's subjective perceptions. Also, the EPC does not purport to assess perceptions of what is actually going on between the parties; it assesses one party's perception of what ought to go on if the parties performed their respective obligations to each other.

Although in the full spectrum of exchange behavior, all employment involves some aspects of relational exchange, it may be possible to describe specific employment

relations as being relatively more or less relational in nature. What follows is a description of what I propose are the main characteristics of relational employment. If you recall my discussion of the main characteristics of relational exchange, at pages 58-60, you should recognize the strong - if not direct, linkage between the theory of relational exchange (Macneil, 1980) and the characteristics that I have identified. I propose that a given employment relationship is more relational in nature to the extent that it possesses the following characteristics.

First, the exchange between the employee and employer includes non-specific, intangible, subjects of exchange. Adopting the employees perspective, by subjects of exchange I mean those things that an employee receives from employment that are somehow traceable to the employer and are of some value to the employee, and those things that the employee contributes to the employers which are of some value to the employer.

Subjects of exchange that employees receive are more specific and more tangible to the extent that their value to the employee is readily reducible to a monetary value that can be presently calculated. Examples of non-specific, intangibles subjects of exchange include the following if they are of value to the employee: meaningful, challenging, or interesting work; personal recognition; opportunities for social interaction; and, status or prestige associated with a position. Examples of subjects of exchange that are relatively specific and tangible include: an agreed upon hourly wage or salary; a specific benefit package, particularly where the employer provides a statement of the monetary cost or value of the benefits; paid holidays.

Looking at what the employee contributes to the employer, subjects of exchange are intangible and characteristic of relational employment to the extent that the details of the contribution cannot be fully specified in advance. Examples of relatively non-specific or intangible subjects of exchange contribute by employees in relational employment relationships include: loyalty; the exercise of employee judgment, discretion, or initiative in the performance of work; and engaging in general, non-job specific behaviors for the benefit of the employer. The subjects of exchange that the employer receives is lacking in relational character if all that the employee is contributing is strict performance of well specified tasks. A second characteristic of relational employment is that the employee and employer have a sense of shared fate. Each believes that their own success, however defined, is in some significant way linked to the other experiencing success in the relationship.

Third, relational employment is future orientated. There is a shared belief that the employment relationship will continue in to the future, but, it is a future of unspecified duration. An employer's explicit promise or guarantee of life time employment would result in a relatively specific, promised based obligation, making an explicit guarantee of life time employer more discrete, and less relational in nature, than an assumption of future employment that did not have a specific time frame.

Fourth, employer and employee exhibit flexibility and cooperation in their dealings with each other. The need for flexibility and cooperation arises from the fact that there are things being exchanged that do not allow for complete, advance planning of every detail regarding their respective responsibilities. Under these circumstances, if the

relation is to continue so that their shared fated may be successfully realized, each party needs to exhibit flexibility and cooperation.

Fifth, there is a sharing of benefits and burdens between employer and employee. This means that the employer and employee do not sharply allocate certain risks or potential rewards to one or the other party, and then rigidly adhere to the allocation - letting the chips fall where they may. Rather, in relational employment the parties attempt to maintain some kind of equivalence in their exchange, so that one party does not suffer while the other experiences a windfall.

A sixth characteristic of relational employment is that the employer and the employee have a holistic view of each other. The employee is not narrowly viewed as a service or skill providing unit. The employee is seen as a whole person, with a work life, a personal or non-work life, feelings, emotions etc. Similarly, the employee has a broader, more holistic view of the employer, its component parts, obligations to other employees, and the demands it faces in its environments.

Relational obligations. Relational employee-employer obligations are those relatively diffuse obligation that are associated with relational employment. I use the term "associated" advisedly. Depending on the circumstances, beliefs regarding relational obligations may be brought to the employment relationship, and serve to promote relational exchange. In other circumstances, relational obligations way arise from a pattern of relatively relational exchange. When fulfilled by the parties, relational obligations serve to maintain a relationship between the employee and employer in circumstances where, because of what the parties are seeking in the

exchange, the terms and conditions of the parties' exchange cannot be fully specified in advance. Again, building on my understanding of relational exchange theory, I propose that relational employee-employer obligations include the following obligations:

a.) a general obligation to take the other party's interest into account when taking action relevant to the exchange, and not cause the other party to suffer a loss without good justification;

b.) a general obligation to share the benefits and burdens of the parties' joint endeavors

c.) a general obligation to cooperate and be flexible in order to maintain the parties' relationship

d.) a obligation to recognize individuals in the relationships as whole persons, with feelings, and non-work lives, and treat them accordingly

e.) general obligations to provide or exchange inducements that are non-specific or intangible

f.) general obligations that reflect a clear assumption of long term employment relations, without specifying the period of employment

Relational obligations do not involve specific monetary obligations that may be presently calculated (e.g. payment of specific hourly wage or salary). This does not mean that any obligation that relates to money is non-relational. For example, an employer obligation to share profits that result from the parties' joint endeavor, where there is uncertainty about the amount, involves a sharing of benefits of relationship and

is relational in nature. Similarly, an employee obligation to accept a reduction in pay if necessary to keep the employer financially afloat involves the sharing of a burden, and would also be relational in nature.

Relational obligations may or may not be in writing. If reducing employee or employer obligations to writing increases their specificity, it will tend to decrease their relational nature. However, reducing a general obligation to take the other party's interest into account when taking action relevant to the exchange relationship does not convert this central relational obligation to a discrete obligation.

Relational EPCs. When discussing relational EPCs, the literature has implicitly treated beliefs in employer relational obligations and beliefs in employee relational obligations as if they will always naturally occur together. It is possible, however, that some employees will have stronger beliefs in employer relational obligations than in employee relational obligations, or vice versa. For example, if an employee perceived that his or her obligations have been fulfilled, but that the employer has failed to fulfill its obligations to the employee, beliefs regarding employee relational obligations may be negatively affected while beliefs regarding employer relational obligation remains high. Belief in employee relational obligations may be low because the employee performed, discharging his/her obligations, and there has been no employer performance that would renew employee relational obligations, projecting them into the future. Belief in employer relational obligations may remain high because the employee is, in a sense, a creditor and may not be willing to let the employer "off the hook". Also, research regarding equity sensitivity (cf. Huseman, Hatfield, and Miles,

1987) would predict that it is likely that some individuals will have stronger beliefs in employer relational obligations than in employee relational obligations, or vice versa, as a result of their general equity orientation.

At the core of relational exchange is the maintenance of some kind of equivalence between the parties. When this equivalence is not maintained, over time, the norm of reciprocity - thought to be fundamental across human societies (Gouldner, 1960) - will be violated and the relational exchange relationship will fall apart (if exchange between the parties doesn't cease altogether, it will become relatively discrete in nature). In order for an EPC is to be described as "relational", it should reflect this core aspect of relational exchange. Therefore, I propose that an EPC is a "relational EPC" to the extent that it reflects relatively strong beliefs in both employee relational obligations and employer relational obligations.

CHAPTER IV

Research Questions and Hypotheses to be Investigated

This chapter identifies and discusses the research questions and specific hypotheses that were empirically investigated. The discussion provided to support the hypotheses builds upon that which has been discussed in previous chapters. In particular, Chapter III provides the foundation for the hypotheses that I will be investigating. Observations and arguments from Chapter III are incorporated without repeating the earlier, full discussion.

The Humpty Dumpty Approach to Defining Constructs and the Need for Investigation

The general approach to defining the PC construct that is reflected in the literature is definition by fiat. Each investigator defines the PC construct in some way that he or she feels is suitable. Gulliksen (1968) described this approach to defining constructs as the "Humpty Dumpty approach." His use of the term was suggested by the following quotation from *Through the Looking Glass* (Carroll, 1923, pp. 110-111):

> "When I use a word," Humpty Dumpty said in a rather scornful tone, "it means just what I choose it to mean - nothing more nor less."
> "The question is," said Alice, "whether you can make words mean so many different things."
> "The questions is," said Humpty Dumpty, "which is to be master, that is all."

Gulliksen (1968) argued that when you have multiple definitions of a construct, it is reasonable to *insist* that the construct be made the subject of some investigation to determine the extent to which scientists' ideas about the construct are consistent or equivalent. Examples of the problems associated with lack of attention to construct

definition and other construct validity issues early in a literature's emergence can be found in the literatures pertaining to over-reward inequity (Schwab, 1980), the least preferred co-worker (Rice, 1978), and organizational citizenship/extra-role behaviors (Van Dyne, Cummings, McLean Parks, 1995). Attention to construct validity is essential to avoid eventual confusion and to facilitate the accumulation of coherent cumulative findings in a literature.

Given the number of definitions of the EPC construct and their potential non-equivalence, in my opinion, it would be unreasonable not to insist that the different views of the construct (including my own) be made the subject of investigation. The present study acted upon this opinion by addressing the following general research question: To what extent are views of the EPC construct that vary in the belief element that they focus on (i.e., obligations, expectations, or promises) equivalent ? Before presenting hypotheses related to this research question, the nature of "equivalence" will be discussed. The discussion is intended to be an introduction to the topic of equivalence that will facilitate the presentation of the hypotheses that were investigated. The topic of equivalence will be discussed further in subsequent chapters.

Measurement Equivalence

Generally stated, in order for two measures to be equivalent, they must behave the same way (cf. Smith, Kendall, and Hulin, 1969). There are, however, degrees of equivalence and different approaches to assessing equivalence. The most stringent definition of equivalence requires that the measures have the properties of parallel tests. Somewhat different, but consistent criteria for strictly parallel test have been offered by

a number of researchers. According to Gulliksen (1968), to qualify as parallel tests, two measures must have: a.) equal means; b.) equal variances; c.) equal covariances; and d.) for each specified criterion, the two tests must have the same correlations. Stated in other words, for two measures to be parallel, the measures must load on the same construct to the same degree, have equal error, and, they must correlate equally with an external criterion. However, because error variances are independent (though of equal magnitude), parallel measures will not correlate perfectly with each other (Hattrup, Schmitt, & Landis, 1992). Measures which meet the stringent requirements of parallel equivalency are said to be interchangeable; it does not matter which of the measures is used in any given situation (Gulliksen, 1968).

Smith et al. (1969) have argued that strict parallel equivalence may not always be necessary so long as the measures behave in the same way for individual and situational changes *about which generalizations are going to be attempted.* Their approach to assessing equivalence of measures focuses on the similarity of patterns of relationships within and across different situations and samples, and the resulting tests are correlational in nature.

Increasingly, researchers have investigated the equivalence of measures by using confirmatory factor analysis (CFA) to focus on the relationship among latent variables (e.g., Petersen & Smith, 1995; Rahim & Magner, 1995; Van de Vijver & Harsveld, 1994; Hattrup, Schmitt, & Landis, 1992). Researchers using the CFA approach have been explicit in differentiating and assessing different levels of equivalence. The levels

of equivalence that have been addressed and their factor analytic corollaries are summarized in Figure 5.

Parallel equivalence has already been discussed. Tau-equivalence requires that measures have equal true score variances but not necessarily equal error variance or reliability (Lord & Novick, 1968). Tau-equivalent measures assess the same construct to the same degree but are not equally reliable.

Congeneric equivalence is the least restrictive model of equivalence. It requires only that the true scores of the equivalent measures be perfectly correlated, though true scores may differ by an additive or multiplicative constant. The congeneric model implies only that equivalent measures load on an a shared construct, although the loadings may differ in magnitude and one of the measures may have greater reliability. In testing the hypotheses that follow, different levels of equivalence were assessed and different approaches to assessing equivalence were employed.

Obligations Versus Expectations: A Difference That Makes a Difference?

Like others (e.g. Rousseau, 1989; Robinson et al, 1994), I have sought to distinguish between conceptualizations of EPCs that focus on beliefs about obligations and those that focus on expectations. The reasoning behind my conceptualization of EPCs as involving beliefs about obligations was provided earlier, at pps. 86-99 . It is possible that although a theoretical distinction between beliefs about obligations versus expectations can be articulated in the abstract, as a practical matter, the distinction may not be meaningful. Employees may not view operationalized measures of the two conceptualizations as being distinct. Measures assessing employee expectations and

Figure 5: Models of Equivalence and Factor Analytic Corollaries

Models of Equivalence (Measurement Theory)	Factor Analytic Corollary
Congeneric Equivalence	
Assumes only that true scores are *perfectly correlated*; although they measure the same construct, they have unequal metrics and reliabilities	Requires only that the pattern of factor loadings be equal; loadings may differ in magnitude
Tau Equivalence	
Requires that measures have the *same true score variance*, but not necessarily equal error variance or reliability	Requires equal factor patterns and equal factor loadings
Parallel or "Fully Equivalent"	
Requires measures to measure the same construct, to the same degree, and have equal error Validities in predicting an external criterion should be equivalent Strict parallelism requires that the above restrictions hold in each sub-sample from a given population.	Requires equal factor patterns, equal factor variances, and equal error variances

measures assessing employee beliefs about obligations may function as interchangeable measures, assessing a single, more general latent construct to a similar degree and with similar reliability.

The question of the extent to which the distinction between obligations and expectations is meaningful is both a theoretical and an empirical one. Existing empirical evidence provides little insight. No study has specifically attempted to address the issue. There are only a handful of reported empirical studies investigating PCs, and therefore, it is not possible to use a meta-analytic approach to assessing which conceptualization has been more successful in explaining relevant variance. Moreover, there are a number of potential confounding factors (discussed below) that severely limit our ability to compare the findings of existing studies.

Consistent with the distinction that I made between expectations and obligations in Chapter II, I expect that the measure of beliefs about employer's obligations will elicit significantly different responses than the measure of what is expected from employers. I also expect that there will be important differences in responses between items assessing employee beliefs about their obligations to their employer and matching items assessing what the employee thinks is expected of him or her. Employees may feel obligated to do certain things even though it is not expected of them. More likely, there will be things that employees perceive are expected of them at work, but which they believe they have little or no obligation to provide. Further, I expect that differences in responses across forms will not be solely attributable to differences in the reliability of the different measures. At a minimum, there will be differences in the

degree to which the different forms measure underlying constructs. These predictions are captured in the following hypotheses:

HYPOTHESIS 1A: Items assessing employee beliefs about their employer's obligations and the matching items assessing what employees expect from their employer are not tau equivalent measures of the EPC construct.

HYPOTHESIS 1B: Items assessing employee beliefs about their obligations to their employer and the matching items assessing employee's beliefs about what they expect to provide their employer are not tau equivalent measures of the EPC construct.

Obligations versus Promises: Again...A Difference That Makes a Difference?

Building on the work of Macneil (1980), I have argued that a conceptualization of the EPC construct that is framed in terms of promise is too limiting. In support of this argument, I made the assertion that not all perceived obligations are based on perceived promises. This assertion has been made by Macneil (1980), and is implicit in definitions which indicate that the term "obligations" refers to duties or responsibilities that may arise from a variety of sources: moral, social, legal, or based on promises (e.g., American Heritage Dictionary, 1993). I do not know of any published empirical evidence bearing on this assertion. I propose to empirically investigate this assertion in the EPC context by asking employees to indicate their beliefs regarding the extent to which their employer is obligated to do or provide certain things, and, whether they believe that their employer promised - directly or indirectly - to do or provide those things. The findings will provide an indication of the extent to which the practice of

treating all obligations as being based on perceived promises when describing employee beliefs involves a fiction, as I have argued it does. The following hypotheses regarding the relationship between obligation based and promise based measures of the EPC construct parallel those that were presented above regarding the relationship between obligation based and expectation measures of the EPC construct.

HYPOTHESIS 2A: Items assessing employee beliefs about employer obligations and the matching items assessing employee beliefs about employer promises are not tau equivalent measures of the EPC construct.

HYPOTHESIS 2B: Items assessing employee beliefs about their obligations and the matching items assessing employee's beliefs about their promises to their employer are not tau equivalent measures of the EPC construct.

Investigating the Pattern of Relations With External Criteria

In addition to the confirmatory factor analytic investigation implied by Hypotheses 1A, 1B, 2A, and 2B, the equivalence of the different EPC measures, and if present, the nature of differences between the measures can be further examined by studying the correlations of the different measures with external criteria. Some studies have used only the latter approach, and not CFA, to assess the equivalence of measures. For example, Ironsen et al. (1989) focused on the similarity of patterns of correlations in their assessment of the discriminant validity of the JIG and JDI scales. Only a few studies have investigated equivalence by looking at pattern of correlations with external criteria in conjunction with the CFA of the measures' latent variables (e.g., Van de Vijver & Harsveld, 1994).

In both of the studies cited in the preceding paragraph, the investigation of the patterns of correlations was conducted without specific hypotheses regarding the relationships between the focal measures, respectively, and the external various criteria. Rather, the researchers sought to compare and assess the general, overall patterns of correlations. Differences in patterns were viewed as evidence of non-equivalence which could be evaluated, on a post hoc basis, to gain understanding regarding the substantive nature of the measures' differences. This approach was adopted in the present study.

To facilitate the assessment of the EPC measures' equivalence by examining the pattern of correlations with external criteria, the present study measured several variables that have been identified in the literature as belonging in the EPC construct's nomological network. The primary variables included for this purpose are work centrality, equity sensitivity, and trust in employer, and organizational tenure. Each of these variables and their conceptual link to the EPC construct will be briefly described.

Work centrality has been defined as the beliefs that individuals have regarding the degree of importance that work plays in their lives (Palluay, Alliger, & Stone-Romero, 1994). Work centrality is presumed to be a relatively stable set of beliefs that do not fluctuate greatly in response to conditions in the work environment. Schein (1965, 1970, 1980) hypothesized that those who view work as a central concern in their life will tend to expect and demand more from work. Based on my review, Schein's often re-iterated hypothesis has never been tested.

Equity sensitivity is a construct that refers to a person's preferences for outcomes versus input in a general work situation. It is based on the belief that individuals react in consistent but individually different ways to both perceived equity and inequity because they have different preferences for equity (Huseman, Hat field, & Miles, 1985, 1987). Huseman et al. presented a continuum of three preferences, identifying three classes of individuals represented along the continuum. On one end of the continuum are "benevolents" who are described as givers because they give while expecting little in return. In the middle of the continuum are "equity sensitives", those who conform to the traditional norm of equity. Anchoring the other end of the continuum are "entitleds" who are described as having high thresholds for feeling indebted, accepting whatever they get as their due, and as a result, "they feel little or no obligation to reciprocate." (Huseman et al, 1987, p. 225). Huseman et al. argue that equity sensitivity is a trait, but they acknowledge that the question of whether it is a state versus a trait is one that must be empirically substantiated.

It has been suggested that equity sensitivity is an individual difference that might directly influence the nature of an individual's EPC (Rousseau, 1990). This implicit hypothesis would seem to follow logically from the description of the different equity preferences provided by Huseman et al. (1985, 1987). Based upon my review, no study has investigated the impact of equity sensitivity on employee beliefs about employee-employer obligations, expectations, or promises.

A number of researchers have argued that trust plays an important role in psychological contracting. Nicholson and Johns (1985) treated trust as a defining characteristic of PCs, introducing the notion of "high trust" and "low trust" psychological contracts. According to Rousseau's (1989), "underlying a psychological contract is trust" (p. 128; emphasis included in original text). In her conceptualization, trust appears to be explicitly treated as a necessary antecedent of all psychological contracts (Rousseau, 1989, Figure 1, p. 125).

The belief that organizational tenure is likely to influence employee PCs has been around since the earliest detailed writing about PCs (cf. Levinson, 1962). Rousseau (1989) has argued that the longer a relationship endured between employee and employer, with repeated cycles of contribution and reciprocity, the broader the array of contributions and inducements that may be involved. More recently, Rousseau and McLean Parks (1993, p. 32) explicitly proposed that "As the duration of the relationship increases, individuals come to believe the contract terms include more relational, socioemotional terms (e.g. support, interest in personal welfare)."

Hypotheses 1A, 1B, 2A, and 2B imply that the pattern of correlations with external criteria will be different across obligation and expectation forms, and across obligation and promise forms. Thus, although specific hypotheses were not postulated regarding each of the external variables included in the investigation, the following general hypotheses were formulated:

HYPOTHESIS 3A: Items assessing employee beliefs about employer obligations and the matching items assessing employee expectations regarding their employer

will have different patterns of relationship to external criteria such as trust in employer, equity sensitivity, work centrality, and demographic variables.

HYPOTHESIS 3B: Items assessing employee beliefs about their obligations to their employer and the matching items assessing employee's beliefs about what they expect to provide their employer will have different patterns of relationship to external criteria such as trust in employer, equity sensitivity, work centrality, and demographic variables.

HYPOTHESIS 4A: Items assessing employee beliefs about employer obligations and the matching items assessing employee beliefs about employer promises will have different patterns of relationship to external criteria such as trust in employer, equity sensitivity, work centrality, and demographic variables.

HYPOTHESIS 4B: Items assessing employee beliefs about their obligations and the matching items assessing employee's beliefs about their promises to their employer will have different patterns of relationship to external criteria such as trust in employer, equity sensitivity, work centrality, and demographic variables.

Hierarchical Nature of Perceptions: Obligations, Expectations, and Promises

Hypotheses 1 through 4 predict that there will be differences in participants' responses to obligation, expectation, and promise based conceptualizations of EPCs. Differences may occur on a variety of dimensions. I expect there to be differences in two related but distinct aspects of participants' response patterns. First, I expect that the average number of items included in participants' EPCs will vary across the three sets of items; perceived promises will have the lowest average number of items and the

expectation set will have the highest average number of items. Operationally, an item will be deemed part of a participant's EPC if the subject's response to the item indicates that there is at least some obligation, expectation, or level of promise (depending on the relevant set). Second, I expect that the strength or magnitude of participants' responses to EPC items will vary across the three sets of items. Generally, across corresponding or "matched" items, the average response to the promise based item will be the weakest (lowest mean), and the average response to the expectation based item will be the strongest (highest mean).

The basis for these predictions is the belief that promises, obligations, and expectations are, *generally speaking*, related in a hierarchical way. Of the three types of beliefs, promise is the most narrowly defined concept. Promises are *a* source of beliefs about obligations. I would argue that for any person that responds that an employer promised to do or provide a certain thing, there is a high probability that the person will respond that the employer is obligated to do or provide the thing. The converse is less likely because there are other, non-promissory sources of beliefs about obligations (e.g. social norms). Similarly, beliefs about obligations are *a* source of expectations. For any person who responds that an employer is obligated to do or provide a certain thing, there is a high probability that the person will respond that the employer is expected to do or provide the thing. Again, the converse is less likely because not all expectations are based on beliefs about obligations. These predictions are captured in the following hypotheses:

HYPOTHESIS 5A: The average number of items included in promise based EPCs will be less than the average number of items included in obligation based EPCs.

HYPOTHESIS 5B: The average number of items included in obligation based EPCs will be less than the average number of items included in expectation based EPCs.

HYPOTHESIS 6A: The mean response to expectation based EPC items will be greater than the mean response to the corresponding obligation based EPC items.

HYPOTHESIS 6B: The mean response to obligation based EPC items will be greater than the mean response to the corresponding promised based EPC items.

Fulfillment Measures and the EPC Nomological Network.

To further investigate whether or not the distinction between obligations and expectations and the distinction between obligations and promises are meaningful, the relative extent to which measures of EPC fulfillment that were framed in terms of either obligations, expectations, or promises resulted in findings that were consistent with well accepted links in the EPC nomological network was tested. While there is disagreement among researchers regarding the nature of the beliefs that constitute the EPC, in their broader theorizing about employee psychological contracting in organizations, all researchers have argued that violations of ECCS lead to strong negative employee responses. This is, perhaps, the most universally agreed upon proposition in the PC literature. Evidence that violations of an obligation based EPC were more predictive of negative employee attitudes or intentions than violations of an expectation based or promised based EPC (or vice versa) would indicate which

conceptualization of the belief element of EPCs is more consistent with a uniformly accepted proposition regarding psychological contracting. In other words, such evidence would suggest which belief element is more consistent with an accepted "web" in the extended EPC nomological network.

The relationship between obligation, expectation, and promise based measures of EPC fulfillment, respectively, and three variables which have been identified as being affected by EPC fulfillment was investigated. The three variables are job satisfaction (global and specific facets), intention to turnover, and trust. The specific hypotheses tested are presented and discussed immediately below.

Obligations versus expectations. Previous research provides evidence supporting the hypothesized relationship between EPC "violations" and job satisfaction. Portwood and Miller (1976) found a correlation of .37 between a measure of unmet employee expectations and job satisfaction. Robinson and Rousseau (1994) found that a single item measure of the extent to which an employer had violated its obligations to the employee correlated -.76 with a two item measure of job satisfaction.

Previous research also provides support, albeit mixed, regarding the hypothesized relationship between unmet obligations and intentions to turnover. Robinson & Rousseau (1994) found that a single item measure of the extent to which an employer had violated its obligations correlated -.32 in intentions to remain with the employer. Guzzo et al. (1994) looked at three groups of practices (financial inducement, general support, and family oriented support) and the extent to which expatriate managers' perceptions of what they received from their employers differed from what they

thought they "should" have received. Of the three groups, general support was the only one correlated significantly with a measure of turnover intentions (-26).

The failure of an employer to meet employee's expectations or perceived obligations is likely to result in a decline of trust (cf. Robinson & Rousseau, 1994). Empirical support has been found for the hypothesis that a negative relationship exists between contract violations and trust. Robinson and Rousseau (1994) found a correlation of -.79 between a single item measure of contract fulfillment/violation and trust in the employer.

At first glance, the findings of these studies may suggest that the relationship between contract fulfillment/violation and job satisfaction and intentions to remain with the employer are stronger when ECCS are conceptualized as involving obligations. Confounding factors, however, make such a conclusion unreasonable. The subjects in the study using the obligation conceptualizations were executive MBA students. The limitations of generalizing from the executive MBA sample has been noted, and it was suggested that employees with fewer employment options may not react as strongly to EPC violations (cf. Robinson, 1994). The subjects in the Portwood and Miller study were clerks working in a chain of grocery stores. The difference in the magnitude of the correlations in the two studies may be due to the differences between the samples.

A second potential confounding factor is the fact that the above studies focused on different obligations. Robinson and Rousseau (1994) looked at relatively few (7), generally stated obligations that covered a broad range of the employment relationship.

In contrast, Portwood and Miller measured 20, more specific expectations, and Guzzo et al. (1994) used 48 items assessing specific practices relating to expatriates.

Finally, the single item measure of contract fulfillment used in Robinson and Rousseau (1994) may be a confounding factor. Generally, we think of single item measures as limiting the magnitude of its correlations with other measures. It is quite possible that the single item, global measure of contract fulfillment/violation was deficient, and that the high correlation is due, in part, to a strong mono method bias. In both Portwood and Miller (1976) and Guzzo et al. (1994), more specific, multiple item measures were used to assess the extent of fulfillment/violation.

A relatively recent, unpublished study by Robinson (1994) provides an additional, more direct comparison of the relative relationship of unmet expectations and unmet obligations to intention to turnover and trust. The study assessed the EPCS of executive MBAs at three points in time. At Time 1, after subjects had accepted job offers but before they had started work, subjects were asked to rate how much of each of seven items they expected to find in their work situation. The seven items were based on the instrument used in Rousseau (1990). At Time 2, 18 months later (and after subjects had been on the job) violations of seven perceived obligations were measured. The content of the obligations was the same as the content of the expectations items, the main difference being that the items were framed in terms of obligations. At Time 3, 12 months later, subjects were asked to rate the extent to which the seven items were actually part of their work situation. The difference between the ratings of the subject's work environment at Time 3 and their ratings of what they had originally

expected at Time 1 was used as a measure of unmet expectations. Job satisfaction and intentions to remain with the employer were also measured at Time 3. The following correlations were obtained:

	Contract violation (obligation based)	Unmet expectations
Intention to remain	-.37**	-.23**
Trust	-.39**	-.30**

** $p < .01$

Again, at first glance, these correlations seem to support the conclusion that the relationship between contract fulfillment/violation and job satisfaction and intentions to remain with the employer are stronger when an obligation based measure of the EPC is employed. Unfortunately, the purpose of the study did not include the comparison of the two conceptualizations, and as a result, the design does not permit such a comparison. Although the use of similar items somewhat reduces concern regarding one of the potential confounding factors that existed in the previous discussed studies, the different times at which Robinson (1994) collected data regarding expectations and obligations is potentially confounding[10]. The measure of unmet expectations is based, in part, on expectations that subjects had before they started work with their employer. In contrast, fulfillment/violation of perceived obligations was measured after the

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The obligation items assessed "the extent to which" employers had fulfilled obligations regarding the seven things. The expectations assessed "how much" of the of the same seven things were expected in the work situation. Thus, the items are similar but could have been more closely matched if the expectations items had assessed the extent to which the seven things were expected.

subjects had been on the job for awhile and, more importantly, closer to the point in time that the criteria (intention to remain and trust) were measured. Given the nature of the constructs, the fact that they were all measured using a paper and pencil self report, and the times at which the measures were administered, the higher correlations obtained with the contract fulfillment-obligation measure may be due to the operation of method bias.

As I have already indicated, I expect that violations of beliefs about employer obligations will result in stronger negative responses than violations of expectations regarding one's employer. Based upon the preceding discussion, the following predictions are made:

HYPOTHESIS 7: The correlations between obligation based fulfillment measures and job satisfaction will be significant, positive, and of a larger magnitude than the correlations between the corresponding expectation based fulfillment measures and job satisfaction.

HYPOTHESIS 8: The correlations between obligation based fulfillment measures and intentions to remain with the organization will be significant, positive, and of a larger magnitude than the correlations between the corresponding expectation based fulfillment measures and intentions to remain with the organization.

HYPOTHESIS 9: The correlations between obligation based fulfillment measures and trust in the employer will be significant, positive, and of a larger magnitude than the correlation between the corresponding expectation based fulfillment measures and trust in the employer.

In addition to investigating differences between expectation and obligation based conceptualizations of EPCs, the testing of Hypotheses 7, 8, and 9 provides evidence regarding the generalizability of earlier findings regarding the hypothesized relationships (e.g., between contract fulfillment/violation and trust). The present study involved a substantially different subject pool, and a more comprehensive measure of contract fulfillment.

Obligations versus promises. I do not know of any empirical evidence that bears directly on the question of whether violations of an obligation based conceptualization of EPCs would be more or less predictive of employee attitudes and intentions to turnover than violations of a promised based conceptualization of EPCs. It could be argued that because perceived promises involve some perceived representation or declaration on the part of the employer, on average, a violation of a perceived employer promise would result in a greater sense of deceit, personal betrayal, and anger than a violation of a perceived obligation (which may or may not be based on a representation or declaration by the employer).

It was expected that violations of an obligation based EPC would be more predictive of negative employee attitudes and intentions than violations of a promised based EPC. Employee beliefs about employer obligations are often based on very basic, albeit unspecified, social norms and moral principles (obligations to treat individuals with a minimal level of respect, dignity, and fairness). Violations of these basic norms or moral principles, I would argue, may produce negative reactions equal to, and in some instances, greater than, the violation of perceived employer promises. Also, while

there may some non-promissory obligations that can be violated without significant negative reactions by the employee-promisee, there are also circumstances where the failure to keep a promise is viewed as justified (cf. Macneil, 1980), and as a result, not likely to lead to negative employee responses.

Even if the violation of promise based obligations, on average, resulted in greater negative employee responses (i.e. greater intensity of response), I would expect that violations of promise based conceptualization of EPC would be less predictive of negative employee attitude and intentions than violations of an obligation based conceptualization because of the narrower scope of the former and its resulting relevant deficiency in terms of capturing negative employee response inducing events. Violations of both perceived promissory and non-promissory based obligations are expected to produce strong negative reactions. An obligation based measure will capture both of these kinds of violations. The narrowed scope of the promise based measure would fail to capture the violation of perceived, non-promissory based obligations. Based on these considerations, the following was hypothesized:

HYPOTHESIS 10: The correlations between obligation based fulfillment measures and job satisfaction will be significant, positive, and of a larger magnitude than the correlations between the corresponding promise based fulfillment measures and job satisfaction.

HYPOTHESIS 11: The correlations between obligation based fulfillment measures and intentions to remain with the employer will be significant, positive, and of a larger magnitude than the correlations between the corresponding promise based fulfillment measures and intentions to remain with the employer.

HYPOTHESIS 12: The correlations between obligation based fulfillment measures and trust in the employer will be significant, positive, and of a larger magnitude than the correlations between the corresponding promise based fulfillment measures and trust in the employer.

Support for hypotheses 10, 11, and 12 would constitute support for an obligation based conceptualization of EPC. Lack of support for hypotheses 10, 11, and 12 would not obviate the need to heed the previously stated admonitions regarding the use of a promise based conceptualization of EPC. For example, in my view, it would still be inappropriate to use the relational contracting concept to describe its antithesis, a promise based conceptualization of contract, without, at a minimum, addressing the manifest departure from Macneil's view of the distinction between promise and obligation.

CHAPTER V

Methods

Overview of Methods

This field study involved the collection and analysis of survey data provided by participants who were solicited from a broad range of organizational settings. The surveys were administered in person (on-site) and via the mail, depending on the source. Participants were randomly assigned to complete obligation, expectation, or promise based forms of a questionnaire assessing EPCs. In addition, all participants completed measures of other variables (e.g., work centrality, job satisfaction) and provided demographic information that was used in the testing hypotheses. Multiple approaches to assessing the equivalence of the alternative measures were employed, including: testing the invariance of the measures' factor structure across forms using LISREL multiple group CFA; evaluating the pattern of observed correlations between different EPC measures and external criteria; assessing the relative "scope" of EPCs measured by the alternative forms examining their mean differences; and evaluating the relative extent to which obligation, expectation, and promise based EPC fulfillment measures correlate with employee job satisfaction, trust, and intentions to turnover.

Sample

Total sample. Data for this study were collected from 1054 participants. All participants were employed; 74.1% were employed full-time (35 or more hours per week). Participants had an average of 13.3 years of work experience (SD=9.6). Tenure with current employer averaged 4.9 years (SD=6.10). Participants were

employed in a wide variety of occupations: managerial positions (18.6%), sales and marketing (5.6%), professionals (9.1%), secretarial and other office help (22.8%), traditional blue collar workers (35.7%), and other occupations not easily classified as white or blue collar (e.g., aerobic instructors, day care providers; 8.2%). A more specific break down of participants' occupations is provided in Table 1.

Sixty-two percent of the participants were female. Their ages ranged from 17 to 66, and the average age was 32.1 (SD=10.8). The racial composition of the sample was as follows: 77.6 % White, 8.6 % African American, 5.5% Hispanic, 5.2 % Asian/Pacific Islander, and 1.3% "Other". Ninety four percent had a high school degree, 72.3% had some college, 32% had a four-year college degree, and 10.2% of the participants had continued their education beyond a four-year college degree.

Sub-samples by source. Participants were recruited from 21 distinct sources. Descriptions of the sub-samples by source are provided in Table 2. The sources contributed sub-samples that varied in size from 3 to 298, constituting between .3% and 28.3 percent of the total sample.

Measures

Employee Psychological Contract Questionnaire (EPCQ). Developing a workable measure of EPCs is a considerable challenge because to some extent, EPCs are conceptualized as idiosyncratic to particular employment relations. In particular, it would be extremely difficult, if not impossible, to develop a widely generalizable measure that uses standard scale items to assess a broad range of discrete obligations. Discrete obligations reflect the most idiosyncratic aspects of EPCs. By definition, they are based

Table 1 Occupations

Occupation	Valid Number	Percent
Managers		
Upper level	39	3.9
First line supervisors	29	2.9
HRM	11	1.1
Other	107	10.7
Subtotal	186	18.6
Sales and marketing	56	5.6
Professionals		
Lawyers	16	1.6
Accountants	11	1.1
Engineers	38	3.8
Scientists	15	1.5
Other professionals	11	1.1
Subtotal	91	9.1
Office workers		
Legal secretaries	27	2.7
Other secretaries	32	3.2
Receptionists	10	1.0
Administrative assistants	38	3.8
Assistants to professionals (e.g., para-legal)	16	1.6
Technical support	18	1.8
General office help	87	8.7
Subtotal	228	22.8
Traditional blue collar		
Production workers	316	31.6
Building & ground maintenance	21	2.1
Other blue collar (e.g., skilled trades)	20	2.0
Subtotal	375	35.7

Table (Cont'd).

Other occupations		
Health care providers	14	1.4
Day care worker	11	1.1
Aerobics instructors/trainers	11	1.1
Food preparation	25	2.5
Food server (e.g. waitress)	21	2.1
Subtotal	82	82
Missing	54	Missing
Total	1054	100.0

Table 2 Description of Subsamples by Source

Source	n	% of total sample	Response rate %	Primary job(s) (>20%)	% full-time	% male	% white	Age M	(SD)
Manufacturer #1	7	.7	50	Production (89%)	100	71.4	100	45	(9)
Manufacturer #2	298	28.3	98	Production (100%)	97.2	21.3	62.1	30.3	(10.3)
Transportation provider	39	3.7	32	Managerial (100%)	100	59	69.2	44.7	(8.9)
Food service provider	36	3.4	71	Managerial (77%)	94.4	36.1	100	37	(9.2)
Liberal arts college	56	5.3	29	Office (54%) Maintenance (32%)	69.6	19.6	94.6	43.7	(9.5)
Private bank	29	2.8	100	Managerial (52%) Office (41%)	89.7	24.1	96.6	36.2	(10.1)
Engineering firm	48	4.6	100	Professional (86%)	100	64.6	97.9	33.3	(7.5)
Environmental testing firm	11	1.0	100	Tech. support (50%) Managerial (25%)	100	45.5	100	38.4	(8.6)
Non-profit housing	13	1.2	65	Managerial (62%)	76.9	15.4	76.9	37.3	(11.2)

Table (Cont'd).

Law firm #1	42	4.0	70	Office (71%) Lawyers (26%)	92.9	16.7	97.6	35.4	(8.5)
Law firm #2	3	.3	60	Secretarial (100%)	66.7	0	100	39	(15.5)
Law firm #3	4	.4	80	Secretarial (50%) Lawyer (50%)	100	25	75	31.5	(5.2)
State prison unit	35	3.3	70	Food service (37%) Managerial (29%)	62.9	37.1	85.7	34	(11.1)
Health club	18	18	72	Aerobic inst. (50%) Day care (28%)	5.6	16.7	94.4	31	(11.2)
Personal service	3	.3	60	Hair stylist (100%)	66.7	0	100	28	(5)
Church congregation	40	3.8	20	Office (34%) Managerial (25%)	82.1	27.5	5	43	(10.7)
Individually solicited	38	3.6	88	Managerial (35%) Professional (24%) Office (22%)	94.7	52.6	94.7	37.6	(9.2)
Executive MBAs #1	38	3.6	84	Managerial (73%) Professional (21%)	97.4	78.9	89.5	38.5	(3.4)
Executive MBAs #2	40	3.8	88	Managerial (70%) Professional (25%)	97.5	82.5	90	36.3	(6.3)

Table (Cont'd).

University undergrads. # 1	164	15.6	90	Office (49%) Sales (20%)	17.2	53.4	89.6	22.4	(2.8)
University undergrads. # 2	58	5.5	100	Office (46%)	17.9	25.9	79.3	22.2	(3.3)
Two-year business college students	34	3.2	100	Production (24%)	73.5	29.4	82.4	25.4	(7.2)

on specific perceived promises (Macneil, 1980), and therefore, are likely to be influenced by the specific promises or representation a given employer makes. In order to assess the most discrete aspects of EPCs, it will be necessary to tailor the EPCQ to the specific unit of interest (organizations, jobs), or to use open-ended questions.

Figure 6 summarizes the approaches that have been used to assess EPCs. A quick review of the figure will confirm that there is no consensus regarding the approach to measure EPCs. In light of this fact, and because previously reported measures of the EPC were viewed as possessing significant limitations for my purposes, a new measure that builds upon previous measures was developed and employed. A primary purpose in developing the EPCQ was to provide a measure of EPC that balances the desire to have a measure with wide generalizability and the desire to capture the important idiosyncratic aspects of EPCs. It may be possible to develop a measure with greater generalizability, and, it is possible to measure EPCs in a way that may identify more idiosyncratic aspects of individual EPCs. The EPCQ, however, seeks a balance.

The original or base form of the EPCQ assesses beliefs about employee-employer *obligations* to each other by asking participants to what extent their employer is obligated to provide specific items (e.g., work that is challenging), and what extent their obligations to their employer included specific items (e.g., working extra hours without extra pay). Participants responded using a five-point Likert scale. In the obligation based form, anchors range from "not at all obligated" to "very highly obligated". The specific anchors were adapted from previously published measures (Rousseau, 1990; Robinson, et al., 1994; Robinson & Morrison, 1995).

Figure 6 Approaches Used To Assess Employee Psychological Contracts

Study	Method/Measure Used To Assess EPC
Argyris (1960)	Field interviews
Levinson et al. (1962)	Field interviews
Jurek (1969)	Questionnaire asking employee and his/her supervisor to indicate the extent to which their needs were being met; items based on six motivator and nine hygiene job factors posited by Herzberg et al. (1959).
Kotter (1973)	Questionnaire asking employee and "employer" to indicate extent to which they expected certain things; items (7) appear to be derived from Berlew and Hall (1966), a study that identified employee-employer expectations through in-company interviews.
Portwood & Miller (1976)	Questionnaire developed by taking the Minnesota Satisfaction Questionnaire, Weiss et al. (1967), and changing the sentence stems to ask employees about how much of the "thing" was expected and how much was received.
Holtz (1978)	Field interviews and a review of company written philosophy, policies, and practices.
Rousseau (1990) Robinson, Kraatz & Rousseau (1994) Robinson & Rousseau (1994)	Questionnaire assessing employee beliefs regarding his/her and employer obligations; items said to include those obligations commonly promised by employers of MBA graduates (based on interviews of HRM managers). The 15 specific items used by Rousseau (1990) and colleagues are reproduced at pages 26-27 of this text.
Ofori-Dankwa (1991)	Questionnaire assessing employee and supervisor expectations; items taken from Leadership Behavior Questionnaire (Fleishman, 1953A; Fleishman, 1953B) for two dimensions of leadership behavior, initiating structure (18 items) and consideration (28 items).
Guzzo, Noonan, & Elron (1994)	Two measures were used. First, a questionnaire (43 items) asked employees to rate the extent to which 43 company practices relating to expatriate managers was provided by employer, and, the extent to which what was provided was different from what "should" be provided; items were based a survey of companies regarding their practices. Second, items from Eisenberger et al. (1986) perceived organizational support measure were used to assess the "status" of employee PCs.
Barksdale (1995)	Questionnaire assessing obligations, adapted from Rousseau and colleagues

The content of the EPCQ, that is, the aspects of employment assessed by the items composing the EPCQ, was determined based upon a review of the literature and the findings of a pilot study that was conducted. The following is a narrative description of the process that was followed.

In conducting a review of the literature and available measures of PCs, those aspects of employment that were being described as within the subject matter of employee PCs were identified. Particular attention was paid to identifying aspects of employment that were consistently included in descriptions of EPCs, across authors, and aspects identified through empirical investigations (e.g., Robinson & Morrison, 1995). An initial questionnaire was constructed that contained 37 items assessing employer obligations and 23 items assessing employee obligations. The questionnaire included adaptations of items from existing measures, and items that I generated to assess obligations that were frequently identified and discussed in literature, but not included in previous measures. For example, a number of authors have discussed the so called "new employee psychological contract," and its emphasis on work - life balance issues. Existing measures, at least those that I have access to, did not contain items regarding this aspect of employment. Also, items assessing obligations thought to be associated with participatory employment relationships were included because of the importance being attributed to participative management by many (e.g., Reich, 1987; Coye & Belohlav, 1995) and because the "new employee psychological contract" is being described as participatory in nature (e.g., Sims, 1994).

The initial questionnaire was pilot tested using 126 undergraduate students. The students held a variety of full-time and part-time jobs. In addition to the scale items, the questionnaire included one open format question asking participants to identify any other obligations that they believed their employer owed them, and one open format question asking them to identify any other obligations that they believe they owed their employer. Approximately one in eight participants identified at least one additional employer obligation. Although there were significantly fewer items in the questionnaire assessing employee obligations, only one in 15 participants identified at least one additional employee obligation. Based on the responses to the open format questions, additional items were generated. For example, the obligation that was most frequently identified in the open format responses was an employer obligation to treat the respondent employee as they would other equally qualified employees, regardless of gender or other personal characteristics.

The items generated up to this point were evaluated to determine if they appeared to fairly represent the range of relational obligations identified in my conceptualization of relational employee-employer obligations (pages 109-114). After reviewing the existing items, a determination was made to generate additional items specifically aimed at assessing both employee and employer relational obligations. Specifically, the additional items were intended to assess employer and employee obligations to be flexible and cooperative in their dealings with each other, a central characteristic of relational contracting (Macneil, 1980).

In summary, the items included in the EPCQ can be categorized by their source as follows:

a) items contained in previous measures and adaptations of previous items;

b) items assessing aspects of employment identified prominently in the literature, but which were omitted from previous, available measures;

c) items based on responses provided in a pilot study to open ended questions regarding employee-employer obligations (support for the items could also be found in the literature); and

d) additional items generated specifically to assess relational obligations.

The final base version of the EPCQ contained 44 items assessing employer obligations and 33 items assessing employee obligations. A copy of the EPCQ is attached as Appendix A. Comparing the content areas of the EPCQ with the facets of job satisfaction assessed by the popular Job Descriptive Index, it can be shown that there are multiple items assessing obligations relating to each of the JDIs's five facets. The EPCQ is, however, broader in scope, including items related to work/non-work life balance, participative management, mutual flexibility, and shared sacrifice. As indicated earlier, the EPCQ does not purport to assess all relevant obligations. It does purport to assess obligations thought to have importance across range of organizations, jobs, and job holders. Findings regarding the factor structure of the EPCQ items will be presented and discussed below.

The base form of the EPCQ, which assessed beliefs about employee-employer *obligations*, was adapted to create two additional forms which assessed employee *expectations* and employee beliefs about employee and employer *promises*. The expectation form asked participants to indicate the extent to which they expected their

employer is to provide specific items and the extent to which they expected to provide their employer specific items. The item stems were identical to those assessed in the obligation form. Participants responded using a 5-point Likert scale, with anchors ranging from "not at all expected" to "very highly expected."

The promise form asked participants to indicate their beliefs regarding the extent to which their employer promised to provide them specific items and their beliefs regarding the extent to which they promised to provide their employer specific items. Again, the item stems were identical to the items contained in the other forms. Participants responded using a 5-point Likert scale, with anchors ranging from "not at all promised" to "very highly promised."

To promote uniformity among participants in their understanding of the operative terms "obligation," "expectation," or "promise," each form provided a definition of the relevant term. Depending on the form, one of the following definitions was provided in the initial instructions and at the top of each page of the questionnaire containing items assessing the EPC:

Obligation form: "An ***obligation*** is a duty or responsibility that is imposed by law, society, promises that are made, or morality ("good conscience")."

Expectation form: "Something is ***expected*** to the extent that you believe that it is ***likely to occur***.

Promise form: "A ***promise*** is a declaration (a clear statement) that one is committed to do or refrain from doing something. A promise may

be made orally (spoken), or in writing, or it may be inferred from conduct which *clearly indicates* that your employer *intended to make a commitment to you*."

Job Satisfaction. Two measures of job satisfaction were employed. A 14 item measure taken from Hackman and Oldham (1985) Job Diagnostic Survey assessed five specific satisfactions: pay (two items), job security (two items), social (three items), supervisory (three items), and growth satisfaction (four items). Responses were made on a 7-point scale. The items measuring each specific facet were averaged to yield five specific satisfaction scores, and responses to all 14 items were averaged to yield a global satisfaction score. Global job satisfaction was also measured with two items used in previous research by Meyer and Allen (1988) and Irving and Meyer (1994): "All things considered, how satisfied are you with your job?" and "considering all jobs that you might realistically have at this point in your career, how does your job compare?" Responses to these items were made on 7-point scales and were averaged to yield global satisfaction scores.

Turnover intentions. Turnover intentions were measured by three items adapted from Cammann, Fichman, Jenkins and Klesh (1979). Adaptations of the Cammann et al. (1979) measure appear prominently in the literature (e.g., Major, Kozlowski, Chao, & Gardner, 1995; Irving & Meyer, 1994; Ostroff & Kozlowski, 1992). Participants respond to one item, "I often think about quitting," using a 7-point scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). The other two items assessed the likelihood that participants would look for a new job and/or leave the organization within the next year.

Participants responded to these items using a 7-point scale ranging from 1 (*not at all likely*) to 7 (*extremely* likely).

Trust. Employee trust in their employer was measured using a scale developed by Robinson and Rousseau (1994). The scale contains 7 items reflecting the bases of trust identified by Gabarros and Athos (1976). Sample items include "In general, I believe my employer's motives and intentions are good" and "My employer is not always honest and truthful." Participants respond using a 5-point Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*).

Work centrality. The primary measure of work centrality was the "Work Involvement Questionnaire" which was developed and validated extensively by Kanungo (1982). The scale contains 6 items assessing individuals' beliefs regarding the degree of importance that work plays in their life. Sample items include "The most important things that happen in life involve work" and "Work should be considered central to life." Participants respond using a 7-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). Work centrality was also assessed with a single item adapted from the measure used by Lundberg and Peterson (1994; referencing The Meaning of Work project, MOW, 1987). Participants respond to the item "Considering *work in general* (without reference to any specific job), overall, how important is work in your life?" using a 7-point scale ranging from 1 (*not at all important*) to 7 (*extremely important*). Post hoc analysis revealed that combining the Kanungo's (1982) 7 item measure the 1 item MOW measure resulted in a combined measure of work centrality

that had psychometric properties superior to either measure alone. Therefore, the combined measure was used in the analyses.

Equity sensitivity. The Equity Sensitivity Instrument (ESI) is a five-item scale developed by Huseman et al. (1985) that identifies a person's preferences for outcomes versus input in a general work situation. The subject has a choice of two responses for each item, one representing a benevolent response, and the other an entitled response. Subjects show their agreement or disagreement with each response by distributing 10 points between the two statements. The instrument is based on the premise that benevolents will allocate more of their points to the benevolent statements than to the entitled statements, entitleds will allocate points conversely, and equity sensitive will allocate their 10 points equally between the statements. ESI scores are the sum of the points allocated to the benevolent statement in each of the five survey items. Thus, scores may range from 0 to 50.

Acceptable coefficient alphas have been consistently reported for the ESI: .83 (Husemen et al., 1985); .79 (Miles et al., 1989); .79 and .77 (Patrick & Jackson, 1991; student and employee samples, respectively); .81 (King, Miles, & Day, 1993); and .81, .82, .88, .81, .79 (King & Miles, 1994; 1 student and 4 employee samples). Test re-test reliability, using a three week interval, and was found to be .80 (Miles et al., 1989.). Finally, evidence of convergent and discriminant validity has been provided by a study that used five samples to assess the correlations between scores on the E.S. and other paper and pencil measures of constructs hypothesized to be related to equity sensitivity and constructs thought to be distinct (King & Miles, 1994). The findings generally supported the predicted relationships.

Perceived extent to which EPC has been fulfilled by employer. Three different versions of the measure of contract fulfillment that correspond with the three different belief elements that are being compared in hypotheses 1 through 12 were created. For each item, participants responded using a using a 5-point Likert scale with the following scale anchors:

Obligation form: "much less than obligated" to "much more than obligated"

Expectation form: "much less than expected" to "much more than expected"

Promise form: "much less than promised" to "much more than promise"

Organization tenure. Organization tenure was assessed with a single item: "How long have you worked for your current employer? ____ Years ____ Months."

Education level. Education level was assessed with a single item that asked participants to circle the highest level of formal education that they had obtained. The response categories included seven levels of education, from "some high, but did not graduate," to "work beyond a masters degree."

Demographics and other sociological facts. Participants were asked to provide general demographic information and other sociological facts, including: age, race, gender, and education level.

Procedures

Participation in the study involved completing a survey that generally required between 15 and 25 minutes to complete. Participants were randomly assigned to one of three survey conditions (obligation, expectation, or promise form), and all received the

same instructions. Practical constraints, however, required some adaptations in how the survey was administered to participants across data sources.

Administration of surveys in groups, on site. Most participants (723) were administered the survey in groups, either at their workplace or in their classroom. Once the group had assembled in a single room, informed consent forms were distributed and an announcement was made indicating that the purpose of the survey was to examine "certain employee attitudes and beliefs" about their relationship with their employers. The voluntariness and confidentiality of responses were stressed. In addition to the consent form, participants who completed the survey at their place of work received a cover letter confirming the announcement, the voluntariness of participation, and the confidentiality of responses. They were also given a large envelope in which the completed survey could be sealed before it was returned. Participants were asked to read the informed consent form, and if in agreement, sign it. Participants were randomly assigned to one of the three survey conditions, identified above. Executed consent forms and completed surveys were collected separately. After completing the survey, participants were given an opportunity to ask questions.

Alternative administration of surveys to groups. When practical constraints precluded on site administration of the survey in groups, an alternative procedure was employed. Once the number of potential participants in the targeted group was identified, individual survey packets were prepared. Each packet included an informed consent form, one of the three versions of the survey, and a cover letter, which were all placed in a large, stamped return envelope addressed to Mark V. Roehling,

Management Department Michigan State University. The cover letter provided the same instructions as those provide participants administered the survey on site, except that instead of returning the questionnaire directly to the researcher, they were instructed to place the completed questionnaire in the return envelope, seal the envelope, and return it via the mail. The survey packets were distributed to participants by their employer.

Administration of surveys to church group. As part of an effort to obtain a diverse sample, participants were solicited through a church group. Two hundred survey packets were prepared for distribution to church members based upon estimates provided by church personnel. The cover letter that was included in the packets was adapted to reflect the fact that a small financial contribution would be made to the church for each completed survey that was returned by a church member. On two consecutive Sundays, an announcement regarding the study was made in church, and survey packets were made available after the service. Church members who elected to participate picked up a survey packet from the back of the church after the service had ended, completed the survey at home, and returned the completed survey to a collection box placed in the church.

Administration of surveys to individuals. Thirty-eight participants were solicited individually, through personal contacts. They were given a survey packet which included the materials described above and a 3" x 5" post card. They received the same instructions as those participants who were administered the questionnaire in groups, except that instead of returning the questionnaire directly to the researcher,

they were instructed to place the completed questionnaire in the return envelope, seal the envelope, and return it via the mail. Because feedback through their respective employers was not available, individually solicited participants were also instructed that if they desired additional information regarding the study, they could provide the researcher their address or phone number on the enclosed 3" x 5" card and they would be contacted (Note: All participants received a consent form that provided them the researcher's address and phone number and instructed them that they could contact the researcher if they wanted more information about the study).

Analytic Procedures

Hypotheses 1A -2B: Overview of LISREL multiple-group CFA analyses. To test Hypotheses 1A, 1B, 2A, and 2B, the factor structure, maximum likelihood estimates of factor loadings, factor intercorrelations and unique residual variances were examined with LISREL VIII (Jöreskog & Sörbom, 1993). LISREL provides for the simultaneous assessment of relationships in a hypothesized model. In confirmatory factor analysis, LISREL allows the examination of models based on various assumptions about factor patterns, factor loadings, factor intercorrelations, and uniquenesses that are fixed to equal or specific values or to other parameter estimates, or allowed to be free to take on any value.

Models for the employer and employee sides of the EPC were evaluated separately because predictive or causal relationships between employee and employer sides of EPC are not a focus of the study and, more importantly, such potential relationships would create specification problems if both sides were simultaneously

included in the analysis. General support for this decision based on the identified concern is provided by Riordan and Vandenberg (1994) and Vandenberg and Self (1993). I would also note that reported factor analysis of EPC measure have evaluated employer and employee sides separately (e.g., Robinson et al., 1994).

For the multiple-group analyses, a covariance matrix for the relevant EPC items (employer side or employee side) was calculated for each of the three forms. The following models were then estimated with LISREL and compared sequentially on the basis of fit: (a) Model 1, the pattern of factor loadings was held invariant across forms; (b) Model 2, the pattern of factor loadings and the factor loadings were held invariant across forms; (c) Model 3, the pattern of factor loadings, the factor loadings, and the errors were held invariant across forms; and (d) Model 4, the pattern of factor loadings, the factor loadings, the errors, and the variances/covariances were held invariant across forms. The four models are nested hierarchically, with Model 1 being the least restrictive and Model 4 being the most restrictive. Evidence that a less restrictive model fit the data provided a basis for testing models that incorporated greater restrictions.

Assessing model fit. LISREL VIII provides a chi-square value indexing the extent to which the observed covariance or correlation matrix differs from the reproduced matrix implied by the model parameters. In the case of multiple-groups confirmatory factor analysis, the chi-square represents the fit in all groups taken simultaneously. However, because the chi-square value is dependent on sample size, large samples may result in significant chi-squares even for appropriate models

(Jöreskog, 1979). This consideration has lead a number of researchers to propose the use of the ratio of chi-square to degrees of freedom as a measure of model fit. There is, however, no consensus regarding how large the ratio can get before requiring the conclusion that a model is unsatisfactory. Researchers have recommended using ratios as high as 5 to 1 (Wheaton, Muthen, Alwin, & Summers, 1977) and as low as 2 to 1 (Bryne, 1989). The average of these recommendations, a maximum chi-square/df ratio of 3.5 to 1, was used as an upper boundary in assessing the fit of the models investigated in the present study.

When comparing the fit of nested models, researchers using LISREL multiple-group analysis have uniformly employed the chi-square difference procedure to obtain incremental chi-square values. The incremental chi-square difference values are not as prone to problems associated with the over-all chi-square test of model fit (Bollen, 1989; Riordan & Vandenberg, 1994). A significant worsening of fit (i.e., a statistically significant chi-square difference) would indicate that the equality constraint placed in a model was inappropriate, and as a result, the given null hypothesis should be rejected.

A variety of other fit indices have been employed less uniformly in multiple-group analysis. In additional to the incremental chi-square values, Hattrup, Schmitt, & Landis (1992) focused on the non-formed fit index (NNFI) described (by Tucker and Lewis, 1973) to assess the appropriateness of each model they tested. The NNFI is derived by comparing the chi-square/degree of freedom ratio for each model tested with that of a null model specifying zero covariances among measures and sample

invariant variances to see how much better the model fits compared to the null model. Hattrup et al. (1992) provided two reasons for their focus on the NNFI. First, the NNFI has been shown to be relatively insensitive to sample size (Marsh, Balla, & McDonald, 1988). Second, although increasing the number of parameters to be estimated generally increases the value of other fit indices (e.g. Goodness of Fit (GFI)), the NNFI controls for the number of estimated parameters by including the degrees of freedom of models in its computation (Marsh et al., 1988). As a result, more parsimonious models will yield higher NNFI values when all else is equal. For these reasons, the NNFI was one of the indices relied upon in the present study. Other fit indices used in previous studies employing LISREL multiple-group CFA to assess equivalence were also taken into account in the present study, but given less weight. They include the GFI, the root mean square error of approximation (RSMEA), and the comparative fit index (CFI).

Specification of the EPCQ factor structure. The specification of the factor structure to be tested in the multiple-group analyses was based on an analysis of item content and the results of exploratory and confirmatory factor analyses that were conducted using data from only one of the three groups, the group completing the obligation form of the EPCQ.[11] Several published studies have used the results of

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[11] As indicated, above, pilot data from an earlier version of the EPCQ was previously factor analyzed and the results lead to modifications that are included in the present form. The earlier version of the EPCQ was further modified based on considerations other than the results of the pilot testing and the guidance it provided regarding the items' factor structure. For example, several items were added to facilitate the assessment of the replicability of the findings from previous factor analytic studies (e.g., Robinson et al., 1994).

exploratory factor analyses on data provided by a given sample to guide the specification of a factor structure that was subsequently tested using LISREL multiple-groups confirmatory factor analysis of data from the same sample (e.g., Peterson & Smith, 1995; Drasgow & Kanfer, 1985).. The decision not to split the obligation sub-sample to provide a hold out sample that could be used for cross validation purposes results in less evidence of the generalizability of the structure beyond the combined sample used in the present study, but, it increases confidence in the guidance that was provided by the exploratory factor analysis.

Hypotheses 3A, 3B, 4A, 4B. An additional analysis of the equivalence of the different EPC forms was obtained by correlating responses to the different forms with external criteria. This analysis involved three general steps. First, correlational analyses were conducted within each group to assess the relationship between EPCQ measures completed by the group and the external criteria. Second, correlations obtained in the expectation and promise groups were compared with corresponding correlations from the obligation group, and the significance of observed differences were tested using the z-test for testing the significance of differences between independent correlations (Glass & Hopkins, 1984). Third, the resulting evidence of the pattern of relations between EPC measures and external criteria were examined to assess similarities and differences across forms.

The following ten EPCQ based variables were calculated and included in the correlational analyses: overall level of response to employer items (the sum of responses to items 1 through 44 assessing beliefs about what the employer is to give or

provide the employee), overall level of response to employee items (the sum of items 1 through 33 assessing beliefs about what the employee is to give or provide the employer), scores on four employer item sub-scales (employer core, enriched work, balance, high pay), and scores on four employee item sub-scales (employee core, sacrifice, extra role, stay). All sub-scales were based on the results of the factor analytic procedures described above (the specific results of the procedures are discussed below). Sub-scale scores were calculated by summing the responses to the EPCQ items that were identified as loading on the factor that the sub-scale represents. The EPCQ measures were correlated with the following criteria: equity sensitivity, work centrality, tenure, education, trust in employer, gender, and age.

In addition, although not strictly required to test Hypotheses 3A, 3B, 4A, and 4B, hierarchical regression analysis was conducted to investigate the extent to which equity sensitivity, work centrality, tenure, education, trust in employer, gender, and age combined to explain variance in the EPC factor-based sub-scales (described above). The variables were entered in four steps, in the following order: 1) gender, age; 2) work centrality, equity sensitivity; 3) education, tenure; and 4) trust in employer. Comparisons of the obtained adjusted cumulative R^2 and the patterns of incremental changes in R^2 were made across the three forms of the EPCQ.

Hypotheses 5A & 5B. Hypothesis 5A and 5B make predictions regarding the average number of items included in obligation, expectation, and promise based EPCs. These hypotheses were tested by calculating the average number of items that participants identified as being part of their EPC and comparing the relevant means.

Operationally, an item was deemed part of a participant's EPC if the subject's response to the item indicates that there is at least some obligation, expectation, or level of promise - depending on the relevant item set (i.e. the response was > 1, indicating an obligation, expectation or promise).

Support for hypothesis 5A will be provided if the average number of items in the obligation based measure of EPC is greater than the average number of items in the promise based measure. Support for hypothesis 5B will be provided if the average number of items in the expectation based measure of EPC is greater than the average number of items in the obligation based measure. The significance of mean differences were tested using separate planned t-test comparisons for each hypothesis.

Hypotheses 6A & 6B. To test the hypotheses regarding mean responses to corresponding obligation, promise, and expectation based measures, responses across forms were compared at three levels: "overall" response level, the factor or sub-scale level, and the individual item level. First, group differences in overall response level were assessed separately for employer side and employee side items. This involved testing mean group differences on two variables: the sum of responses to all employer side items (1 through 44), and the sum of responses to all employee side items (1 through 33). The significance of mean differences were tested using two separate planned t-test comparisons of the relevant group means.

Second, group differences in sub-scale (factor based) scores across forms were assessed using two multivariate analysis of variance (MANOVAs). The first MANOVA focused on the employer side; scores on the following sub-scales were

included as the dependent variables: employer core, enriched worked, balance, and high pay. The second MANOVA focused on the employee side; scores on the following sub-scales were included as the dependent variables: employee core, sacrifice, extra role, and stay. Univariate analyses were conducted using planned t-test comparisons to further explain MANOVA findings indicating significant group s differences.

The third level of analysis was the individual item level. All items were used, even those not included in the formation of the sub-scales. Group differences in responses to individual items were assessed using two MANOVAs. The first focused on the employer side items, including items 1 through 44 assessing beliefs about what the employer is to give or provide the employee as dependent variables. The second MANOVA included items 1 through 33 assessing beliefs about what the employee is to give or provide his or her employer as dependent variables. Follow up univariate analyses were conducted using planned t-test comparisons to further explain significant MANOVA results.

Hypotheses 7 - 12. The testing of Hypotheses 7 -12 involved two steps. First, correlational analyses were conducted within each group to assess the relationship between the EPC fulfillment measures completed by that group and external criteria. Second, the correlations that were obtained from the groups that completed the expectation based and promise based fulfillment measures, respectively, were compared with corresponding correlations from the group that completed the obligation based fulfillment measure, and the significance of observed differences was tested using the z-

test for testing the significance of differences between independent correlations (Glass & Hopkins, 1984).

Five fulfillment measures were calculated and included in the correlational analysis. An overall level of fulfillment score was calculated by summing the responses to all 42 fulfillment items. In addition, four fulfillment sub-scales scores were calculated by summing the responses to the fulfillment items that corresponded with the previously described, factor based employer EPC sub-scales: employer core, enriched work, balance, and high pay. For example, the employer core fulfillment sub-scale assessed the extent to which the employer was perceived as fulfilling core obligations (or expectations or promise, depending on the form).

The fulfillment measures were correlated with nine criteria: two measures of global job satisfaction, trust, intention to turnover, and measures of five specific facets of job satisfaction (growth satisfaction, pay satisfaction, job security satisfaction, social satisfaction, and satisfaction with supervision).

While Hypotheses 7 to 12 make predictions regarding *individual* corresponding fulfillment measures and their respective relationship to job satisfaction, trust, and intentions to turnover, the hypotheses imply that the five obligation based fulfillment measures will combine to explain more variance in job satisfaction, trust, and turnover intentions than either the combined expectation based or combined promise based fulfillment measures. Hierarchical regression analysis was conducted to test these implied predictions.

It was reasoned that the relationship between fulfillment and the criterion may be stronger when the employer is being perceived as not fulfilling its obligations (or expectations or promises) than when the employer is perceived as meeting or exceeding them. In other words, the negative effect of an employer being perceived as not meeting its obligations may be greater than the positive effect (if any) of being perceived as exceeding its obligations. To test for potential nonlinear aspects of the investigated relationships, the hierarchical regressions included a polynomial term for each of the fulfillment variables.

The predictor variables were entered in four steps, in the following order: 1) core fulfillment variable; 2) work/non-work balance, high pay, and meaningful work fulfillment variables; 3) overall fulfillment variable (all 42 fulfillment items); and 4) five polynomial terms (a square term for each of the five variables entered in steps 1, 2, and 3). Comparisons of the obtained cumulative R^2 and the patterns of incremental changes in R^2 were made across the three forms of the EPCQ.

CHAPTER VI

Results

Internal Consistencies of Measures (other than EPC based measures)

The internal consistencies of all measures were determined by calculating the coefficient alphas corresponding to each scale. These values for measures other than those based on the EPCQ (which are reported later) are provided in Table 3 (p. 218). All alphas were acceptable (all greater than .70; Nunnally, 1978), with the lowest value equal to .73. The means and standard deviations of these variables are also presented in Table 3.

Effectiveness of randomization procedure.

To assist in establishing that any observed difference between the groups were attributable to the differences in the form of the EPCQ that the groups completed (obligation, expectation, or promise), group differences on all variables used to test hypotheses except those intentionally varied by group (i.e., variables based on the different forms of the EPCQ) were assessed using one of two types of analyses. Differences among groups for gender and race were assessed using chi squared tests. There were no significant differences in the gender composition ($\chi^2=1.28$, df=2, ns) or racial composition ($\chi^2= 11.2$, df=8, ns) of the three groups. A one-way analysis of variance testing for group differences was performed for each of the remaining variables. The results are presented in Table 4. No significant differences were found at the $p < .05$ level. The randomization procedure was reasonably effective in avoiding group differences that might confound results.

Table 3 Alpha Coefficients, Means, and Standard Deviations of Measures

Measure	Alpha	Number of items	M	SD
Equity Sensitivity	.74	5	27.6	6.8
Work Centrality	.77	7	27.0	7.1
Trust	.91	8	39.2	10.2
Turnover intention	.83	3	10.2	5.8
Global Job Satisfaction				
Job Satisfaction 1	.91	14	66.7	14.1
Job Satisfaction 2	.78	2	10.0	2.6
Job Satisfaction Subscales				
Growth Satisfaction	.86	4	19.6	5.0
Pay Satisfaction	.87	2	9.0	3.1
Social Satisfaction	.73	3	16.2	8.9
Security Satisfaction	.81	2	10.1	2.8
Supervision Satisfaction	.89	3	14.8	4.3

Table 4 Assessing the Effects of Randomization: Results of One-Way ANOVAs

	Form										
	Obligation			Expectation			Promise				
Variable	M	n	SD	M	n	SD	M	n	SD	F ratio	F Prob.
Age	32.1	(521)	10.8	32.4	(254)	11.0	31.7	(251)	10.6	.36	.706
Tenure	4.9	(521)	5.8	4.9	(255)	5.8	4.6	(254)	6.5	.20	.826
Equity Sens.	26.9	(527)	6.4	27.6	(252)	6.8	27.8	(249)	6.7	1.96	.141
Trust	39.5	(503)	10.3	39.1	(248)	9.4	38.8	(250)	10.7	.33	.716
Education	3.6	(530)	1.5	3.7	(257)	1.5	3.7	(254)	1.5	.01	.995
Work Cent.	26.4	(394)	6.9	27.3	(191)	7.4	27.8	(200)	7.3	2.53	.080
Turnover	10.2	(483)	10.2	10.0	(232)	5.7	10.6	(230)	6.0	.68	.507
Job satis. 1	69.6	(474)	14.2	70.0	(229)	12.8	68.3	(226)	14.1	.92	.400
Job satis. 2	10.0	(484)	2.6	9.9	(230)	2.6	9.8	(231)	2.7	.39	.677
Sat. growth	19.6	(474)	5.1	19.6	(229)	4.5	19.3	(226)	4.9	.27	.763
Sat. pay	8.9	(474)	8.9	9.2	(229)	2.9	8.5	(226)	3.1	2.88	.057
Sat. social	16.3	(474)	2.9	16.2	(229)	2.9	15.9	(226)	3.1	1.37	.255
Sat. security	10.0	(474)	2.8	10.1	(229)	2.5	9.8	(226)	2.8	.67	.514
Sat. superv.	14.7	(474)	4.3	14.7	(229)	4.1	14.6	(226)	4.5	.05	.952

Peliminary Factor Analyses Using Obligation Group Data Only

Principal axis factor analyses. Separate principal axis factor analyses employing varimax rotation were conducted for items assessing each side of the EPC. The items that were retained met the following criteria: 1) a largest loading of over .5, 2) no other loadings over .4, and 3) item content that was consistent with the content of other items included in the factor. In summary, items that loaded weakly, cross-loaded, or did not make substantive sense were eliminated.

Using the minimum Eigenvalue of 1.0 criterion, the principal axis factor analyses of the obligation sub-sample resulted in the specification of four employer obligation factors that accounted for 53 percent of item variance and four employee factors that accounted for 45 percent of the item variance. The items which were identified as indicators of the respective latent factors and their factor loadings are presented in Table 5 (employee side) and Table 6 (employer side).

CFA. Measurement models for employer and employee sides of the EPC based on the factor structures indicated in Tables 5 and 6 were assessed using LISREL VIII CFA. As stated earlier, only data from obligation forms were used in this analysis. Fit indices for the measurement models are reported in Table 7 . The chi-square/df ratios and pattern of other fit indices indicate a reasonably good fit between the models and the data. T-values for all parameters were significant at the $p < .05$ level. The modification indices suggested further modifications that would modestly

Table 5 Principle Axis Factor Analysis *Employee* Side Items - Obligation Group Only

Item #	Item	Factor loadings			
		1	2	3	4
Core (fundamental employee obligations; highly endorsed across jobs)					
22	Perform all assigned job tasks to the best of your ability	**.78**	.12	.17	.00
20	Show up for work on time	**.75**	-.07	.03	.11
30	Follow all company rules and policies	**.74**	.04	-.02	-.05
17	Show up for work every day that you are scheduled to work, so long as you are physically able to do so	**.74**	.09	.08	.04
28	Let your employer know if you have complaints about the way you are being treated	**.61**	.02	.21	.14
Sacrifice (obligations to make sacrifices, share in the burdens associated with the employment relationship)					
6	Work extra hours even if it does not involve extra pay	-.09	**.76**	.20	-.10
12	Place company goals ahead of your personal goals on some occasions	.06	**.68**	.05	.24
13	Conduct your personal life so as not to hurt the public image of your employer	.17	**.65**	.16	.18
8	Make adjustments in your personal life (family, friendships, social activities) to meet changing demands on your job	.12	**.64**	.13	.18
25	Make personal sacrifices when the company is experiencing hard times	-.04	**.62**	.15	.26

Table 5 cont'd

"Extra-role" (obligations to engage in behaviors traditionally viewed as beyond role requirements for many jobs)					
2	Come up with ideas or suggestions for improving your employer's operations	.16	.28	**.80**	.04
3	Help your co-workers who are having difficulty performing their job	.12	-.01	**.76**	.22
1	Volunteer to do things at work that are not formally required by your job	.00	.27	**.68**	.18
29	Look for new ways to contribute to the organization's success	.37	.37	**.60**	.04
"Stay" (obligations to stay with the organization; normative commitment)					
9	Not seek a new job with another employer so long as your present employer is meeting its obligations to you	.06	.17	.13	**.79**
10	Have good reasons for leaving your employer	.17	.15	.07	**.72**
32	Spend a minimum of two years in the organization	-.06	.25	.23	**.65**

Factor 1 = Employee core
Factor 2 = Sacrifice
Factor 3 = "Extra role"
Factor 4 = Stay with the organization

Table 6 Principle Axis Factor Analysis, *Employer* Side - Obligation Group Only

Item #	Item	Factor loadings			
		1	2	3	4
Core (fundamental employer obligations; highly endorsed across jobs)					
32	Treat you with respect	**.81**	.11	.10	.02
28	Provide you with a chance to tell your side of the story when you believe that you have been treated unfairly by your immediate boss or supervisor	**.76**	.06	.15	.13
30	Have good reasons or "good cause" for terminating your employment	**.77**	.03	.04	.11
43	Provide you the same opportunities given others with your capabilities and performance history	**.72**	.00	.08	.07
36	Provide materials and equipment necessary to perform your job	**.71**	.03	.17	.06
31	Provide explanations that make sense to you when making decisions about your job	**.68**	.15	.13	.28
18	Provide you a safe work place	**.67**	-.05	.01	-.06
16	Provide you regular feedback about how you are performing your job	**.65**	.19	.09	.15
Enriched Work (obligations to provide work that is meaningful and challenging)					
1	Provide you work that is challenging	.12	**.88**	.09	.11
4	Provide you work that is interesting	.00	**.84**	.18	.20
10	Provide you work that gives you a sense of purpose	.16	**.78**	.26	.19
13	Provide you work that gives you a great deal of responsibility	.05	**.72**	.30	.22

Table 6 cont'd

Work-Non-Work Life Balance					
2	Allow you time off from work to participate in non-work activities that are important to you	.04	.19	**.75**	.02
12	Be flexible in its practices in order to allow you to try to balance your work and personal lives	.18	.27	**.71**	.12
44	Take into account your non-work life (family, relationships, non-work activities) that are important to you	.12	.15	**.69**	.19
35	Accommodate your work scheduling request when possible	.26	.13	**.61**	.34
High Pay					
20	Pay you a bonus based on the organization's performance	.04	.24	.14	**.79**
24	Provide you a level of pay that is "high" when compared to what most other employers are paying people performing your kind of job	.07	.26	.18	**.76**
33	Give you regular pay increases	.39	.13	.21	**.67**

Factor 1 = Employer core
Factor 2 = Enriched work
Factor 3 = Work/non-work balance
Factor 4 = High pay

Table 7 Results of LISREL Confirmatory Factor Analysis - Obligation Group Only

Model	χ^2	df	NNFI	RMSEA	GFI	CFI
Employer obligations	430.5*	146	.92	.061	.92	.94
Employee obligations	348.1*	113	.89	.063	.93	.91

*$p<.05$

increase the models' fit, but further modification was rejected based on substantive considerations.

Figures 7 and 8 present the hypothesized measurement models for the employer and employee sides of the EPCQ that were derived from the preliminary factor anlayses procedures outlined above, and which were subsequently assessed using multiple-group CFA to test hypotheses 1A, 1B, 2A, and 2B.

Multiple-group CFA

Employer side models. Table 8 shows the results of the multiple-groups analysis across the three forms of the EPCQ. The overall chi-square value was significant for each of the four models, which is not surprising given the relatively large sample size. Only model 4 had a chi-square/df ratio that was greater than 3.5 to 1.

The chi-square/df ratio of 2.56 to 1 and NNIF value of .90 both indicate that Model 1 fits reasonably well across the three forms, providing support for the equivalance of factor patterns across the three forms. It appears that the different forms of the EPCQ elicit the same conceptual framework.

As a test of the hypothesis that the factor loadings are equal across forms of the EPCQ, the chi-square of Model 2 was compared with the chi-square of Model 1. The difference was found to be significant, meaning that the hypotheses that the factor loadings are equal across forms must be rejected on a statistical basis. However, the difference in NNIF is relatively small (.01), raising the issue of Model 2's relative fit from a practical standpoint.

Figure 7 Measurement Model Employer's Side

Error Variances Theta Delta | Items | Latent Factors

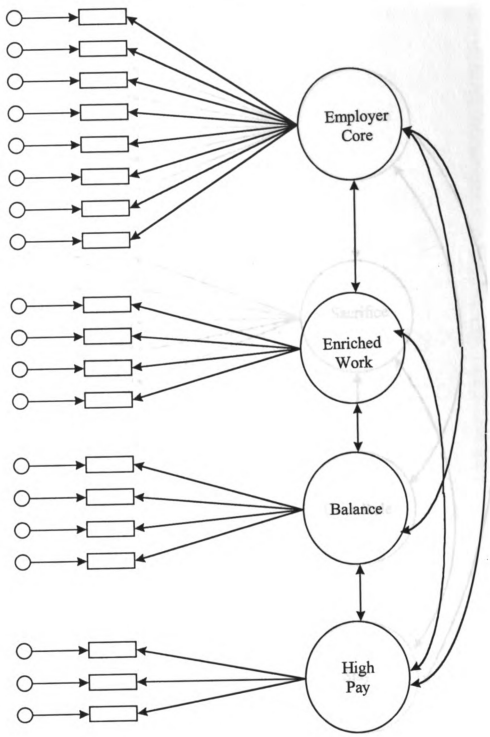


Figure 8 Mesurement Model Employee's Side

Error Variances Items Latent Factors

Theta Delta

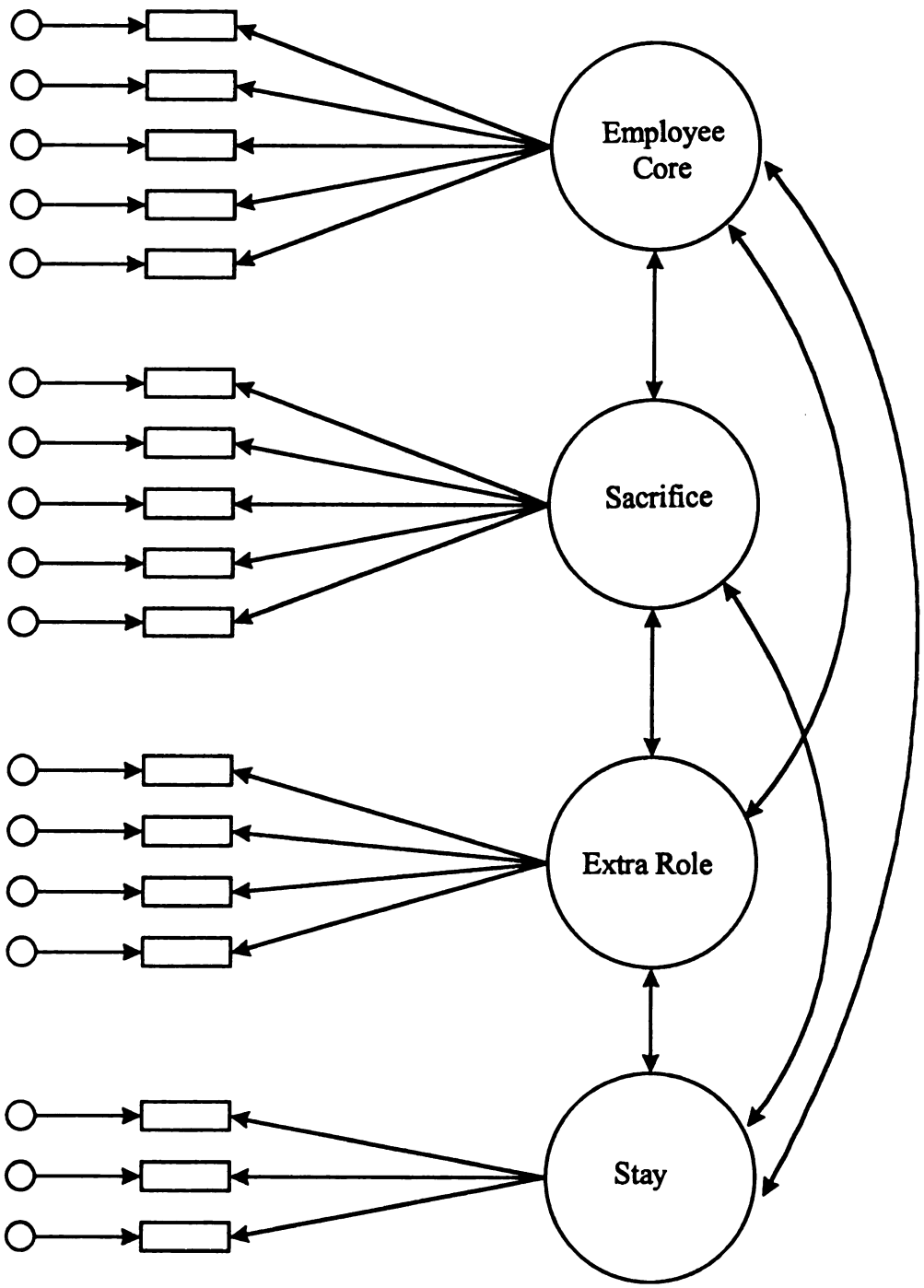


Table 8 Results of LISREL Multiple-Group Analysis of Equivalence: Employer Items

Model	χ^2	df	$\Delta\chi^2$	Δdf	NNFI	RMSEA	GFI	CFI
Equal factor pattern	1121.5*	438	NA	NA	.90	.04	.89	.90
Equal factor pattern and loadings	1204.5*	450	83*	12	.89	.04	.88	.90
Equal factor pattern loading and errors	1354.3*	488	149.8*	38	.89	.04	.85	.89
Equal factor pattern loading, errors, and variances/covariances	1869.1*	526	514.7*	38	.84	.05	.79	.84

*$p<.05$

The difference in chi-square between Model 3 and Model 2 was significant, meaning that the hypothesis of equal errors across forms must be rejected on a statistical basis. However, there was no difference in NNIF values between the models, again raising issue of the model's relative fit from a practical standpoint.

The chi-square of Model 4 was significantly different from Model 3 and there was a .05 decrease in the NNFI value to .84. Therefore, the hypothesis of equal covariance among factors across forms must also be rejected. The correlation among the latent factors were not invariant across the three forms. On the whole, the results suggest that the model that fits the data best is Model 1, the model which posits congeneric equivalence.

Employee side models. Table 9 shows the results of the multiple-groups analysis of the employee side measurement models across the three forms. Again, the overall chi-square was significant for each of the four models. The chi-square/df ratio for Model 1 is 2.75 to 1, within the range of ratios that have been viewed as acceptable in the literature. The .04 RSMEA for Model 1 indicates a close fit (Brown & Cudek, 1993). However, the NNIF value of .86 is below the .90 value often used as an indicator of a "good fit" (e.g., Vandenberg & Self, 1993). A review of studies using LISREL CFA to assess the equivalence of measures found that it is not unusual for models with indices values somewhat lower than .90 to be judged to have an adequate, reasonable, or moderate fit (e.g., Peterson & Smith,1995; Rahim & Magner, 1995; VanDeVijver & Harsveld, 1994). The overall pattern of the fit

Table 9 Results of LISREL Multiple-Group Analysis of Equivalence: Employee Items

Model	χ^2	df	$\Delta\chi^2$	Δdf	NNFI	RMSEA	GFI	CFI
Equal factor pattern	932.7*	339	NA	NA	.86	.04	.89	.89
Equal factor pattern and loadings	957.8*	351	25.1*	12	.86	.04	.88	.88
Equal factor pattern loading and errors	1063.7*	385	105.9*	34	.86	.04	.86	.87
Equal factor pattern loading, errors, and variances/covariances	1319.5*	419	255.8*	34	.83	.05	.82	.83

*$p<.05$

indices indicates that Model 1 fits the data fairly well; the fit of model provides evidence adequate for postulating the same number of factors across forms.

As a test of the hypothesis that the factor loadings are equal across forms of the EPCQ, the chi-square of Model 2 was compared with the chi-square of Model 1. The difference was found to be significant, meaning that the hypotheses that the factor loadings are equal across forms must be rejected on a statistical basis. There was no change in the NNFI, raising the issue of Model 2's relative fit from a practical standpoint.

The hypothesis of equal errors across forms must also be rejected from a statistical standpoint, as the chi-square of Model 3 was significantly different from Model 2. The difference in chi-square between Model 4 and Model 3 was significant and there was a .03 decrease in the NNFI value. Therefore, the hypothesis of equal covariance among factors across forms must also be rejected.

As a whole, the LISREL multiple-groups CFA of the models provides evidence that obligation, expectation, and promise based forms of the EPCQ loaded on shared constructs. For both employer side and employee side measurement models, the model which represents the factor analytic corollary of congeneric equivalence, Model 1, fit the data best. Model 1 fit the employer side data well. However, the fit of Model 1 to the employee side data was judged to be only adequate.

While the LISREL multiple-groups CFA provides evidence that the obligation, expectation, and promise based forms elicit the same conceptual framework, the

findings also suggest that the forms may have differential loadings, specific variance, or differential reliabilities. Thus, observed scores should be expected to differ across forms, and firm conclusions about the equivalence of forms in relating to external criteria cannot be made without additional evidence.

Correlations with external criteria.

An additional analysis of the equivalence of the different EPC forms was obtained by correlating responses to the different forms with external criteria. As discussed earlier, ten EPCQ based variables were calculated and included in the correlational analyses: overall level of response to employer items, overall level of response to employee items, scores on four employer item sub-scales, and scores on four employee item sub-scales. All sub-scales were based on the results of the factor analytic procedures described above.

The evidence supporting a finding of congeneric equivalence among the EPC forms supports the use of the factor based sub-scales to make comparisons across forms. The internal consistencies of the EPC based measures were determined by calculating the coefficient alphas corresponding to each scale by group/form. These values, and the scale means and standard deviations, are provided in Table 10.

The results of the analyses investigating the correlations between the EPC measures and external criteria are presented in Table 11. The most salient differences and the most salient similarities both involved the same external criterion, trust. Focusing on employer side EPC measures, of the five correlations between trust and the five EPC measures that were obtained in the obligation group, four were

Table 10 Means, Standard Deviations, and Coefficient Alpha for EPC Measures: Total Item Scores and Sub-Scales

	n	M	SD	α	Adjusted α
Employer Items					
Total Item Score (44 items)					
Obligation form	522	151.9	29.6	.96	.96
Expectation form	254	156.8	28.1	.95	.95
Promise form	252	126.4	31.5	.95	.95
Sub-Scales					
Core (8 items)					
Obligation form	534	33.8	5.7	.88	.88
Expectation form	256	39.0	6.2	.88	.88
Promise form	255	25.8	6.7	.84	.84
Enriched Work (4 items)					
Obligation form	537	11.1	4.1	.88	.88
Expectation form	260	13.5	3.6	.82	.82
Promise form	256	11.3	4.1	.84	.84
Balance (4 items)					
Obligation form	535	12.1	3.6	.74	.74
Expectation form	258	13.5	3.2	.67	.67
Promise	257	12.0	4.4	.82	.82
High Pay (3 items)					
Obligation form	536	8.6	3.2	.75	.75
Expectation form	260	9.2	3.0	.61	.61
Promise form	256	7.5	3.0	.49	.50

Table 10 con't

Employee Items	n	M	SD	α	Adjusted α
Employee Total (33 items)					
Obligation form	520	118.7	17.2	.90	.92
Expectation form	249	127.3	19.9	.90	.91
Promise	249	108.7	22.7	.93	.94
Sub-scales					
Core (5 items)					
Obligation form	535	22.2	2.8	.77	.79
Expectation form	258	22.1	2.6	.72	.75
Promise form	257	20.5	3.5	.75	.77
Sacrifice (5 items)					
Obligation form	534	14.1	4.2	.75	.75
Expectation form	260	15.9	3.9	.70	.71
Promise form	257	13.0	4.6	.74	.74
"Extra-role" (4 items)					
Obligation form	533	13.7	3.3	.78	.78
Expectation form	260	15.4	2.7	.68	.69
Promise form	257	13.0	3.9	.80	.80
Stay (3 items)					
Obligation form	536	7.8	3.1	.67	.67
Expectation form	258	10.4	3.0	.66	.66
Promise form	255	7.3	3.5	.68	.68

Table 11 Correlations Between EPC Measures and Equity Sensitivity, Work Centrality, Education, Tenure, Trust, Gender, and Age

	Equity Sensitivity	Work Centrality	Education	Tenure	Trust	Gender	Age
Employer's side	r (n)	r (n)	r (n)	r (n)	r (n)	r (n)	r (n)
Overall level (total item score)							
Obligation	.02 (512)	.15** (386)	-.18** (515)	-.08 (507)	**.09* (488)**	.12** (517)	-.05 (507)
Expectation	.14* (246)	.11 (187)	-.04 (251)	-.14* (249)	**.36** (242)**	.02 (253)	-.17**(248)
Promise	.15* (244)	.17* (196)	-.07 (249)	-.12 (249)	**.36** (245)**	.01 (250)	-.06 (246)
Subscales							
Core							
Obligation	.03 (524)	**-.09 (392)**	-.03 (527)	**-.01 (518)**	**.13** (500)**	.14** (529)	**.03 (518)**
Expectation	.13* (248)	.03 (189)	-.07 (253)	**-.19**(251)**	**.38** (244)**	.05 (255)	**-.17**(248)**
Promise	.11 (247)	**.16* (198)**	-.01 (252)	-.13* (252)	**.40** (248)**	.03 (253)	**-.13* (249)**
Enriched							
Obligation	.06 (527)	**.31** (394)**	**-.11* (530)**	-.05 (521)	.08 (503)	-.01 (532)	-.06 (521)
Expectation	.07 (252)	**.14 (191)**	**.20** (257)**	.03 (255)	.19** (248)	-.06 (259)	-.11 (254)
Promise	.08 (248)	**.16** (199)**	.00 (253)	-.15* (253)	.10 (249)	-.01 (254)	.03 (250)
Balance							
Obligation	-.01 (525)	.09 (392)	**-.06 (528)**	-.15**(519)	**.06 (501)**	.03 (530)	-.21**(519)
Expectation	.03 (250)	.07 (191)	**.09 (255)**	-.02 (253)	**.27** (246)**	-.06 (257)	-.18**(252)
Promise	.02 (249)	.03 (200)	.00 (254)	-.11 (254)	**.29** (250)**	.04 (255)	-.19**(251)
Pay							
Obligation	**-.03 (526)**	.24** (393)	**-.39**(529)**	-.14**(520)	**-.07 (502)**	.16*** (531)	-.07 (520)
Expectation	.10 (252)	.11 (191)	**-.14* (257)**	-.11 (255)	**.10 (248)**	.07 (259)	-.12 (254)
Promise	**.13* (248)**	.15* (199)	**-.15* (253)**	-.06 (253)	**.17** (249)**	.01 (254)	.01 (250)

Table 11 con't

	Equity Sensitivity	Work Centrality	Education	Tenure	Trust	Gender	Age
Employee's side							
Overall level (total items score)							
Obligation	.23** (510)	**.27** (379)**	-.02 (513)	.04 (505)	.25** (488)	.01 (515)	.13**(505)
Expectation	.20** (241)	**.08 (182)**	.05 (246)	.04 (244)	.24** (238)	.02 (248)	.17**(243)
Promise	.18** (241)	.21** (209)	-.07 (346)	.02 (246)	.24** (242)	.09 (247)	.06 (243)
Subscales							
Core							
Obligation	.13** (525)	.02 (393)	-.12** (528)	-.06 (519)	.22** (501)	.19**(530)	.04 (520)
Expectation	.03 (252)	.05 (189)	-.09 (254)	.00 (253)	.19** (247)	.11 (257)	.08 (252)
Promise	.14* (249)	.13 (200)	-.13* (254)	.01 (254)	.23** (250)	.13* (255)	.00 (251)
Sacrifice							
Obligation	.26** (524)	**.30** (391)**	.18** (527)	.13** (518)	.19** (501)	**-.18**(529)**	.15**(518)
Expectation	.21** (252)	.18* (191)	.15* (254)	.09 (255)	.18** (248)	-.13* (259)	.22**(254)
Promise	.18** (249)	**.15* (200)**	.09 (254)	.08 (254)	.13* (250)	**-.01 (255)**	.23* (251)
Extra-role							
Obligation	.18** (523)	**.22** (390)**	-.04 (526)	.02 (517)	.14** (499)	-.03 (528)	.07 (517)
Expectation	.08 (252)	**.04 (191)**	.08 (254)	-.05 (255)	.13* (248)	-.07 (259)	-.02 (254)
Promise	.12 (249)	.20** (200)	.01 (254)	.00 (254)	.21** (250)	.00 (255)	.02 (251)
Stay							
Obligation	.19** (526)	**.28** (393)**	-.10 (529)	.00 (529)	.20** (502)	-.02 (531)	.10* (520)
Expectation	.18** (250)	**.08 (190)**	-.02 (255)	-.01 (255)	.20** (246)	.02 (257)	.11 (252)
Promise	.10 (247)	.20** (198)	-.11 (252)	-01 (252)	.23** (248)	.08 (253)	-.01 (249)

* p<.05; ** p< .01

Note: Boldfaced "expectation" or "promise" correlations differ significantly from the corresponding "obligation" correlation (p < .05).

significantly lower than the corresponding correlation obtained in either the expectation group or the promise group (i.e., a total of 10 comparisons resulting in 8 significant differences, all in the same direction; $p < .05$). In sharp contrast, the correlations between the five employee side EPC measures and trust were remarkably similar across all three groups. The 10 comparisons revealed no significant differences across groups.

Work centrality appears to be more strongly related to the obligation based EPC measures than the expectation or promise based EPC measures. In 18 of 20 comparisons, work centrality's correlation with the obligation based measure is greater than its correlation with the corresponding expectation or promise based EPC measure. In 6 of the 18 cases, the difference is statistically significant.

The correlations between education and four of the five employer side EPC measures (overall level, employer core, enriched work, and high pay) were significantly different across the obligation and expectation forms. One of the significant differences involved observed correlations that were in opposite directions. Education correlated -.11 ($p < .05$) with the measure of employer's obligation to provide enriched work, and +.20 ($p < .01$) with the corresponding expectation based measure, indicating that more educated participants were less likely to view their employer as obligated to provide enriched work, but more likely to expect their employer to provide such work. Education consistently correlated in a negative direction with employer side, obligation based EPC measures.

The pattern of correlations for the remaining external criteria, equity sensitivity, tenure, gender, and age, did not differ markedly across forms. The 20 comparisons made for each of the four variables (10 comparing obligation and expectation, 10 comparing obligation and promise) revealed a total of five significant differences between the correlations obtained in the obligation group and the correlations obtained in the expectation or promise groups (i.e., eighty comparisons revealing five significant differences). The number of significant differences among the four criteria is only slightly greater than the number that could be attributed to random occurrences at the $p < .05$ level of significance.

Overall, the pattern of correlations with the external criteria were much more similar among correlations involving employee side EPC measures than among those correlations involving employer side EPC measures. Except for the comparisons involving work centrality and one comparison involving age, all of the comparisons resulting in significant differences involved correlations with employer side EPC measures.

Hypotheses 5A & 5B

Hypothesis 5A and 5B make predictions regarding the average number of items included in obligation, expectation, and promise based EPCs. The results of planned t-test comparisons, reported in Table 12, support hypotheses 5A and 5B. The average number of items included in obligation based EPC measure was significantly less than the average number of items in the expectation based measure, and the

Table 12 Planned T-Test Comparisons to Assess Differences in Mean Number of Items in EPC Across Forms

	Form									Forms Compared					
										Oblig. vs. Expect.			Oblig. vs. Prom.		
	Obligation			Expectation			Promise			M Differ-	t		M Differ-	t	
Variable	M	(n)	SD	M	(n)	SD	M	(n)	SD	ence	value	p	ence	value	p
# Employer EPC items	39.1	(537)	6.6	40.6	(260)	4.9	33.9	(257)	9.3	-1.5	-3.6	.000	5.1	7.9	.000
# Employee EPC items	29.4	(537)	3.7	31.1	(260)	2.5	26.5	(257)	5.6	-1.7	-7.7	.000	2.9	7.5	.000

average number of items included in obligation based EPC measure was significantly greater than the average number of items in the promised based measure.

Hypotheses 6A & 6B

To test the hypotheses regarding mean responses to corresponding obligation, promise, and expectation based measures, responses across forms were compared at three levels: "overall" response level, the factor or sub-scale level, and the individual item level. Results of planned t-test comparisons of the relevant group means are reported in Table 13. They reveal that the expectation group's mean overall level of response to both employer side items and employee side items is significantly greater than the obligation group's means, providing support for hypothesis 6A. Further, the obligation group's mean overall level of response to both employer side items and employee side items is significantly greater than the promise groups' means, providing support for hypotheses 6B.

Second, group differences in sub-scale (factor based) scores across forms were assessed using two multivariate analysis of variance (MANOVAs). The first MANOVA focused on the employer side; scores on the following sub-scales were included as the dependent variables: employer core, enriched worked, balance, and high pay. The second MANOVA focused on the employee side; scores on the following sub-scales were included as the dependent variables: employee core, sacrifice, extra role, and stay. MANOVA results indicated significant differences across forms on employer side sub-scales, $F\ (43,940) = 51.05$, $p < .000$, and employee side sub-scales, $F\ (32,968) = 8.04$, $p < .000$).

Table 13 Planned T-Test Comparisons to Assess Overall Level Differences Across Forms

	Form									Forms Compared					
										Oblig. vs. Expect.			Oblig. vs. Prom.		
	Obligation			Expectation			Promise			M			M		
Variable	M	(n)	SD	M	(n)	SD	M	(n)	SD	Difference	t value	p	Difference	t value	p
Employee items total	118.7	(520)	17.2	127.3	(249)	15.9	108.7	(249)	22.7	-8.6	-6.8	.000	10.0	6.2	.000
Employer items total	151.9	(522)	29.6	156.8	(254)	28.1	126.5	(252)	31.5	-4.9	-2.2	.025	25.4	10.7	.000

Follow up univariate analyses were conducted using planned t-test comparisons to further explain differences. Table 14 provides the results of the analyses. The comparison of sub-scale scores on obligation versus expectation forms revealed significant differences in the predicted direction (expectation > obligation) for six of the eight sub-scales. The two comparisons that did not conform with predictions were the comparisons involving the employer core and employee core sub-scales. There was a significant difference in the employer core mean scores, however, the direction of the difference was contrary to predictions. No significant difference between employee core scores was found.

The comparison of sub-scale scores on obligation versus promise forms revealed significant differences in the predicted direction (obligation > promise) for six of the eight sub-scales. All four employee sub-scale comparisons conformed with predicted differences. There were small, non-significant group differences in the sub-scales assessing the employer's obligation/promise to provide enriched work and in the sub-scale assessing the employer's obligation/promise to provide employees balance.

The third level of analysis was the individual item level. All items were included, including those items that were not included in the formation of the sub-scales. Group differences in responses to individual items were assessed using two MANOVAs. The first focused on the employer side items, including items 1 through 44 assessing beliefs about what the employer is to give or provide the employee as dependent variables. The second MANOVA included items 1 through 33 assessing

Table 14 Planned T-Test Comparisons to Assess Mean Factor Level Differences Across Forms

	Form									Forms Compared					
										Oblig. vs. Expect.			Oblig. vs. Prom.		
	Obligation			Expectation			Promise			M			M		
Factors	M	(n)	SD	M	(n)	SD	M	(n)	SD	Difference	t value	p	Difference	t value	p
Employer Factors															
1[a]	33.8	(537)	5.7	32.1	(256)	6.2	25.8	(255)	6.7	1.7	3.7	.000	7.98	16.3	.000
2[a]	11.1	(537)	4.1	13.5	(260)	3.6	11.7	(256)	4.1	-2.5	-8.7	.000	-0.19	-0.60	.548
3[a]	12.1	(535)	3.6	13.4	(258)	3.2	12.0	(257)	4.4	-1.3	-5.3	.000	0.10	0.31	.755
4[a]	8.6	(536)	3.3	9.2	(260)	3.0	7.5	(256)	3.0	-0.5	-2.2	.026	1.11	4.80	.000
Employee Factors															
1[b]	22.2	(535)	2.8	22.1	(258)	2.6	20.5	(257)	3.5	0.1	0.4	.659	1.73	6.92	.000
2[b]	14.1	(534)	4.2	15.9	(260)	3.9	13.0	(257)	4.6	-1.8	-5.9	.000	1.14	3.35	.001
3[b]	13.7	(533)	3.3	15.4	(260)	2.7	13.0	(257)	3.9	-1.7	-7.7	.000	0.66	2.36	.019
4[b]	8.9	(536)	3.0	10.6	(258)	2.6	8.1	(255)	3.5	-1.7	-8.4	.000	0.81	3.20	.001

1[a] - Employer core
2[a] - Enriched work
3[a] - Balance
4[a] - High pay

1[b] - Employee core
2[b] - Sacrafice
3[b] - Extra role
4[b] - Stay

beliefs about what the employee is to give or provide his or her employer as dependent variables. The MANOVA results revealed significant differences across forms on both employer items, F (3, 1,035) =51, $p < .000$, and employee side items, F (3, 1,033) = 21.7, $p < .000$. Follow up univariate analyses were conducted using planned t-test comparisons to further explain differences. The results are presented in Table 15.

Focusing on employer items first, the comparison of individual item scores on obligation versus expectation forms revealed significant differences in the predicted direction (expectation > obligation) at the $p < .05$ level for 15 of the 44 items assessing what the employer is to give or provide. Of the comparisons that did not conform with predictions, 8 revealed significant differences in the direction contrary to predictions. The findings indicated that there were no significant group differences in mean responses to the remaining 23 employer items.

Comparison of individual item scores on obligation versus promise forms revealed significant differences in the predicted direction (obligation > promise) at the $p < .05$ level for 35 of the 44 employer items. Of the comparisons that did not conform with predictions, 3 were significantly different in the direction contrary to predictions, and 6 were non-significant.

Turning to the employee items, the comparison of individual item scores on obligation versus expectation forms revealed significant differences in the predicted direction (expectation > obligation) at the $p < .05$ level for 21 of the 33 items assessing what the employee is to give or provide his or her employer. All of the 12

Table 15 Planned T-Test Comparisons to Assess Mean Individual Item Differences Across Forms

Item No.	Form: Obligation M	(n)	SD	Expectation M	(n)	SD	Promise M	(n)	SD	Forms Compared: Oblig. vs. Expect. M Difference	t value	p	Oblig. vs. Prom. M Difference	t value	p
Employer Items															
1	2.78	(537)	1.2	3.47	(260)	1.1	2.76	(257)	1.2	-.69	-8.04	.000	.02	0.20	.844
2	2.80	(537)	1.3	3.10	(260)	1.2	2.94	(257)	1.4	-.28	-3.06	.002	-.14	-1.41	.160
3	3.51	(537)	1.2	3.61	(260)	1.2	2.84	(256)	1.3	-.10	-1.10	.272	.67	6.88	.000
4	2.58	(537)	1.2	3.22	(260)	1.1	2.76	(257)	1.2	-.64	-7.32	.000	-.18	-1.99	.047
5	3.57	(536)	1.2	3.54	(260)	1.2	2.80	(257)	1.3	.03	0.37	.713	.78	8.17	.000
6	2.94	(537)	1.2	3.18	(260)	1.3	2.43	(257)	1.2	-.24	-0.53	.012	.51	5.54	.000
7	3.69	(536)	1.1	4.20	(260)	1.0	3.48	(257)	1.4	.51	-6.65	.000	.21	2.07	.039
8	3.57	(536)	1.2	3.68	(259)	1.1	2.79	(257)	1.2	-.10	-1.17	.242	.78	8.47	.000
9	3.70	(537)	1.1	3.68	(260)	1.1	2.74	(257)	1.3	.01	0.16	.873	1.00	10.16	.000
10	2.99	(537)	1.2	3.34	(260)	1.1	2.72	(257)	1.2	-.35	-3.96	.000	.27	2.95	.003
11	2.93	(537)	1.3	3.10	(260)	1.3	2.41	(257)	1.4	-.16	-1.67	.096	.52	5.06	.000
12	3.01	(537)	1.2	3.25	(260)	1.2	2.89	(257)	1.4	-.23	-2.58	.010	.12	1.22	.223
13	2.73	(537)	1.2	3.5	(260)	1.0	3.05	(256)	1.3	-.78	-9.48	.000	-.32	-3.33	.001
14	3.47	(537)	1.2	3.77	(260)	1.1	3.17	(256)	1.3	-.30	-3.50	.001	.30	3.17	.002
15	2.91	(537)	1.3	2.99	(260)	1.3	2.10	(255)	1.2	-.07	-0.76	.449	.82	8.61	.000

Table 15 cont'd

16	3.93	(537)	1.1	3.81	(260)	1.1	3.25	(256)	1.1	.12	1.53	.128	.69	8.39	.000
17	3.39	(535)	1.1	3.41	(260)	1.0	2.94	(257)	1.2	-.02	-0.28	.778	.45	4.97	.000
18	4.67	(535)	.6	4.41	(259)	.77	3.58	(257)	1.2	.26	4.69	.000	1.1	13.23	.000
19	3.73	(536)	1.0	3.77	(260)	1.0	2.77	(257)	1.3	-.07	-0.76	.449	.96	10.29	.000
20	2.85	(537)	1.5	2.97	(260)	1.4	2.48	(256)	1.6	-.12	-1.11	.266	.37	3.11	.002
21	3.39	(536)	1.1	3.48	(260)	1.0	2.70	(257)	1.3	-.08	-1.05	.295	.69	7.14	.000
22	3.66	(534)	1.2	3.62	(260)	1.2	2.53	(257)	1.3	.03	.38	.707	1.13	11.46	.000
23	3.06	(534)	1.3	3.37	(260)	1.3	2.54	(257)	1.4	-.30	-3.08	.002	.52	5.15	.000
24	2.38	(536)	1.3	2.7	(260)	1.3	2.20	(257)	1.3	-.32	-3.20	.001	.18	1.86	.063
25	2.35	(535)	1.1	2.63	(260)	1.3	2.41	(257)	1.3	-.29	-3.03	.003	-.06	-.66	.511
26	3.51	(536)	1.1	3.44	(260)	1.2	2.74	(257)	1.2	.07	.82	.410	.77	8.44	.000
27	3.29	(536)	1.2	3.32	(260)	1.2	2.38	(257)	1.3	-.03	-0.33	.744	.91	9.61	.000
28	4.22	(536)	.98	3.86	(260)	1.2	3.04	(257)	1.3	.36	4.11	.000	1.19	13.22	.000
29	3.45	(535)	1.3	3.56	(259)	1.2	2.77	(257)	1.4	-.12	-1.22	.224	.67	6.34	.000
30	4.2	(535)	1.1	4.10	(260)	1.1	2.99	(256)	1.3	.11	1.24	.214	1.2	12.60	.000
31	3.79	(536)	1.1	3.66	(259)	1.0	2.76	(257)	1.2	.13	1.66	.097	1.0	11.42	.000
32	4.42	(536)	.91	4.21	(260)	1.1	3.48	(257)	1.2	.22	2.79	.006	.94	11.15	.000
33	3.42	(536)	1.2	3.50	(260)	1.2	2.84	(257)	1.4	-.08	-0.85	.395	.58	5.79	.000
34	4.35	(536)	.87	4.12	(260)	.98	3.50	(257)	1.1	.24	3.31	.001	.85	10.70	.000
35	3.38	(536)	1.1	3.50	(260)	1.1	3.42	(257)	1.3	-.11	-1.38	.169	-.06	-.38	.702
36	4.44	(536)	.86	4.18	(260)	.92	3.74	(257)	1.1	.26	3.8	.000	.70	8.85	.000
37	3.91	(536)	1.2	3.83	(260)	1.2	2.85	(257)	1.3	.09	0.96	.337	1.06	11.15	.000
38	2.55	(536)	1.3	3.13	(260)	1.2	2.86	(257)	1.3	-.57	-6.34	.000	-.31	-3.11	.002
39	3.60	(534)	1.1	3.85	(260)	1.0	3.12	(257)	1.2	-.25	-3.22	.001	.48	5.34	.000
40	3.79	(536)	1.0	3.74	(259)	0.9	3.25	(257)	1.2	.05	0.66	.512	0.54	6.05	.000
41	4.50	(536)	0.9	4.18	(259)	1.0	3.40	(257)	1.2	.32	4.32	.000	1.09	12.78	.000
42	3.71	(536)	1.3	3.52	(259)	1.2	2.35	(257)	1.2	.19	1.98	.048	1.35	14.55	.000
43	4.09	(536)	1.0	3.85	(258)	1.1	2.93	(257)	1.3	.25	3.06	.002	1.16	12.75	.000

Table 15 cont'd

44	2.94	(536)	1.2	3.62	(258)	1.0	2.78	(257)	1.3	-.69	-8.54	.000	0.16	1.61	.108
Employee Items															
1	2.95	(534)	1.1	3.62	(260)	1.0	3.13	(257)	1.2	-.68	-8.57	.000	-.18	-2.01	.046
2	3.46	(535)	1.1	3.80	(260)	0.9	3.19	(257)	1.2	-.34	-4.50	.000	0.23	2.99	.003
3	3.62	(536)	1.1	3.98	(260)	0.9	3.33	(257)	1.3	-.36	-4.93	.000	0.29	3.12	.002
4	2.97	(532)	1.4	3.16	(256)	1.4	2.54	(256)	1.5	-.19	-1.77	.077	0.43	3.74	.000
5	2.19	(535)	1.1	2.40	(259)	1.2	1.49	(255)	0.9	-.21	-2.39	.017	0.69	9.23	.000
6	2.33	(536)	1.3	2.75	(260)	1.4	2.36	(257)	1.5	-.42	-3.98	.000	-.02	-.22	.824
7	3.98	(536)	1.0	4.17	(260)	1.0	3.74	(257)	1.1	-.20	-2.94	.003	0.23	2.95	.003
8	2.97	(536)	1.1	3.32	(260)	1.1	2.86	(257)	1.2	-.35	-4.17	.000	0.11	1.26	.210
9	2.50	(536)	1.3	3.23	(258)	1.3	2.39	(257)	1.5	-.73	-7.19	.000	0.11	1.03	.306
10	3.14	(536)	1.4	3.75	(260)	1.2	2.82	(255)	1.4	-.60	-6.49	.000	0.33	0.31	.002
11	3.87	(536)	1.0	4.13	(259)	1.0	3.62	(257)	1.2	-.27	-3.98	.000	0.24	2.78	.006
12	2.97	(535)	1.1	3.26	(260)	1.0	2.72	(257)	1.2	-.29	-3.56	.000	0.26	2.85	.005
13	3.23	(536)	1.3	3.65	(260)	1.1	2.89	(257)	1.4	-.42	-4.61	.000	0.34	3.25	.001
14	4.39	(536)	1.0	4.42	(258)	0.9	3.79	(256)	1.4	-.03	-0.45	.650	0.61	6.23	.000
15	4.09	(535)	1.0	4.27	(260)	0.9	3.73	(257)	1.3	-.19	-2.80	.005	0.35	3.92	.000
16	4.05	(536)	1.0	4.27	(260)	0.9	3.63	(256)	1.2	-.22	-3.28	.001	0.42	4.70	.000
17	4.60	(536)	0.7	4.61	(260)	0.7	4.32	(257)	1.0	-.02	-0.32	.747	0.28	4.07	.000
18	4.29	(536)	0.9	4.52	(260)	0.7	4.06	(255)	1.0	-.23	-4.18	.000	0.23	3.16	.002
19	4.24	(536)	0.9	4.24	(260)	0.7	3.91	(257)	1.0	.00	0.00	.997	0.33	4.53	.000
20	4.59	(536)	0.7	4.50	(258)	0.8	4.18	(257)	1.0	.08	1.49	.137	0.41	6.15	.000
21	3.87	(537)	0.9	4.03	(259)	0.8	3.62	(257)	1.1	-.17	-2.70	.007	0.24	3.05	.002
22	4.63	(537)	0.6	4.61	(260)	0.6	4.36	(257)	0.8	.02	0.45	.655	0.28	4.70	.000
23	4.59	(537)	0.7	4.58	(260)	0.7	4.26	(257)	1.0	.01	0.18	.854	0.33	4.79	.000
24	2.17	(536)	1.1	2.54	(260)	1.3	1.84	(257)	1.3	-.37	-4.10	.000	0.32	3.44	.001

Table 15 cont'd

25	2.59	(536)	1.1	2.91	(260)	1.1	2.15 (257)	1.2	-.32	-4.00	.000	0.44	4.88	.000
26	4.55	(537)	0.7	4.53	(260)	0.7	4.16 (256)	1.0	.03	0.48	.632	0.39	5.52	.000
27	4.25	(537)	1.0	4.35	(260)	0.9	3.71 (257)	1.4	-.10	-1.43	.153	0.54	5.63	.000
28	4.03	(537)	1.0	4.01	(260)	1.0	3.37 (257)	1.3	.02	0.31	.760	0.65	7.32	.000
29	3.69	(537)	1.0	3.98	(260)	0.9	3.38 (257)	1.2	-.30	-4.26	.000	0.30	3.59	.000
30	4.37	(537)	0.8	4.38	(260)	0.8	4.24 (257)	0.9	-.02	-.27	.784	0.12	1.90	.057
31	2.99	(537)	1.1	3.49	(260)	1.1	2.77 (257)	1.5	-.50	-6.12	.000	0.22	2.16	.031
32	2.12	(537)	1.3	3.46	(258)	1.4	2.09 (257)	1.5	-1.34	-13.07	.000	0.03	0.29	.771
33	4.40	(536)	0.8	4.5	(260)	0.8	4.09 (250)	1.2	-.11	-1.78	.076	0.30	3.76	.000

comparisons that did not conform with predictions involved non-significant group differences; there were no significant difference in the direction contrary to predictions.

Finally, the comparison of individual item scores on obligation versus promise forms revealed significant differences in the predicted direction (obligation > promise) at the $p < .05$ level for 27 of the 33 items assessing what the employee is to give or provide his or her employer. There were non-significant group differences for five items, and a significant differences in the direction contrary to predictions for one item.

Hypotheses 7 - 12. Alpha coefficient reliability estimates were calculated for the fulfillment measures that were used in testing Hypotheses 7 -12 and are reported in Table 16. The results of the correlational analyses involving the global measures of job satisfaction, trust, and intentions to turnover are also reported in Table 16. A comparison of the correlations obtained in the obligation group with the corresponding correlations obtained in the expectation group revealed only one instance in which there was a significant difference between the matched correlations. Trust correlated significantly higher with the obligation based enriched work fulfillment measure ($r=38$) than with the expectation based enriched work fulfillment measure ($r=22$).

A comparison of the correlations obtained in the obligation group with the corresponding correlations obtained in the promise group also revealed only one instance in which there was a significant difference between the matched correlations.

Table 16 Correlations Between Perceived EPC Fulfillment Measures and Global Job Satisfaction, Trust and Intention to Turnover

	Descriptives		Alpha Coeff.		#1 Job Satisfaction[a]		#2 Job Satisfaction[b]		Trust		Turnover Intent	
Fulfillment measure	M	SD	α	adj.α	r	n	r	n	r	n	r	n
"Global" measure (42 items)												
Obligation	137.7	25.7	.96	.96	.64**	436	.58**	442	.59**	422	-.29**	441
Expectation	132.2	24.2	.95	.95	.62**	216	.55**	217	.50**	209	-.34**	219
Promise	132.1	24.8	.96	.96	.64**	205	.50**	210	.55**	206	-.31**	209
Factor-based measures												
Core (7 items)												
Obligation	23.7	5.0	.85	.85	.55**	464	.49**	470	.55**	449	-.23**	469
Expectation	22.6	4.5	.83	.83	.50**	225	.46**	226	.48**	216	-.21**	219
Promise			.86	.86	.54**	214	.44**	220	.59**	216	-.24**	216
Enriched work (4 items)												
Obligation	13.4	3.1	.86	.86	.59**	472	**.58****	**478**	**.38****	**457**	-.32**	477
Expectation	13.0	2.9	.82	.82	.50**	228	.44**	229	**.22****	**221**	-.24**	231
Promise	13.4	3.0	.85	.85	.47**	219	**.37****	**225**	.24**	221	-.21**	224
Balance (4 items)												
Obligation	14.0	3.5	.85	.85	.44**	469	.40**	475	.45**	454	-.08	474
Expectation	13.3	3.1	.82	.82	.45**	228	.31**	229	.45**	220	-.19**	231
Promise	13.2	3.3	.82	.82	.42**	219	.34**	225	.41**	221	-.01	224

Table 16 cont'd

Pay	(3 items)								
	Obligation	9.1	2.6	.57**	.59	.39** 468	.37** 474	.34** 453	-.30** 473
	Expectation	8.7	2.5	.66**	.67	.40** 227	.43** 228	.26** 219	-.28** 230
	Promise	8.6	2.5	.65**	.66	.38** 218	.31** 224	.32** 220	-.37** 223

[a]number of items = 14
[b]number of items = 2

A three item measure of global job satisfaction correlated significantly higher with the obligation based enriched work fulfillment measure (r=58) than with the promise based enriched work fulfillment measure (r=37).

The results of the correlational analyses involving the EPC fulfillment measures and the five job satisfaction sub-scales are reported in Table 17. A comparison of the correlations obtained in the obligation group with the corresponding correlations obtained in the expectation group revealed two instances in which there was a significant difference between the matched correlations. The correlation between the obligation based core fulfillment measure and social satisfaction (r=40) was greater than the corresponding expectation based correlation (r=23), and the correlation between the obligation based enriched work fulfillment measure and social satisfaction (r=42) was greater than the corresponding expectation based correlation (.24).

There were also two instances where correlations obtained in the obligation group were significantly greater than the corresponding correlations obtained in the promise group. Those instances involved the enriched work fulfillment measure's correlation with social satisfaction (obligation group, r=42; promise group, r= .24) and with pay satisfaction (obligation group, r=37; promise group, r=21).

In summary, although to the extent that there were significant differences, they were in the predicted direction, overall, there was marked similarity across forms in the correlations between the EPC fulfillment measures and the criteria. The results of the correlational analysis provide very little support for hypotheses 7 through 12.

Table 17 Correlations Between Perceived EPC Fulfillment Measures and Job Satisfaction Subscales

	Alpha Coefficient		Growth Satisfaction		Pay Satisfaction		Security Satisfaction		Social Satisfaction		Supervision Satisfaction	
Fulfillment measure	α	adj.α	r	n	r	n	r	n	r	n	r	n
"Global" measure (42 items)												
Obligation	.96	.96	.55**	436	.46**	436	.40**	436	.42**	436	.56**	436
Expectation	.95	.95	.54**	216	.47**	216	.36**	216	.30**	216	.58**	216
Promise	.96	.96	.58**	205	.44**	205	.41**	205	.36**	205	.59**	205
Factor-based measures												
Core (7 items)												
Obligation	.85	.85	.47**	464	.33**	464	.35**	464	**.40****	**464**	.55**	464
Expectation	.83	.83	.38**	225	.36**	225	.27**	225	**.23****	**225**	.57**	225
Promise	.86	.86	.45**	214	.32**	214	.28**	214	.30**	214	.60**	214
Enriched work (4 items)												
Obligation	.86	.86	.64**	472	**.37****	**472**	.31**	472	**.42****	**472**	.45**	472
Expectation	.82	.82	.62**	228	.31**	228	.24**	228	**.24****	**228**	.33**	228
Promise	.85	.85	.61**	219	**.21****	**219**	.24**	219	**.24****	**219**	.36**	219
Balance (4 items)												
Obligation	.85	.85	.33**	469	.30**	469	.30**	469	.40**	469	.38**	469
Expectation	.82	.82	.31**	228	.27**	228	.33**	228	.31**	228	.45**	228
Promise	.82	.82	.33**	219	.21**	219	.27**	219	.27**	219	.44**	219

Table 17 cont'd

Pay	(3 items)												
	Obligation	.57	.59	.30**	468	.51**	468	.26**	468	.14*	468	.31**	468
	Expectation	.66	.67	.34**	227	.53**	227	.20**	227	.11	227	.30**	227
	Promise	.65	.66	.24**	218	.52**	218	.29**	218	.14	218	.30**	218

**p<.01
*p<.05
Note: Boldfaced "expectation" or "promise" correlations differ significantly from the corresponding boldfaced "obligation" correlation ($p < .05$).

Hierarchical regression analysis was conducted to investigate the extent to which the fulfillment measures combined to explain variance in job satisfaction, trust, and turnover intentions, respectively, and to test for potential nonlinear aspects of those relationships. The results of the analyses are summarized in Table 18. A comparison of the cumulative adjusted R^2 s reveals that the obligation fulfillment measures explain 7% more of the variance in job satisfaction, 12% more of the variance in trust in the employer, and 7% more of the variance in turnover intentions than the expectation based fulfillment measures. Also, the obligation fulfillment measures explain 5% more of the variance in job satisfaction than the promise based fulfillment measures.

In each of the three regressions involving the obligation fulfillment measures, the entry of the polynomial variables at Step 4 resulted in a significant change in R^2 . For example, in the regression involving turnover intentions, the entry of the square terms in Step 4 increased R^2 .07, from .14 to .21. The significant change in R^2 at Step 4 is interpreted as detecting and capturing the variance attributable to a curvilinear aspect of the involved relationships (Cohen & Cohen, 1983).

The three regressions involving the promise fulfillment measures also all resulted in significant changes in R^2 at Step 4. In the case of the regression involving turnover intentions, the increase in R^2 at Step 4 was less than ½ of the magnitude of the increase that resulted at Step 4 when turnover intentions was regressed on the obligation fulfillment measures (.03 versus .07). Of the three regressions involving

Table 18 Hierarchical Regression of Job Satisfaction, Trust, and Turnover Intentions on Fulfillment Measures

Criterion/ Form	Step 1 R^2	Step 2 ΔR^2	Step 3 ΔR^2	Step 4 ΔR^2	Cumulative R^2	Cumulative Adjusted R^2
Job Satisfaction						
Obligation	.29*	.13*	.02*	.05*	.49*	.48*
Expectation	.26*	.14*	.02*	.03*	.44*	.41*
Promise	.30*	.10*	.02*	.04*	.45*	.43*
Trust						
Obligation	.29*	.05*	.05*	.02*	.40*	.39*
Expectation	.23*	.06*	.02*	.00	.30*	.27*
Promise	.34*	.03*	.01	.02*	.40*	.37*
Turnover intentions						
Obligation	.04*	.09*	.01	.07*	.21*	.19*
Expectation	.05*	.06*	.03*	.01	.16*	.12*
Promise	.06*	.09*	.02*	.03*	.21*	.17*

Regression Model:

Step	Variables entered
1	Core fulfillment
2	Balance fulfillment, pay fulfillment, enriched work fulfillment
3	Over-all fulfillment measure
4	Polynomial variables (a square term for each of the five variables entered in steps 1, 2, and 3)

* $p<.05$

the expectation fulfillment measures, only the regression of job satisfaction on the expectation fulfillment measures resulted in a significant increase in R^2 Step 4.

CHAPTER VII

Discussion

Researchers use the term "psychological contract" to describe a variety of potentially very different phenomena. Descriptions of "the" psychological contract vary in the level at which the construct is conceptualized and the antecedents that are emphasized. Also, while all conceptualizations of the EPC involve some kind of belief about what an employee or group of employees is to give and receive from his or her employer, what I have labeled the "belief element", researchers have incorporated a number of different kinds of beliefs into their definitions of the EPC construct (e.g., obligations, expectations, and/or promises; see Figure 3, p. 52).

In Chapters III and IV, I identified and discussed theoretical distinctions that can be made among conceptualizations of the EPC that vary in the belief element that is focused on. It was later argued that given the theoretical distinctions that can be made, it was reasonable to insist that the equivalence of the alternative conceptualizations be made the subject of empirical investigation, and, it is *un*reasonable to continue to simply ignore or assume away potential differences.

The present study acted upon the foregoing argument. The equivalence of three measures of the EPC that varied in the belief elements that they focused on, obligations, expectations, or promises, was empirically investigated. Multiple approaches to assessing equivalence were employed. First, the invariance of the measures' factor structure across forms was tested using LISREL multiple group CFA to examine relations among latent variables. Second, the pattern of observed

correlations between different EPC measures and external criteria (e.g., work centrality, equity sensitivity) were evaluated. Third, hypotheses regarding differences in the "scope" of EPCs assessed by the alternative forms were tested by looking at mean differences across forms at three levels: overall response level, the factor or sub-scale level, and the individual item level. Finally, the relative extent to which different EPC fulfillment measures, based on the three alternative conceptualizations of the EPC, were related to employee job satisfaction, trust, and intentions to turnover was tested.

In this chapter the findings regarding the equivalence of the obligation, expectation, and promise based EPC measures are reviewed and discussed. In the process of investigating the equivalence of the three measure, evidence was collected which bears on a number of hypotheses that have been repeatedly asserted in the literature but never empirically investigated. This evidence will be discussed both as it relates to the primary question of the measures' equivalence and as it relates to the specific hypotheses that have been made by others. In addition, limitations of the study are identified and discussed, and suggestions for future research are provided.

Analysis of Latent Variables

LISREL CFA showed a reasonable fit for a model that postulated equal factor patterns across forms, or congeneric equivalence, for both employer and employee sides of the EPC. These findings have theoretical meaning and practical implications for how the present study was conducted. The findings suggest that obligation,

expectation, and promise based forms elicit the same general conceptual or mental framework from participants.

The inquiry into the equivalence of the measures, however, cannot stop there. While the results of CFA provide evidence of one level of equivalence, the results also provide reason to expect differences in the measures' observed scores. The significant change in chi-square from model 1 to model 2 indicates that items load differently on the factors. It is likely that the measures do not measure the shared factor pattern to the same degree.

It is possible that differences in observed scores may also result from the less than perfect fit of the congeneric equivalence model to the data. Applying standards that have been used in the literature, the model was judged to have a reasonable fit. While this judgment is sufficient for postulating a model of equal factor patterns, it does not necessarily rule out all differences in the factor patterns of the latent variables that might contribute to differences in observed scores. For all equivalence models, there appears to be little information available regarding the relationship between the degree of model fit (e.g., "excellent," "good," or "adequate") and relative differences in observed scores.

In summary, the CFA findings set boundaries on the scope of the equivalence inquiry in the present study. They clearly indicate that the obligation, expectation, and promise based EPC measures are not parallel measures in either the strict measurement sense or in the more liberal factor analytic assessment of parallelism. The CFA findings also indicated that the EPC measures appear to meet at least the

minimum threshold requirement for meaningful measurement equivalence, congeneric equivalence. A practical implication of this finding, one based on theoretical considerations, is that support was provided for the use of EPC factor-based sub-scale measures across groups, which would not be justified without evidence of equal factor patterns across groups. Within those boundaries, the CFA results do not provide a basis for ruling out or ruling in the possibility that the EPC measures will, in settings in which we seek to use the measures, "behave" in ways that are sufficiently different so as to effect research findings, and consequently, our substantive understanding of the EPC construct. To get a more complete assessment, additional approaches to investigating equivalence were also employed.

Patterns of Correlations With External Criteria

To further investigate the equivalence of the measures, the patterns of correlations between EPC measures and external criteria were assessed for similarities and differences across forms. This analysis includes specific quantitative comparisons (e.g., assessing the statistical significance of differences between correlations), and general judgments that are somewhat more qualitative in nature regarding the significance of the overall patterns of correlations. As indicated earlier, in addition to providing general evidence regarding the measures' equivalence, this investigation provided evidence relevant to a number of specific hypotheses regarding the antecedents of EPC that have been stated in the literature but, based on my review, never empirically investigated. I will begin by discussing specific relationships regarding which hypotheses have been made in the literature. Building on that

discussion, I will then comment on overall patterns and the evidence that they provide regarding the equivalence of the EPC measures. Finally, I will briefly discuss the results of post hoc regression analysis that looked at differences across forms in the extent to which the seven variables (gender, age, etc.) combined to explained variance in the EPC variables.

Trust. According to Rousseau (1989), "underlying a psychological contract is trust" (p. 128; emphasis included in original text). Trust has been explicitly treated as an antecedent of psychological contracts (Rousseau, 1989, Figure 1, p. 125; Nicholson & Johns, 1985). Conclusions regarding the extent to which the present findings support that claim vary depending on which side (employer or employee) and which form of the EPC is the focus of attention.

Looking at the measures that assess beliefs about the employer-side EPC and their correlation with trust in the employer, the findings reveal that the pattern of correlations obtained with the obligation form is very different from those obtained with the expectation or promise forms. Of the five correlations between trust and the five employer-side EPC measures that were obtained in the obligation group, four were significantly lower than the corresponding correlation obtained in either the expectation group or the promise group (i.e., a total of 10 comparisons resulting in 8 significant differences, all in the same direction; $p < .05$). The relevant correlations from Table 11 are presented below, on the next page. The correlations between trust and the obligation employer-side EPC measures are relatively small; three of the five correlations are not statistically significant. Focusing only on the employer side, and

looking only at the obligation form, one would conclude that there is little evidence to support the claim that trust is an antecedent of all psychological contracts. It appears that whether or not you trust your employer has relatively little to do with what you believe are your employer's obligations.

Table 19 Correlations Between Employer Side EPC Measures and Trust

	Employer Side EPC Measures				
Form	Overall level	Core	Enriched work	Balance	High pay
Obligation	**.09***	**.13****	.08	.06	**-.07**
Expectation	**.36****	**.38****	**.19****	**.27****	**.10**
Promise	**.36****	**.40****	.10	**.29****	**.17****

* $p < .05$
** $p < .01$
Note: Boldfaced "expectation" or "promise" correlations differ significantly from corresponding boldfaced "obligation" correlation (p,.05).

In contrast, there is a significantly stronger association between trust and both expectation and promise based EPC measures. There would seem to be a rather straightforward explanation for the correlations between trust in employer and employees' probabilistic expectations about what the employer will do or provide. Generally, the less you trust someone, the less likely you would be to expect them to provide or do things for you. Even though an employee believes that an employer is obligated to do something, the level of trust would be expected to affect the

employee's assessment of the likelihood that the employer will actually do what it is obligated to do.

The interpretation of the correlations between trust and the employer-side promised based EPC measures is more complex. There is an issue of causal ambiguity. Does greater trust lead to more perceived promises, or do more employer promises lead to greater trust? Also, it is possible that the correlations between trust and the promise based EPC measures are spurious in the sense that it may not be an employer's making of promises that leads to greater trust, but something associated with the work environment in which more employer promises are made that influences trust (e.g., overall better treatment of employees). For purposes of the present study, the main point to be made is that when looking at the employer-side, conclusions regarding the relationship between trust and EPC would depend on whether an obligation versus an expectation or promise based measure was used; the different EPC forms behave very differently when assessing the relationship between trust and beliefs about the employer's side of the EPC.

Turning to the employee side, across all five EPC measures and all three forms, *without exception*, greater trust in one's employer is associated with higher perceived obligations, expectations, and promises (all 15 correlations are positive and significant). There is a remarkable similarity across all three groups. The comparisons between the correlations obtained with the obligation form with those obtained using the expectation and promise forms revealed no significant differences across groups (0 out of 10 comparisons). It appears that employees who trust their

employer tend to feel more obligation, expect to do more, and perceive themselves as having promised to do more. These findings provide support for the claim that trust is an antecedent of EPCs.

Work centrality. The results of the correlational analysis also provide evidence regarding the long asserted hypothesis that differences in how central work is in one's life will influence one's EPC (Schein, 1965). Support for this hypothesis varies as a function of the specific sub-scales and EPC forms that are focused on. Overall, the correlations between work centrality and the EPC measure were higher for the obligation group than the other groups. Looking at Table 11, the obligation group's correlation is larger than the corresponding expectation or promise group correlations in 16 out of 20 comparisons. In six of the comparisons, the obligation correlation is significantly greater ($p < .05$) than the corresponding expectation or promise correlations.

If one were to focus solely on the correlation pattern of the obligation group, one would conclude that Schein's hypothesis received substantial support. The correlations between five of the eight EPC sub-scales were significant, with correlations ranging from .22 to .31 ($p < .01$). A focus on the promise group would provide similar, but significantly weaker support. A focus on the relationships between work centrality and the EPC measures in the expectation group would, however, lead to a rejection of Schein's hypothesis; only one out of eight correlations with EPC sub-scale measures was significant at $p < .05$.

Equity sensitivity. It has been hypothesized that individual differences in equity sensitivity will directly influence one's EPC (Rousseau, 1990). The results of the correlational analysis looking at the relation between equity sensitivity and the EPC measures provide evidence regarding this hypothesis which varies depending on which side of the EPC (employer or employee) is the focus of attention, and to some extent which form of the EPC is the focus of attention.

Again, looking at Table 11, equity sensitivity did not correlate with any of the five different employer side obligation based EPC measures (correlations ranging from -.03 to .06); some evidence of a relationship between equity sensitivity and the expectation and promised based EPC measures is found (2 significant correlations involving each form). The employer side correlations present a very different picture; all five of the obligation based EPC measures correlate significantly with equity sensitivity.

The findings indicate that individual differences in equity sensitivity involve a focus on the input side of the equity ratio, effecting beliefs about what the employee is obligated, expected, or promised to provide. This raises questions regarding the way in which individuals who fall on one end of the equity sensitivity continuum, "entitleds", have been described. Entitleds have been described as having high thresholds for feeling indebted. They are said to accept whatever they get as their due, and as a result, "they feel little or no obligation to reciprocate." (Huseman et al., 1987, p. 225). That description is supported by the current findings. The correlations indicate that entitleds tend to feel less obligated to provide or do things for their

employer. However, more recently entitleds have been described as having a greater focus on outcomes in the employment relationship than on their own inputs (King et al., 1993). The present findings provide very little support for this description of entitleds.

Age. The only significant differences across forms in the correlations between age and the EPC measures involved the employer core sub-scale. Age was not significantly correlated with beliefs about employer core obligations ($r=.03$). It was , however, negatively correlated with employer core expectations ($r= -17$, $p < .01$) and beliefs about employer core promises ($r=-.13$, $p<.05$) . The findings suggest that when it comes to the employer core items, increasing age is associated, albeit modestly, with lower expectations and lower beliefs that promises were made by their employer; no such association was found regarding beliefs about obligations.

There are two factors regarding which there was strong convergence across forms indicating relationships between age and EPC beliefs. Age correlates negatively (significant for all forms, $p<.05$) with the employer "balance" factor, which assesses beliefs regarding whether the employer is to be flexible in accommodating work/non-work life balance issues. Age correlates positively (significant for all forms, $p<.05$) with the employee "sacrifice" factor, which assesses beliefs regarding the employees' obligations, etc. to be flexible and/or sacrifice in the interest of the employer.

The findings suggest that younger workers tend to believe that their employer is more highly obligated, more likely, and promised to a greater extent, to be flexible

and accommodating of the employee's non-work life, and at the same time, younger workers believe that they are less obligated, etc., to be flexible and accommodating, at least to the extent of making sacrifices in the interest of the employer. The findings are consistent with claims that Generation X employees are seeking greater balance in their work and non-work lives. However, it is not clear that the correlations reflect the mind set of a new generation. An alternative explanation is that the findings reflect the relative immaturity or naivety that has always existed among younger employees. It is possible that when people first enter the work force, they have more of a sense of entitlement that abates as they get older and acquire more experiences. These alternative explanations could be investigated further in the present study, but the cross sectional nature of the data will preclude firm conclusions.

Tenure. It has been hypothesized that organizational tenure has the effect of expanding the scope of EPCs (Levinson, et al, 1962; Rousseau, 1989). If this hypothesis is true, one would expect to find evidence of a positive relationship between tenure and at least some of the non-core employer-side and employee-side factors. Across all three forms, the findings do not support the hypothesis. To the extent that there are significant correlations between tenure and the EPC measures (6 of 30 correlations, $p < .05$), they are, with only one exception, in a negative direction.

The findings suggest that the general hypothesis that tenure leads to an expansion of the scope of EPCs is, at a minimum, too broad. It may be that in certain work situations (e.g., "dead-end" jobs), rather than leading to increased obligations, increased tenure is associated with a kind of psychological withdrawal,

which leads to a reduction in the scope of the EPCs. The hypothesis that increased tenure will lead to an expanded scope of the EPC appears to be based on an implicit assumption that things generally go well for the employee over time, or if they do not, the employee will exit the organization - voluntarily or involuntarily. The present findings and anecdotal evidence obtained in conversations with blue collar employees and managers during the course of the data collection process suggest that the assumption often does not hold. There may be constraints operating on the employee (e.g., lack of better opportunities) and/or the employer (e.g., tight labor market, fear of litigation) that keep employment relationships going for years even though the employer or the employee, or both, do not feel that the relationship is going well. There is little or no reason to expect that under such circumstances increased tenure would necessarily have the effect of expanding the scope of EPCs.

Education. A comparison of correlations between education level and the five employer-side EPC measures that were obtained using the obligation form with those obtained using the expectation form reveals significantly different correlations for three of the five relationships ($p. < 05$). The correlations between education level and belief in employer's obligation to provide meaningful work provide a dramatic example of how our conclusions may vary depending on the particular belief element that is used in assessing EPCs. The findings indicate that more educated participants were significantly less likely to believe that their employer was obligated to provide them interesting, meaningful work ($r=-.11$, $p < .05$), but were significantly more

likely to expect their employer to provide such work ($r=.20$, $p < .01$). Each correlation is significant, *but in opposite directions*.

The positive correlation between education and the expectation of more meaningful work would seem to be explained by the fact that more educated people, on average, tend to occupy the kind of jobs that are commonly viewed as being more challenging and meaningful. Thus, they are more likely to expect their employer to provide them meaningful work.

The interpretation of the negative correlation between education level and the belief in employers' obligation to provide meaningful work is not as straightforward. With the exception of the employee sacrifice sub-scale score, education has a consistent negative effect on beliefs about obligations (9 out 10 correlations, with 4 correlations significant at $p<.05$). More educated participants were generally less likely to view their employer as being obligated to do or provide them things. It is possible that as a result of their education, and/or associated abilities, more educated participants have a clearer, stronger understanding of the term "obligation" than less educated participants, and as a result of this understanding, were less likely to respond that they or their employers were "obligated."

It is also possible that as a result of their education or associated factors, such as higher socioeconomic status, more educated participants have a different view of the extent to which their employment relations involve mutual obligations. In other words, even assuming that they had the same understanding of what was meant by the term "obligation" as less educated participants, their personal view or philosophy

regarding the employment relationship may be different. For example, more educated participants may place a greater emphasis on independence or self-reliance in the employment relations, whereas less educated participants may view the employment relationship in a more paternalistic fashion.

Comparison of overall patterns. Looking at the overall pattern of correlations, across all seven criteria and across the three forms, there are several summary observations that can be made. First, generally, the obligation group's pattern of correlations is more similar to the promise group's pattern than to the expectation group's pattern. Second, there is greater similarity across groups among the correlations with employee side EPC measures than among the correlations involving employer side EPC measure. Third, there are three "areas" of the correlation matrix (Table 11) where significant differences in correlations across groups appear to be more the rule rather than the exception: a) correlations with work centrality, b) correlations with trust - employer side EPC measures only , and c) correlations involving education - employer side EPC measures only. Fourth, significant differences across forms in the correlations involving equity sensitivity, tenure, gender, and age appear to be the exception rather than the rule. They occur at a rate that could be substantially explained by chance occurrences at the $p < .05$ level of significance.

In summary, there is considerable similarity across groups in the pattern of correlations between the EPC measure and seven external criteria. However, correlations involving three of the external criteria, trust, work centrality, and

education, showed relatively consistent, significant differences from the corresponding expectation group or promise group correlation. The evidence from the analysis of correlational patterns indicates that the obligation, expectation, and promise based measures cannot be considered fully interchangeable. Depending on the specific relationship that is being investigated, the use of different EPC measures may lead to different substantive conclusions regarding the EPC construct and the nature of its nomological network.

Post hoc regression analysis. Hierarchical regression analyses were conducted to investigate differences across forms in the extent to which the seven variables (gender, age, etc.) combine to explain variance in the EPC variables and differences in the pattern of incremental explained variance. A summary of the results is presented Table 20 and Table 21. Separate regressions were run for each form (obligation, expectation, promise) of each of the eight EPC factors (four employer-side factors and four employee-side factors). The order of entry of the variables is identified in the tables.

Differences across forms in the cumulative variance that is explained and in incremental variance that is explained at different steps of the regression models provide some additional support for the general proposition that when investigating "the" EPC, findings may vary depending on whether obligations, expectations, or promises are the focus of attention. However, for two reasons, these findings provide little guidance regarding which specific belief should be made the focus of attention in defining "the" EPC construct. First, while there is a strong consensus that the

Table 20 Antecedents of EPC Employer Side Factors: Hierarchical Regression Results

EPC Factor/ Form	Step 1	Step 2		Step 3		Step 4		
			Cum.		Cum.		Cum.	Adj.
	R^2	ΔR^2	R^2	ΔR^2	R^2	ΔR^2	R^2	R^2
Core factor								
Obligation	.02*	.01	.03*	.00	.03*	.02*	.05*	.04
Expectation	.04*	.01	.05*	.01	.06*	.10*	.16*	.13
Promise	.02	.04*	.06*	.01	.07*	.13*	.19*	.17
Enriched work								
Obligation	.01	.06*	.06*	.01	.07*	.01	.08*	.06
Expectation	.03*	.01	.03	.04*	.07*	.03*	.10*	.07
Promise	.00	.03*	.03	.04*	.08*	.01	.09*	.06
Work/non-wk. balance								
Obligation	.05*	.00	.05*	.00	.05*	.00	.06*	.04
Expectation	.03*	.00	.04	.01	.05	.06*	.11*	.08
Promise	.04*	.02	.06*	.00	.07*	.07*	.14*	.11
High pay								
Obligation	.04*	.05*	.09*	.11*	.20*	.00	.21*	.19
Expectation	.02	.01	.03	.01	.04	.00	.05	.01
Promise	.00	.06*	.06*	.02	.08*	.01	.09*	.06

Regression Model:

Step	Variables entered
1	gender, age
2	work centrality, equity sensitivity
3	education, tenure
4	trust in employer

* $p<.05$

Table 21 Antecedents of EPC Employee Side Factors: Hierarchical Regression Results

	Step 1	Step 2		Step 3		Step 4		
EPC Factor/ Form	R^2	ΔR^2	Cum. R^2	ΔR^2	Cum. R^2	ΔR^2	Cum. R^2	Adj. R^2
Core factor								
Obligation	.03*	.02*	.05*	.01	.05*	.03*	.08*	.07
Expectation	.01	.00	.01	.00	.02	.04*	.05	.02
Promise	.04*	.03*	.06*	.01	.07*	.05*	.11*	.09
Extra role behaviors								
Obligation	.01	.08*	.08*	.00	.09*	.00	.09*	.08
Expectation	.01	.00	.01	.00	.01	.01	.02	.00
Promise	.00	.04*	.04*	.01	.05	.05*	.09*	.07
Sacrifice								
Obligation	.07*	.12*	.18*	.03*	.21*	.01	.23*	.21
Expectation	.05*	.07*	.12*	.02	.14*	.01	.16*	.13
Promise	.09*	.04*	.13*	.02	.15*	.03*	.18*	.15
Commitment								
Obligation	.01	.10*	.11*	.01	.12*	.02*	.14*	.13
Expectation	.01	.03*	.04	.00	.04	.03*	.06*	.03
Promise	.01	.03*	.04	.00	.05	.04*	.08*	.05

Regression Model:

Step	Variables entered
1	gender, age
2	work centrality, equity sensitivity
3	education, tenure
4	trust in employer

* $p<.05$

relationships between EPC fulfillment and job satisfaction, trust, and turnover intentions are important links in the EPC construct's nomological network, no such strong consensus exists regarding the relationships that were investigated in the regression analyses described immediately above. Second, the results reveal that a great deal of the variance in the EPC variables is left unexplained. Only two of the 24 cumulative R^2s were greater than .20 (both involved the obligation form). This is not surprising given the number of factors (individual, organizational, and societal) that might be expected to influence employee beliefs which are not included in the analyses.

Hierarchical Nature of Obligations, Expectations and Promises.

The hypotheses regarding the hierarchical nature of obligations, expectations and promises received substantial support. The predicted differences in the average number of items included in participants' EPCs across forms were found. The promise form average was significantly lower than the obligation form average, and the expectation form average was significantly higher than the obligation form average.

Predictions regarding hierarchical differences in mean responses across forms were investigated at three levels: overall response level, sub-scale level, and individual item level. Generally, mean responses to the promise form were significantly less than the corresponding obligation form responses, and mean responses to the expectation form were significantly greater than the corresponding obligation form responses. The hypothesized general hierarchical nature was not

found when comparing the obligation and expectation forms of employer core factor and the employee core factor. For these two factors, the mean of the expectation form was lower than the obligation form meaning.

The fact that the general hierarchical nature of responses did not hold up in this area of comparison might be explained by the existence of a kind of ceiling effect and the role of trust in moderating the relationship between beliefs in employer obligations and the corresponding expectations regarding what the employer is likely to give or provide. There are instances where although an employee may believe that an employer is obligated to do something, the lack of trust in an employer's willingness or ability to do the thing would result in a lower response to the expectation item than to the corresponding obligation item. While I expect that this effect would occur among some participants across the range of EPC items, it is most likely to manifest itself with items that have very high average responses to the obligation form of the item (e.g., the items making up the two core factors in question). In regard to those items, the "ceiling" imposed by the scale means that among participants that trust their employer, there is little room for the predicted general hierarchical nature (i.e., expectation > obligation) to be expressed. However, among those who do not trust their employer, there is the possibility of responses to the expectation form that are much lower than the obligation form's high average, which could cause the expectation form average to be less than the corresponding obligation form average (depending on the level of distrust among participants.).

An obvious implication of the findings regarding mean differences across forms is that *if* one seeks to understand EPCs through the interpretation of mean item or factor scores, different conclusions may be drawn depending on the form that is employed. I would note that the evidence of mean differences across the EPC forms is not necessarily inconsistent with the LISREL multiple-group CFA findings supporting congeneric equivalence. Congeneric equivalence requires only equal factor patterns; scores may vary by an additive or constant.

EPC Fulfillment and Job Satisfaction, Trust, and Turnover Intentions

Obligations versus expectations. The present study is the first to directly test the claim that one should focus on obligations instead of "mere expectations" because unmet obligations result in a stronger negative response than unmet expectations (Rousseau, 1989). This claim did not receive significant support from the findings of the correlational analyses that were performed to test Hypotheses 7, 8, and 9. There were few significant differences between the correlations obtained using the obligation fulfillment measures and the corresponding expectation fulfillment measures.

However, hierarchical regression analyses which investigated the combined effects the fulfillment measures on job satisfaction, trust, and turnover intentions detected a nonlinear aspect of the relationships between fulfillment and the criteria when fulfillment was measured using either the obligation or promise based forms. This finding indicates that simple correlational analysis is inadequate to assess the relationships between fulfillment and the criteria, and that the comparison of the R^2 s

yielded by the hierarchical regression procedure recommended by Cohen and Cohen (1983) to detect and represent nonlinear relationships would provide a better test of the relative magnitude of the relationships across forms.

A comparison of the relevant adjusted cumulative R^2 s (reported in Table 18) reveals that the obligation fulfillment measures explain 7% more of the variance in job satisfaction, 12% more of the variance in trust in the employer, and 7% more of the variance in turnover intentions than the expectation based fulfillment measures. These findings support the claim that unmet obligations result in a stronger negative response than unmet expectations, at least when the comparison involves probabilistic expectations. The findings also support the essence of the predictions made in Hypotheses 7, 8, and 9 (i.e., that obligation based fulfillment measures would be better predictors of job satisfaction, trust, and turnover intentions than expectation based fulfillment measures).

The results of the hierarchical regression analysis further indicate that in addition to a difference in the magnitude of the variance explained, there is also a difference in the nature of the relationships between fulfillment and the criteria across obligation and expectation forms. Each of the three regressions conducted using the obligation fulfillment measures yielded a significant change in R^2 when the polynomial terms were entered into the model at Step 4, indicating that each of the relationships that was being investigated involved a nonlinear aspect (i.e., curvilinearity). The slope of the regression line "tails off" or decreases at higher levels of obligation fulfillment, suggesting that obligation fulfillment has less

predictive ability at higher levels of fulfillment (where the employer is perceived as exceeding obligations) than at lower levels of fulfillment (where the employer is perceived as failing to meet its obligations). In contrast, of the three regressions involving the expectation fulfillment measures, only the regression of job satisfaction on the expectation fulfillment measures provided evidence of curvilinearity.

Obligation versus promise. There were few significant differences between the correlations between fulfillment and the three criteria (job satisfaction, trust, and turnover intentions) that were obtained using the obligation fulfillment measures and the correlations obtained using the corresponding promise fulfillment measures. The the correlational analyses did not provide support for Hypotheses 10, 11, and 12. Again, however, hierarchical regression analyses which investigated the combined effects the fulfillment measures on job satisfaction, trust, and turnover intentions detected a nonlinear aspect of the relationships between fulfillment and the criteria when fulfillment was measured using either the obligation or promise based forms. Under these circumstances, the hierarchical regression procedure recommended by Cohen and Cohen (1983) provides a better test of the relative magnitude of the relationships across forms than the use of simple correlations.

A comparison of the relevant adjusted cumulative R^2 s reveals that the obligation fulfillment measures explain 5% more of the variance in job satisfaction, 2% more of the variance in trust in the employer, and 2% more of the variance in turnover intentions than the promise based fulfillment measures (note: the "unadjusted" cumulative R^2 s resulting from the regressions involving trust and

turnover were essentially equal across obligation and promise forms; see in Table 18). The findings support the essence of the prediction made in Hypothesis 10 (i.e., that obligation based fulfillment measures would be better predictors of job satisfaction than expectation based fulfillment measures).

Summary of Evidence Regarding Equivalence and Implications

The purpose of this study was to obtain empirical evidence that would inform theoretical thinking regarding the EPC construct. In this section, the extent to which the present findings support, are consistent with, or contradict theoretical arguments that I have made are discussed, and the implications of the present findings for future theorizing regarding the EPC construct are commented on.

Support for the general proposition. While there are similarities in how the three measures behaved, on balance, the present findings provide support for the general proposition that obligation, expectation, and promise based EPC measures may, depending on the measurement purposes, behave in significantly different ways. The LISREL multiple group CFA results are consistent with that proposition. Although the CFA results provide evidence of one kind of equivalence, congeneric equivalence (equal factor patterns), they also refute another kind of equivalence, parallel equivalence[12]. Thus, while the CFA findings indicate that the three EPC forms elicit the same general mental framework, they also provide reason to expect

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A finding of parallel equivalence would have contradicted the general proposition that obligation, expectation and promised based measures may, depending on the measurement purpose, behave in different ways.

differences in observed scores. Will these differences make a difference in our understanding of psychological contracting? Unfortunately, although the CFA findings indicate that there will be observed differences, the multiple group CFA does not provide a clear basis for predicting the magnitude or practical significance of differences.

The investigation of the correlations between the different forms of the EPC measure and external criteria provides support for the proposition that the different belief elements may behave in significantly different ways. That investigation revealed that while there is similarity in the pattern of correlations across forms, when investigating some relationships that the literature has demonstrated an interest in (e.g., work centrality and EPC beliefs; trust and EPC beliefs), the belief element that was focused on made a significant difference in the findings and the substantive conclusions that could be logically made based on the findings. The findings indicate that although the forms appear to be equivalent at the level of congeneric equivalence, for at least some purposes, there "are differences that make a difference."

The results showing clear, systematic mean differences across the EPCQ forms at three levels of item analysis are at least consistent with the general proposition that the forms may behave differently. Morever, these results may, depending on the use of the data, constitute affirmative evidence of relevant non-equivalence (e.g., if one were attempting to interpret means across studies using different forms, or investigating whether certain kinds of obligations fall within the scope of given employees' EPCs where scope is operationalized as in the present study).

Finally, the differences across forms in the magnitude of the variance in job satisfaction, trust, and turnover intentions that was explained by the EPC fulfillment measure and differences in the nature of the underlying relationship (linear versus nonlinear) further support the proposition that the forms may behave differently. The differences are such that when investigating the effect of EPC fulfillment on trust in employer and turnover intentions, analyses that are appropriate when using one form, expectation fulfillment, would not be adequate when assessing the effect of obligation or promise fulfillment (which require analyses that capture nonlinear aspects of the relationships). Again, differences that make a difference.

There are theoretical reasons and, now, empirical evidence which indicate that measures of the EPC that incorporate different belief elements should not be simply treated as interchangeable measures. The clear implication is that in both theorizing about the EPC construct and in measuring it, greater attention should be given to the nature of the belief element that will be the focus of attention. Including obligations, expectations and promises in one definition risks the inappropriate aggregation of variables that, we have reason to believe, may relate differently to other variables of interest. Accordingly, the use of definitions that generally define EPCs as beliefs about the terms of exchange between employer and employee should be abandoned in favor of definitions that more carefully specify the nature of the belief element.

Support for a focus on obligations: Reasoning and empirical evidence. There is room for obligations, expectations, and promises, as well as other employee

beliefs, in a comprehensive theory of psychological contracting in organizations. In fact, in Chapter III, I argued that a comprehensive theory of psychological contracting should address the relationships among those clearly related beliefs. It might be argued that all three befiefs should be measured when assessing EPCs. While the use of combined, multiple measures might be expected to explain more variance in criteria of interest, there are significant potential tradeoffs. The incremental increase in explained variance may not warrant the loss of degrees of freedom. There is also reason to be concerned about possible confusion and order effects. Further, there are practical limitations on the number of items that could be included in multiple sets containing the same item stems without creating unreasonable risk of fatigue (or boredom). Thus, while all three beliefs should be given consideration in a comprehensive theory of psychological contracting, researchers still need to address the question "which of these beliefs should be incorporated in the focal construct, the EPC variable itself?" The answer to this question should be based on well reasoned arguments that are consistent with existing empirical evidence.

I have conceptualized the EPC construct as involving beliefs about obligations. The reasoning behind my focus on obligations instead of expectations was discussed at length in Chapters II and III, and may be summarized as follows. First and foremost, a focus on obligations instead of expectations distinguishes the EPC construct from the met expectations literature, enhancing the construct's discriminant validity. It was the " inherent obligatory quality" of the phenomenon that Levinson et al. (1962, p. 36) observed in their research which caused them to distinguished the phenomenon

from the then already extensive literature on expectations and lead to their use of the term "psychological contract."

Second, as others have argued (e.g., Rousseau, 1989), it was reasoned that unmet obligations are likely to result in stronger negative reactions among employees than unmet expectations.

Third, it was argued that defining the EPC as beliefs about obligations rather than expectations is likely to sharpen our thinking about the nature of "expectations" (the terms many meanings), reducing the risk of confusing normative and probabilistic expectations. For example, by identifying obligations and keeping them distinct from probabilistic expectations, we will be in a better position to evaluate factors such as trust, that may relate differently to normative and probabilistic expectations.

Each of these three arguments is at least to some extent supported by the findings of the present study, reviewed above; none of the arguments are refuted by the findings. I have also argued that, drawing on the literature regarding the effect of commitment in the goal setting process, there is a basis for predicting that a focus on obligations may have a greater potential for predicting behavior than a focus on expectations. The present findings neither support nor contradict the argument.

Given the historical view of the obligatory quality of the beliefs that make up the EPC (Levinson et al., 1962; Schein, 1965), the manifest greater potential for the increased discriminant validity (when contrasted with the met expectations literature) associated with a focus on obligations instead of expectations, and the recent

dominance of Rousseau and colleagues' work in the PC literature which rejects expectations as the belief element in the EPC construct and measures beliefs about obligations, it is likely that the foregoing arguments will fall upon receptive ears. As a result, they will create little controversy, and quite likely, little discussion. In contrast, the next matter to be discussed has already created some controversy (as a result of a conference paper, Roehling, 1996).

In conceptualizing the EPC as involving beliefs about obligations, I have explicitly rejected Rousseau's (1989) promise framework. The reasoning behind that rejection was also discussed at length in Chapters II and III, and will now be revisited in light of the present study's findings. A foundation for that discussion will be laid by recalling several factual observations.

First, prior to Rousseau (1989), no one writing in the PC literature purported to limit the beliefs that they focused on, whether expectations, promises or other beliefs, to those that are based on promises or perceived promises. On the contrary, researchers emphasized the role of motives, needs, norms, and societal influences in addition to the parties' promises, representation and other interactions as antecedents.

Second, Rousseau's (1989) application of a promise framework to the PC construct involved a clear adaptation of traditional contract law. This observation is based on the fact that traditional contract law terminology was used ("offer," "acceptance," "consideration"; pp. 125-126), citations to sources discussing contract

law were provided (e.g., Farnsworth, 198), and there was an absence of any other explanation of where the promise framework came from or why it was being used.

Third, the one specific argument that has been offered in support of focusing on promises (or promise based obligations) is that unmet promises will result in stronger negative employee reactions.

The fundamental reason for rejecting the promise framework is that it focuses too narrowly on only one kind of obligation that is relevant in exchange or "contracting" behavior, promissory obligations (Macneil, 1980). This is the main point of Macneil's work; it is also why he introduced the concept of relational contracting in Macneil (1972) and later observed that our knowledge of relational contracting "is hindered by the immense intellectual barriers we put in the way of its acquisition, particularly those created by our addiction to promise" (Macneil, 1985, p. 525, emphasis added). For a specific example of the kind of employee held subjective belief in an obligation that would fall outside of the narrow promise framework, but which represents the kind of phenomenon that, I would argue, most researchers are interested in capturing as part of the EPC construct, an anecdote that describes an actual occurrence has been attached as Appendix "B."

The present study provides two kinds of empirical evidence that is relevant to the issue of the usefulness of a promise focus. First, the study's findings regarding the scope of obligation based EPC measure is greater than the scope of the promise based EPC measure providing empirical support for the argument that employer-

employee exchange obligations are not based solely on perceived promises. Second, the only specific argument that has been offered in support of focusing on promises (i.e., that unmet promises would result in a stronger negative reaction than other unmet beliefs) is contradicted, at least to some degree, by the findings that the obligation fulfillment measure explained 5% more of the variance in job satisfaction, and slightly more of the variance in trust and turnover intentions, than the promise fulfillment measure.

Is there a case to be made for the narrower promise focus in conceptualizing the focal EPC construct? If there is, it has not yet been made. The focus on promise has its roots in a "literature," traditional contract law, that is itself increasingly recognizing the limitations of a promise framework and is moving toward greater recognition of non-promissory obligations in contractual relations. An example is the duty of good faith and fair dealing imposed on contracting parties under the provisions of the Uniform Commercial Code. The relational-transactional/discrete continuum of contracting behavior that has been widely accepted in the PC literature as a useful tool for understanding psychological contracting was created by Ian Macneil as part of a program of research aimed at convincing others of the limitations of a promise focus. To apply the continuum to a promise based conceptualization of EPC arguably involves a gross distortion of Macneil's work. Finally, the findings of the only study to directly assess the assertion that unmet promises will result in stronger negative reactions than unmet obligations (i.e., the present study) did not

support the assertion. On the contrary, the findings provide some evidence refuting the assertion.

Conclusion based on reasoning consistent with existing empirical evidence. Expectations and perceived promises have roles to play in a theory of psychological contracting in organizations. However, theory based reasoning that is consistent with existing empirical evidence leads to the conclusion that a focus on beliefs about obligations in the definition of the focal EPC construct is likely to maximize the construct's potential for making a unique contribution to the understanding of behavior in organizations.

Limitations

This study has a number of limitations. The following two limitations are associated with the scope of the proposed study. First, the questionnaire data was cross-sectional and suggests nothing about how EPCs change over time. Second, the correlational analysis used in testing a number of the hypotheses cannot be interpreted as implying causality. While the foregoing are significant limitations of the study, they are consistent with the purposes of the study: the study does not set out to assess the dynamic characteristics of EPCs or establish causal relationships between EPCs and other variables.

As explained in detail in Chapter V, the survey that was used to assess employees' PCs does not purport to assess every belief about obligations that might possibly be found in EPCs. This limits the generalizability of the conclusions that can

be made about the factor structure of the EPC based on the present studies findings. It is possible that specific items would load somewhat differently if a more inclusive or less inclusive item set was used.

Another limitation of the study is the potential influence of mono-method bias. The variables are measured using self report data obtained via questionnaires. The magnitude of the risk posed by the use of self report data must be evaluated in light of the specific hypotheses to be investigated and the inferences I have sought to make based on the study's findings. In testing hypotheses 3A, 3B, 4A, 4B, 7, 8, 9, 10, 11, and 12, the potential effect of mono-method bias is, in a sense, controlled. The main purpose in investigating these hypotheses is the comparison of relative magnitude of the correlations between obligation, expectation, and promise based EPC measures, respectively, and third variables. The investigation of specific substantive relationships (e.g., between EPC fulfillment and job satisfaction) is subordinate to this purpose. While mono-method bias may operate to inflate the correlations between EPC measures and the third variables, I do not have any reason to suspect that mono-method bias would be more of a problem with the obligation based measure versus either the expectation based or promise based measures. Thus, when comparisons of the relative magnitude of the correlations between different forms of the EPC measures and third variables were made, mono-method bias is essentially held constant (mono operation bias remains an issue, and will be briefly discussed).

To some extent, the threat of mono-method bias is likely to be an inherent limitation on some aspects of EPC research. Measuring EPCs involves measuring elements of an individual's belief system, and individual's beliefs are best measured directly using self report measures (Ilgen & Hollenbeck, 1992). There are other variables involving individual's subjective beliefs (e.g. job satisfaction) whose relationship to EPC or EPC fulfillment/violation is of theoretical and practical interest. These variables are also best measured directly by self report measures. Thus, in investigating some relationships, the risk of mono-method bias is inherent if the best method of measuring each of the respective variables is to be employed. To attempt to reduce the amount of common method variance, the questionnaire was designed to measure the various dependent variables and independent variables in different sections of the questionnaire, measuring similar constructs as far apart as possible. These efforts are an attempt to mitigate the threat of mono method bias and are obviously not a solution to the problem.

Mono operation bias is also a potential limitation of the study. It is possible that the results of the present study were influenced by the particular operationalization into which the three belief elements were incorporated.

Summary of contributions

This dissertation study, with the limitations indicated, contributes to the literature in several ways. The contributions result from both the critical review and analysis of the PC literature that was the foundation for the study, and from the

empirical evidence provided by the study. The areas of contribution, which have been discussed to varying degrees, may be summarized as follows.

First, and perhaps foremost, through its critical review and the issues chosen for investigation in the study, the need for the PC literature to focus greater attention on construct validity issues has been highlighted and brought to the fore.

Second, the investigation of equivalence of the EPC measures provides empirical evidence regarding similarities and differences associated with obligation, expectation, and promised based measures. Based on my review, no previous study has directly compared alternative measures of the EPC. The finding that despite considerable similarities, the measures may behave in ways that can influence findings should further alert researchers to the general need to attend to construct development issues.

Third, the process of assessing the equivalence of the EPC measures resulted in empirical evidence regarding the antecedents of the beliefs that constitute the EPC. This includes evidence relevant to hypotheses that have been asserted in the literature but never empirically assessed. The hypothesized antecedents that were investigated included a) work centrality, b) equity sensitivity, and c) organizational tenure.

Fourth, the study is, to my knowledge, the first to directly test the assertion made by Rousseau (1989) and others, including myself, that an employer's failure to meet perceived obligations is likely to result in a stronger negative employee response

than the employer's failure to meet expectations. Support for this assertion was found, but only after the curvilinear aspects of the relationships were investigated and taken into account. Previous efforts to assess curvilinearity in the relationship between EPC fulfillment and criteria are not reported in the literature.

Fifth, the present study, and similar studies that combine the examination of latent variables using CFA and analysis of correlations with external criteria (e.g., Ven de Vijver, 1994) suggests the importance of using multiple approaches to assess measurement equivalence.

Future Research

There are many areas of future research that would contribute to the psychological contract literature. Several relate to critical issues that were identified in Chapter II, but not tested in the dissertation study. For example, in Chapter II it was observed that although various researchers have conceptualized EPC at a relational or group level, based on my review, no effort has ever been made to empirically assess the extent to which there is support for a group level construct. The assumption that there is such a construct continues (Rousseau, 1995) and should be made the subject of empirical investigation.

Hypotheses regarding relational contracting continue to proliferate in the PC literature. Few attempts have been made to empirically test these hypotheses. Those attempts that have been made have used measures that are not closely linked to relational contracting theory. The present study resulted in the development of scales that measure many of the characteristics of relational contracting, as described by the

putative "father" of relational contracting theory, Ian Macneil (1980) . The psychometric properties of the measures have been assessed and were found to hold up across three different operationalizations of the EPC construct. The relational measures include the factor sub-scales: sacrifice, enriched work, extra role, and balance. Future research should finally put the extensive hypothesizing about relational contracting to the empirical test.

A link between EPCs and employee behaviors has been often asserted but, based on my review, never empirically tested. This is an area in obvious need of future research. In addition to field settings, the laboratory would provide an appropriate setting for investigating the relationship between EPCs and behaviors. In particular, a laboratory setting could be used to further investigated the equivalence of obligation, expectation, and promise based EPCs by comparing the EPCs measured by each form and how they relate to relevant behaviors in the laboratory.

Finally, although the "grave" individual and organizational consequences said to be associated with violations of employee psychological contracts have been offered as a primary reason for employers and researchers to take an interest in EPCs, theoretical and operational issues regarding the measurement of contract violation/fulfillment have received very little attention and would benefit from further research. A broader notion of "contract fulfillment" should be considered. The literature has focused exclusively on perceptions of the employer's fulfillment of its obligations. What effect do employees' perceptions regarding the extent to which they are fulfilling (or not fulfilling) their obligations have on their attitudes and

behaviors? The norm of reciprocity suggests that the relationship between perceived employer violations and criteria such as job satisfaction, trust, or turnover intentions may be moderated by individual's beliefs regarding the extent to which they are fulfilling their own part of the bargain.

APPENDICES

APPENDIX A

MICHIGAN STATE UNIVERSITY

EMPLOYEE BELIEFS AND ATTITUDES SURVEY

GENERAL INSTRUCTIONS

This questionnaire asks questions about your work related beliefs and attitudes. There are no right or wrong answers. The survey is divided into a number of sections. Each section begins with brief instructions. Please provide all of your responses directly on this questionnaire. All responses are strictly confidential.

YOUR EMPLOYER

Please answer the following question in the space provided:

Who is your employer? _____

(Please print)

(NOTE: If you have more than one employer, please identify your *primary* or *main* employer; in the sections that follow, when asked questions that relate to "your employer", you should answer the questions with the employer you have identified above in mind.)

Please recall: An ***obligation*** is a duty or responsibility that is imposed by either law, society, promises that are made, or morality ("good conscience")

1	2	3	4	5
Not at all obligated	Slightly obligated	Moderately obligated	Highly obligated	Very highly obligated

Using the scale above, please indicate the extent to which you believe that <u>your employer</u> is ***obligated*** to:

____ 17. provide a caring, supportive work environment

____ 18. provide you a safe work place

____ 19. provide co-workers who are competent in doing their work

____ 20. pay you a bonus based on the organization's performance

____ 21. allow you be involved in setting your performance goals at work

____ 22. provide you a level of pay based on how well you are performing your job

____ 23. provide you long-term job security

____ 24. provide you a level of pay that is "high" when compared to what most other employers are paying people performing your kind of job

____ 25. provide you support with personal problems that you may experience

____ 26. give you an opportunity to improve your performance before firing you for poor job performance

____ 27. provide good opportunities for promotion

____ 28. provide you a chance to tell your side of the story when you believe that you have been treated unfairly by your immediate boss or supervisor

____ 29. provide you a competitive benefits package

____ 30. have good reasons or "good cause" for terminating your employment

____ 31. provide explanations that make sense to you when making decisions about your job

____ 32. treat you with respect

____ 33. give you regular pay increases

____ 34. provide you the resources necessary to perform your job

____ 35. accommodate your work scheduling requests when possible

____ 36. provide materials and equipment necessary to perform your job

____ 37. provide you a level of pay that is competitive with what other employers are paying people performing your kind of job

Please recall: An ***obligation*** is a duty or responsibility that is imposed by either law, society, promises that are made, or morality ("good conscience")

1	2	3	4	5
Not at all obligated	Slightly obligated	Moderately obligated	Highly obligated	Very highly obligated

Using the scale above, please indicate the extent to which you believe that <u>your employer</u> is ***obligated*** to:

____ 38. allow you opportunities to talk or socialize with your co-workers

____ 39. provide you the opportunity to learn new skills

____ 40. provide a comfortable work environment

____ 41. deal honestly with you

____ 42. have good reasons for doing things that are likely to have a negative impact on you personally

____ 43. provide you the same opportunities given others with your capabilities and performance history

____ 44. take into account your non-work life (family, relationships, non-work activities) when deciding what demands can be reasonably made of you at work

Please list any other things which you believe <u>your employer</u> is ***obligated*** to provide or do for <u>you</u>:

a. _____

b. _____

c. _____

SECTION B: YOUR OBLIGATIONS TO YOUR EMPLOYER

This section assesses your beliefs regarding what you are ***obligated*** to provide or do for your employer.

For each item presented below, you should indicate your belief regarding the extent to which either the law, society, promises you have made, or morality ***obligates*** you to do or provide the thing that is described. Again, write your response to each item directly on this questionnaire, on the short line next to the item number.

1 Write in a "1" if you believe that you are not at all obligated

2 Write in a "2" if you believe that you are slightly obligated

3 Write in a "3" if you believe that you are moderately obligated

4 Write in a "4" if you believe that you are highly obligated

5 Write in a "5" if you believe that you are very highly obligated

1	2	3	4	5
Not at all obligated	Slightly obligated	Moderately obligated	Highly obligated	Very highly obligated

Using the scale above, please indicate your belief regarding the extent to which you are ***obligated*** to:

___ 1. volunteer to do things at work that are not formally required by your job

___ 2. come up with ideas or suggestions for improving your employer's operations

___ 3. help your co-workers who are having difficulty performing their job

___ 4. refuse to directly or indirectly support your employer's competitors

___ 5. accept a temporary cut in pay if your organization is experiencing financial difficulties and management indicates that pay cuts are necessary

___ 6. work extra hours even if it does not involve extra pay

___ 7. help solve problems relating to your job

___ 8. make adjustments in your personal life (family, friendships, social activities) to meet changing demands on your job

___ 9. not seek a new job with another employer so long as your present employer is meeting its obligations to you

___ 10. have good reasons for leaving your employer

___ 11. get along well with your co-workers

___ 12. place company goals ahead of your personal goals on some occasions

___ 13. conduct your personal life so as not to hurt the public image of your employer

___ 14. protect your organization's proprietary information (e.g. trade secrets, information about products, etc.)

___ 15. be loyal to your employer

___ 16. participate in ongoing training to enhance you ability to contribute

___ 17. show up for work every day that you are scheduled to work, so long you are physically able to do so

SECTION B: YOUR ORIENTATIONS TO YOUR EMPLOYER

Do these statements about policy changes apply to you? Circle the number in each row that applies.

	1	2	3	4	5
	Not at all obligated	Slightly obligated	Moderately obligated	Highly obligated	Very highly obligated

1. Even if I'm not happy with a change in policy, I would feel obligated to support it.
2. I would feel guilty if I didn't support a change in policy that I disagreed with.
3. I would feel obligated to support a change in policy that I disagreed with.
4. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my employer.
5. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my coworkers.
6. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my supervisor.
7. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my employer.
8. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my boss.
9. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my company.
10. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my organization.

Please indicate how much you agree or disagree with the following statements.

	1	2	3	4	5
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree

1. I would feel guilty if I did not support a change in policy that I disagreed with.
2. I would feel ashamed if I did not support a change in policy that I disagreed with.
3. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my employer.
4. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my boss.
5. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my company.
6. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my supervisor.
7. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my coworkers.
8. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my organization.

Please indicate how much you agree or disagree with the following statements.

	1	2	3	4	5
	Not at all obligated	Slightly obligated	Moderately obligated	Highly obligated	Very highly obligated

1. When in a "1," I feel that I am not at all obligated to support a change in policy.
2. When in a "2," I feel that I am slightly obligated to support a change in policy.
3. When in a "3," I feel that I am moderately obligated to support a change in policy.
4. When in a "4," I feel that I am highly obligated to support a change in policy.
5. When in a "5," I feel that I am very highly obligated to support a change in policy.

Please indicate how much you agree or disagree with the following statements.

	1	2	3	4	5
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree

1. I would feel guilty if I did not support a change in policy that I disagreed with.
2. I would feel ashamed if I did not support a change in policy that I disagreed with.
3. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my employer.
4. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my boss.
5. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my company.
6. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my supervisor.
7. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my coworkers.
8. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my organization.

Please indicate how much you agree or disagree with the following statements.

	1	2	3	4	5
	Not at all obligated	Slightly obligated	Moderately obligated	Highly obligated	Very highly obligated

1. When in a "1," I feel that I am not at all obligated to support a change in policy.
2. When in a "2," I feel that I am slightly obligated to support a change in policy.
3. When in a "3," I feel that I am moderately obligated to support a change in policy.
4. When in a "4," I feel that I am highly obligated to support a change in policy.
5. When in a "5," I feel that I am very highly obligated to support a change in policy.

Please indicate how much you agree or disagree with the following statements.

	1	2	3	4	5
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree

1. I would feel guilty if I did not support a change in policy that I disagreed with.
2. I would feel ashamed if I did not support a change in policy that I disagreed with.
3. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my employer.
4. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my boss.
5. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my company.
6. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my supervisor.
7. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my coworkers.
8. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my organization.

Please indicate how much you agree or disagree with the following statements.

	1	2	3	4	5
	Not at all obligated	Slightly obligated	Moderately obligated	Highly obligated	Very highly obligated

1. When in a "1," I feel that I am not at all obligated to support a change in policy.
2. When in a "2," I feel that I am slightly obligated to support a change in policy.
3. When in a "3," I feel that I am moderately obligated to support a change in policy.
4. When in a "4," I feel that I am highly obligated to support a change in policy.
5. When in a "5," I feel that I am very highly obligated to support a change in policy.

Please indicate how much you agree or disagree with the following statements.

	1	2	3	4	5
	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree

1. I would feel guilty if I did not support a change in policy that I disagreed with.
2. I would feel ashamed if I did not support a change in policy that I disagreed with.
3. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my employer.
4. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my boss.
5. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my company.
6. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my supervisor.
7. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my coworkers.
8. I would feel obligated to support a change in policy that I disagreed with, because I owe it to my organization.

Please indicate how much you agree or disagree with the following statements.

	1	2	3	4	5
	Not at all obligated	Slightly obligated	Moderately obligated	Highly obligated	Very highly obligated

1. When in a "1," I feel that I am not at all obligated to support a change in policy.
2. When in a "2," I feel that I am slightly obligated to support a change in policy.
3. When in a "3," I feel that I am moderately obligated to support a change in policy.
4. When in a "4," I feel that I am highly obligated to support a change in policy.
5. When in a "5," I feel that I am very highly obligated to support a change in policy.

Please recall: An *obligation* is a duty or responsibility that is imposed by either law, society, promises that are made, or morality ("good conscience")

1	2	3	4	5
Not at all obligated	Slightly obligated	Moderately obligated	Highly obligated	Very highly obligated

Using the scale above, please indicate your belief regarding the extent to which you are ***obligated*** to:

____ 18. work as a team player

____ 19. help promote a positive work atmosphere

____ 20. show up for work on time

____ 21. be flexible in your dealings with your employer

____ 22. perform all assigned job tasks to the best of your ability

____ 23. provide a high quality product or service

____ 24. accept a transfer to another geographic location

____ 25. make personal sacrifices when the company is experiencing hard times

____ 26. deal honestly with your employer

____ 27. provide advance notice of taking a job elsewhere

____ 28. let your employer know if you have complaints about the way you are being treated

____ 29. look for new ways to contribute to the organization's success

____ 30. follow all company rules and policies

____ 31. accept a transfer to another position if upper management believes that it is necessary

____ 32. spend a minmum of two years in the organization

____ 33. treat your immediate supervisor or boss with respect

34. Please list any other things which you believe you are ***obligated*** to provide or do for your employer:

a. _____

b. _____

c. _____

SECTION C: BELIEFS ABOUT WORK IN GENERAL

Below are a number of statements each of which you may agree or disagree with depending on your own personal evaluation of work in general (without reference to any specific job). Please indicate the extent to which you agree or disagree with each statement by writing the appropriate number from the scale below (1 to 7) in the blank next to each statement. **To what extent do you agree or disagree with each of the following statements?**

1	2	3	4	5	6	7
Strongly disagree	Disagree	Slightly disagree	Neither agree nor disagree	Slightly agree	Agree	Strongly agree

_____ 1. The most important things that happen in life involve work.

_____ 2. Work is something people should get involved in most of the time.

_____ 3. Work should only be a small part of one's life.

_____ 4. Work should be considered central to life.

_____ 5. In my view, an individual's personal life goals should be work-oriented.

_____ 6. Life is worth living only when people get absorbed in work.

The statements below ask what you would like for your relationship to be with any organization for which you might work. On each question, *divide* 10 points between the two choices (choice A and choice B) by giving the most points to the choice that is *most* like you and the *fewest* points to the choice that is *least* like you. You can, if you like, give the same number of points to both choices (for example, 5 points to choice A and 5 points to choice B). And you can use zeros if your like. ***Just be sure to allocate all 10 points per question between each pair of possible responses.***

In any organization I might work for:

1. It would be more important for me to: (allocate 10 points)
   _____ A. Get from the organization
   _____ B. Give to the organization

2. It would be more important for me to: (allocate 10 points)
   _____ A. Help others
   _____ B. Watch out for my own good

3. I would be more concerned about: (allocate 10 points)
   _____ A. What I received from the organization
   _____ B. What I contributed to the organization

4. The hard work I would do should: (allocate 10 points)
   _____ A. Benefit the organization
   _____ B. Benefit me

5. My personal philosophy in dealing with the organization would be: (allocate 10 points)
   _____ A. If I don't look out for myself, nobody else will

SECTION D: THE EXTENT TO WHICH YOUR EMPLOYER HAS FULFILLED ITS OBLIGATIONS

This section asks you to indicate your beliefs regarding the extent to which your *current employer* has met, failed to meet, or exceeded its ***obligations*** to you. Please carefully read each item and *circle the appropriate answer* (to the right of each question).

Circle "1" if what your employer has provided or done is **much less than obligated**
Circle "2" if what your employer has provided or done is **less than obligated**
Circle "3" if what your employer has provided or done is **about the same as obligated**
Circle "4" if what your employer has provided or done is **more than obligated**
Circle "5" if what your employer has provided or done is **much more than obligated**

	Much Less		Same		Much More
1. provide you work that is challenging	1	2	3	4	5
2. allow you time off from work to participate in non-work activities that are important to you	1	2	3	4	5
3. provide you training to prepare you to assume a better position in the organization	1	2	3	4	5
4. provide you work that is interesting	1	2	3	4	5
5. give you recognition for the contributions that you make to the organization	1	2	3	4	5
6. help you develop your career	1	2	3	4	5
7. (item #7 as been removed; please go on to item #8)					
8. provide you opportunities to advance and grow	1	2	3	4	5
9. allow you to participate in decisions that may have an important impact on your work	1	2	3	4	5
10. provide you work that gives you a sense of purpose	1	2	3	4	5
11. keep you informed regarding the organization's financial condition	1	2	3	4	5
12. be flexible in its practices in order to allow you to try to balance your work and personal lives	1	2	3	4	5
13. provide you work that gives you a great deal of responsibility	1	2	3	4	5
14. provide a friendly work atmosphere	1	2	3	4	5
15. treat you as a partner	1	2	3	4	5
16. provide you regular feedback about how you are performing your job	1	2	3	4	5
17. provide a caring, supportive work environment	1	2	3	4	5

To what extent has your current employer met, failed to meet, or exceeded its **obligations** to you?

	Much Less		Same		Much More
18. provide you a safe work place	1	2	3	4	5
19. provide you co-workers who are competent in doing their work	1	2	3	4	5
20. pay you a bonus based on the organization's performance	1	2	3	4	5
21. allow you to be involved in setting your performance goals at work	1	2	3	4	5
22. provide you a level of pay based on how well you are performing your job	1	2	3	4	5
23. provide you long-term job security	1	2	3	4	5
24. provide you a level of pay that is "high" when compared to what most other employers are paying people performing your kind of job	1	2	3	4	5
25. provide you support with personal problems you may experience	1	2	3	4	5
26. give you an opportunity to improve your performance before firing you for poor job performance	1	2	3	4	5
27. provide good opportunities for promotion	1	2	3	4	5
28. provide you a chance to tell your side of the story when you believe that you have been treated unfairly by your immediate boss or supervisor	1	2	3	4	5
29. provide you a competitive benefits package	1	2	3	4	5
30. (item #30 has been removed; please go on to item #31)					
31. provide explanations that make sense to you when making decisions about your job	1	2	3	4	5
32. treat you with respect	1	2	3	4	5
33. give you regular pay increases	1	2	3	4	5
34. provide you the resources necessary to perform your job	1	2	3	4	5
35. accommodate your work scheduling requests when possible	1	2	3	4	5
36. provide materials and equipment necessary to perform your job	1	2	3	4	5
37. provide you a level of pay that is competitive with what other employers are paying people performing your kind of job	1	2	3	4	5
38. allow you opportunities to talk or socialize with your co-workers	1	2	3	4	5
39. provide you the opportunity to learn new skills	1	2	3	4	5
40. provide a comfortable work environment	1	2	3	4	5

To what extent has your current employer met, failed to meet, or exceeded its obligations to you?

	Much Less		Same		Much More
41. deal honestly with you	1	2	3	4	5
42. have good reasons for doing things that are likely to have a negative impact on you personally	1	2	3	4	5
43. provide you the same opportunities given others with your capabilities and performance history	1	2	3	4	5
44. take into account your non-work life (family, relationships, non-work activities) when deciding what demands can be reasonably made of you at work	1	2	3	4	5

SECTION E

Please answer each of the following six questions by *circling the appropriate response* (from 1 to 7) on the scale presented immediately below each question.

1. How likely is it that you will actively look for work in a different organization within the next year?

1	2	3	4	5	6	7
Not at all likely		Somewhat likely		Quite likely		Extremely likely

2. How likely is it that you will leave your organization in the next year?

1	2	3	4	5	6	7
Not at all likely		Somewhat likely		Quite likely		Extremely likely

3. To what extent do you agree or disagree with the following statement: **"I often think about quitting my job."**

1	2	3	4	5	6	7
Strongly disagree	Disagree	Slightly disagree	Neither agree nor disagree	Slightly agree	Agree	Strongly agree

4. All things considered, how satisfied are you with your job?

1	2	3	4	5	6	7
Extremely dissatisfied	Dissatisfied	Slightly dissatisfied	Neutral	Slightly satisfied	Satisfied	Extremely satisfied

5. Considering all of the jobs you might realistically have at this point in your career, how does your current job compare?

1	2	3	4	5	6	7
One of the worst	Worse than most	Slightly worse than most	About average	Slightly better than most	Better than most	One of the best

6. Considering *work in general* (without reference to any specific job), overall, how important is work in your life?

1	2	3	4	5	6	7
Not at all important		Somewhat important		Quite important		Extremely important

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SECTION F: DEMOGRAPHICS

GENERAL INSTRUCTIONS: Sometimes results of studies, such as these, will differ based on some aspect of demography (e.g. age or gender). I am asking the following questions for this reason. Please write in, or circle, the appropriate answer for each question.

1. What is your gender: a. Male b. Female

2. What is your age? _____

3. What is your current martial status? a. married b. single c. divorced d. separated e. widowed

4. Do you have minor children (17 years old or younger) ? a. Yes b. No

   If so, what are you minor children's ages? _____
   If so, do you consider yourself your children's primary care provider?
   a. Yes
   b. I share child care responsibilities approximately equally with another person (e.g. a spouse)
   c. No

5. What is your race or ethnic origin: a. White b. African American c. Asian/Pacific Islander
   d. Hispanic e. Other

6. Education level - Please circle the highest level of formal education that you have obtained:
   a. some high school, but did not graduate
   b. graduated from high school
   c. two years or less of college
   d. more than two years of college, but did not graduate
   e. four year college degree
   f. masters degree
   g. degree work beyond a masters degree

7. What is your department or functional area:
   a. bakery
   b. carry-out
   c. cashier
   d. dairy & frozen foods
   e. deli
   f. meat
   g. produce
   h. office
   i. stock - day
   j. night stock
   k. "other" (if 1 of the above areas does not apply) _____
   (your department or functional area

7A. Are you a manager or a supervisor? a. Yes b. No

8. How long have you worked for your current employer: _____ years _____ months

9. On average, how many hours a week do you work for your employer? _____ hours per week

10. Which of the following statements best describes *your preference for full-time versus part-time employment*? (consider "part-time employment" as involving less than 35 hours of work per week)
    a. I strongly prefer being employed part-time
    b. I prefer being employed part-time
    c. I somewhat prefer being employed part-time
    d. I do not have any preference for either full-time or part-time employment
    e. I somewhat prefer full-time employment
    f. I prefer full-time employment
    g. I strongly prefer full-time employment

11. Think back to when you first began working for your present employer. At that time, how long did you plan to work for your present employer:
    a. less than 1 year
    b. 1 to 3 years
    c. 4 to 6 years
    d. 7 to 9 years
    e. 10 years or more, but less than your entire working career
    f. your entire working career

12. Approximately how many years of work experience do you have? _____
    (include your current job and your experience in all previous jobs that you have had)

SECTION G

Using the scale below, please indicate the extent to which you agree with the following statements by *circling the appropriate response*.

1 = Strongly disagree
2 = Disagree
3 = Disagree somewhat
4 = Neutral (neither agree or disagree)
5 = Agree somewhat
6 = Agree
7 = Strongly agree

	Strongly Disagree			Neutral			Strongly Agree
1. I am not sure that I fully trust my employer.	1	2	3	4	5	6	7
2. Given the opportunity, my employer would take unfair advantage of me.	1	2	3	4	5	6	7
3. My employer is open and up-front with me.	1	2	3	4	5	6	7
4. I believe my employer has high integrity.	1	2	3	4	5	6	7
5. In general, I believe my employer's intentions and motives are good.	1	2	3	4	5	6	7
6. My employer is not always honest and truthful.	1	2	3	4	5	6	7
7. I don't think that my employer treats me fairly.	1	2	3	4	5	6	7
8. I can count on my employer to treat me in a consistent and predictable way.	1	2	3	4	5	6	7

Please recall: An ***obligation*** is a duty or responsibility that is imposed by either law, society, promises that are made, or morality ("good conscience")

1	2	3	4	5
Not at all obligated	Slightly obligated	Moderately obligated	Highly obligated	Very highly obligated

Using the scale above, please indicate the extent to which you believe that <u>your employer</u> is ***obligated*** to:

____ 17. provide a caring, supportive work environment

____ 18. provide you a safe work place

____ 19. provide co-workers who are competent in doing their work

____ 20. pay you a bonus based on the organization's performance

____ 21. allow you be involved in setting your performance goals at work

____ 22. provide you a level of pay based on how well you are performing your job

____ 23. provide you long-term job security

____ 24. provide you a level of pay that is "high" when compared to what most other employers are paying people performing your kind of job

____ 25. provide you support with personal problems that you may experience

____ 26. give you an opportunity to improve your performance before firing you for poor job performance

____ 27. provide good opportunities for promotion

____ 28. provide you a chance to tell your side of the story when you believe that you have been treated unfairly by your immediate boss or supervisor

____ 29. provide you a competitive benefits package

____ 30. have good reasons or "good cause" for terminating your employment

____ 31. provide explanations that make sense to you when making decisions about your job

____ 32. treat you with respect

____ 33. give you regular pay increases

____ 34. provide you the resources necessary to perform your job

____ 35. accommodate your work scheduling requests when possible

____ 36. provide materials and equipment necessary to perform your job

____ 37. provide you a level of pay that is competitive with what other employers are paying people performing your kind of job

SECTION A: EMPLOYER'S OBLIGATIONS TO YOU

This section assesses your beliefs regarding what your employer is ***obligated*** to provide or do for you. An ***obligation*** is a duty or responsibility that is imposed by either law, society, promises that are made, or morality ("good conscience"). For each item presented below, you should indicate your belief regarding the extent to which either the law, society, promises your employer has made, or morality ***obligates*** your employer to do or provide the thing that is described. Write your response to each item directly on this questionnaire, on the blank next to the item number.

1 Write in a "1" if you believe that your employer is **not at all obligated**
2 Write in a "2" if you believe that your employer is **slightly obligated**
3 Write in a "3" if you believe that your employer is **moderately obligated**
4 Write in a "4" if you believe that your employer is **highly obligated**
5 Write in a "5" if you believe that your employer is **very highly obligated**

1	2	3	4	5
Not at all obligated	Slightly obligated	Moderately obligated	Highly obligated	Very highly obligated

Using the scale above, please indicate the extent to which you believe that your employer is ***obligated*** to:

___ 1. provide you work that is challenging

___ 2. allow you time off from work to participate in non-work activities that are important to you

___ 3. provide you training to prepare you to assume a better position in the organization

___ 4. provide you work that is interesting

___ 5. give you recognition for the contributions that you make to the organization

___ 6. help you develop your career

___ 7. continue employing you so long as you are performing your job reasonably well

___ 8. provide you opportunities to advance and grow

___ 9. allow you to participate in decisions that may have an important impact on your work

___ 10. provide you work that gives you a sense of purpose

___ 11. keep you informed regarding the organization's financial condition

___ 12. be flexible in its practices in order to allow you to try to balance your work and personal lives

___ 13. provide you work that gives you a great deal of responsibility

___ 14. provide a friendly work atmosphere

___ 15. treat you as a partner

___ 16. provide you regular feedback about how you are performing your job

APPENDIX B

Anecdotal Illustration of the Limitations of a Promise Framework

A man who was discharged by his employer of 13 years goes to an attorney. His anger at being discharge without, in his mind, good reasons borders on outrage. He expresses his belief that he was "owed better treatment than that." The man produces a paperback employee manual from a brown paper bag. It contains the following express disclaimer: "EMPLOYMENT IS AT-WILL. YOUR EMPLOYMENT MAY BE TERMINATED AT ANY TIME, WITH OR WITHOUT NOTICE, AND WITH OR WITHOUT CAUSE." The man acknowledges reading the employee manual but doesn't recall what he made of the quoted statement. In response to the attorney's question, the man concedes that "No, they never promised me that they would only fire me for good reasons." He then volunteers "But they owed me better treatment than that."

The man's subjective belief that his employer owed him better treatment than he had received is, I would argue, part of the phenomenon most researchers would like to capture with the EPC construct. However, the man's subjective belief would not be included in conceptualization of the EPC construct that truly limits the construct to promise based obligations , i.e., one that does not employ the term "promise" as a fiction.

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