



# WORK PSYCHOLOGY

**Understanding Human Behaviour in the Workplace**

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If the psychological contract is not to their liking, new employees may take it upon themselves to take action to try to put things right, rather than waiting for managers or colleagues to try to repair the situation. Bankins (2015) found that newcomers could sometimes feel that they were given tasks that were too simple for them. To remedy this, several approached their manager to identify and self-initiate opportunities for being involved in more challenging work. More often, however, newcomers coped by focusing on the future, and reappraised the problems as transient ones. They accepted the less than challenging work as a temporary situation that would soon improve.

While important, these early interactions are not everything. Taris et al. (2006) examined the expectations of 1500 newcomers to an organisation. They found that unmet expectations did have an impact on important outcomes such as turnover and motivation. However, the newcomers' expectations changed over time, with some of the unmet expectations becoming less important. This illustrates why it is that a psychological contract is often referred to as an 'unfolding process': promises tend to change over time.

### Key learning point

Psychological contracts change or 'unfold' over time. What people want and what an employer can offer are both very dynamic.

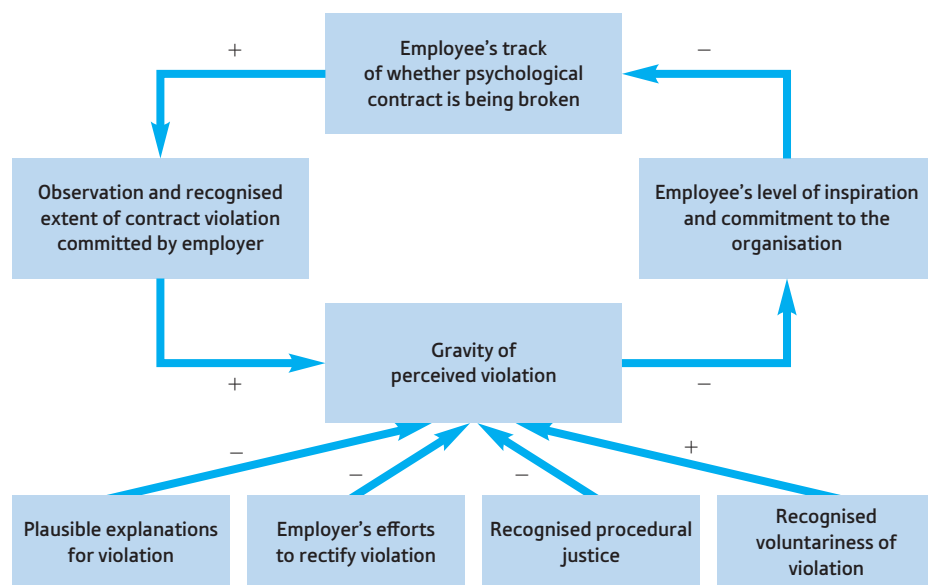
Much of the research into the psychological contract has looked at what happens when it is broken, or breached. These breaches can be quite common. In their early work Robinson and Rousseau (1994) found that 70 of their sample of 128 managers thought that their employer had breached their psychological contract in the first two years of employment. Breaches most commonly concerned failure to deliver on promises about training and development, pay and benefits, and promotion opportunities. There are three items below adapted from Robinson and Morrison's (2000) measure of breaches (employees would be asked to what extent they agreed with these statements):

- 1 I feel that my employer has come through in fulfilling the promises made to me when I was hired (agreement = no breach).
- 2 So far my employer has done an excellent job of fulfilling its promises to me (agreement = no breach).
- 3 My employer has broken many of its promises to me even though I've upheld my side of the deal (agreement = breach).

### Key learning point

A breach of the psychological contract occurs when it is perceived that promises are broken.

Figure 5.4 illustrates the 'violation process' (e.g. Robinson and Morrison, 2000). A breach is often thought of as the realisation that what has been promised has not materialised (i.e. a perceived discrepancy). Violation is associated with the triggering of strong negative emotions such as anger or frustration (this is sometimes referred to as an affective event). Most researchers agree that these negative emotions occur after an individual makes sense of why the breach occurred (Bal et al., 2017). If, during that sense-making, there is a perception that a breach was deliberate, purposeful and reflected unfair treatment it is more likely to then trigger the strong negative emotional reactions associated with a violation.

**Figure 5.4**

The process of psychological contract violation

Source: Adapted from Rousseau (1995: 118), reprinted with permission.

Unsurprisingly the experience of an intensely unpleasant experience such as bullying at work is frequently interpreted as a violation of the psychological contract (Kakarika et al., 2017). However, perceptions of breaches and violations can result from more subtle shifts in work relationships and work conditions. Employees who see themselves as having a long-term career with their current employer and have established a strong working relationship with their supervisor may feel especially betrayed when they perceive a breach in the psychological contract (Doden et al., 2018). This appears to be because the breach poses a threat to desired and valued long-term relationships. In contrast, those who want to move frequently between employers throughout their career appear less likely to feel betrayed in these circumstances. Instead, they see the relationships with the supervisor and employer as temporary rather than binding: keeping these in a satisfactory state as less important to the fulfilment of their long-term, self-orientated, career goals.

Working conditions can also set the scene for breaches. Periods of high demand appear to deplete workers' psychological resources and prime them to: (i) have strong emotional negative reactions to problems at work and (ii) attribute the causes of those events to the actions of their employers (Bal et al., 2017). This means that after a busy or hectic period, employees are more likely to interpret events they usually see as fairly innocuous as breaches of the psychological contract. After periods of low demand, or when plenty of resources such as support and autonomy were available to help employees deal with high demands, perceptions of breach appeared less likely. This is the resource-depletion approach to understanding the effects of breaches. It is somewhat different to the social-exchange mechanisms described in early interactions of the theory (see also Chapter 8 for a detailed discussion of conservation of resources theory). Using this approach, Kiazad et al. (2014) examined the impact of breaches on innovation among university employees in Australia. Some employees actually reacted positively to a breach by engaging in more innovative behaviours. This makes sense if we consider how innovation can help people recover some of their losses associated with the breach. Kiazad and colleagues argue that innovation can involve: strengthening existing collaborative links with colleagues, taking on more challenging tasks and a re-appraisal of

the significance of their work situation (i.e. because of the breach they have 'little to lose' by innovating). All of these actions can help with the development of resources.

### The effects of breaches, violations and fulfilment

Herriot and Pemberton (1995) describe typical behavioural reactions to violation of the psychological contract as get out, get safe or get even – or, to put it another way: to leave, to stay and protect your interests, or to stay and take your revenge. When employees felt that their employer had violated the psychological contract, they were inclined to feel less sense of obligation and less commitment to their employing organisation and also, perhaps, to their customers and clients (Deng et al., 2018).

Performance, turnover and organisational citizenship and attitudes such as job satisfaction and organisational commitment can all be impacted by violations. Conway et al. (2011) found that the consequences of a breach on attitudes such as job satisfaction and organisational commitment were bigger than the consequences of fulfilment. The effort and care required to fulfil a psychological contract can be justified by the costs that are avoided. Conway and Coyle-Shapiro (2012) carried out a complex longitudinal study of sales advisors and collected data on changes in performance over time. As time passed it appeared that performance loomed larger in people's evaluations of the promises being made. This indicated that when employees had been with the organisation for some time, when they performed well they were more likely to experience fulfilment of their psychological contract (and vice versa). Earlier on in their tenure the support they received from others mattered more, even if they were less than successful at achieving performance targets. The fluctuating state of the psychological contract over time is a common theme in longitudinal studies.

The evidence for the impact of violations of the psychological contract continues to mount. In a meta-analysis of the research Zhao et al. (2007) looked at 51 well-designed studies. The analysis revealed that the strongest links between the psychological contract and organisational outcomes occurred when employees had a strong emotional response (e.g. feelings of violation or mistrust) to the breach. These reactions were particularly strongly linked to turnover intention, organisational commitment and job satisfaction. There were weaker, but significant, links to job performance and organisational citizenship behaviours. However, there was no significant link to actual turnover, most likely because turnover is a very complex, multi-causal phenomenon, as discussed earlier in this chapter. The type of contract breached did not seem to make too much difference to the outcomes, except that breaches of transactional contracts had stronger links to organisational commitment than breaches of relational contracts. Something that may be a concern for organisations is that employees who perceive violations may remain in their job and engage in a steadily increasing amount of covert counterproductive work behaviour aimed at their employer (see Chapter 4). By collecting data frequently over time, Griepa and Vantilborgh (2018) found that as perceptions of breaches accumulated over time, feelings of violation appeared to intensify into a negative spiral of 'escalating negative interactions' (2018: 150).

In their longitudinal study, Ng et al. (2010) found that organisational commitment was harmed by breaches and that this had knock-on detrimental effects on levels of innovation. They also found that after initial perceptions of breaches, employees held stronger perceptions about the breach – there is a risk that the effects of breaches can grow over time. Breaches, whether caused by the manager or not, seem to have a particularly damaging effect on line manager–employee working relationships with this, in turn, leading to long-term detrimental effects on employees' career success (Restubog et al., 2011). Breaches of the psychological contract have also been linked to an increased likelihood that employees will report working with less vigour and energy after a breach than they did before it (Rayton and Yalabik, 2014). These effects may extend beyond the organisation and impact on the quality of work done for clients (Deng et al., 2018).

Breaches appear to be a feature of working relationships in complex, constantly changing organisations. As a result, researchers have started to look at what factors determine whether a breach triggers an emotional response and whether the negative outcomes of breaches can be averted. For example, a person who starts out favourably disposed towards their employer might be less likely to notice breaches than somebody who already mistrusts the employer. They might also be less likely to construe breaches as violations or at least have less strong psychological reactions to them. The intensity of psychological responses to breach is the focus of a lot of research. For example, in a study of over 6000 British Royal Air Force personnel, Clinton and Guest (2014) found that it is the important felt consequences of breach that appear to drive its links to turnover. Their results suggest that if breach resulted in a perception that trust in the employer had been significantly damaged, or that the employee felt that their exchange with the employer was unfair (e.g. they got out less than they put in) then breach would be linked to turnover.

How a breach is handled is important in determining whether it turns into a violation. Lester et al. (2007) found that open communication with employees about the nature of the psychological contract was important to keeping the contract fulfilled. The provision of credible, legitimate and consistent reasons for breaches can help: employees are less likely to feel the contract has been violated or to develop feelings of mistrust. Zhao et al. (2007) argue that employers need to guard against breaches by making efforts to keep abreast of their employees' needs. If it is felt that the breach was neither the employer's fault, nor intended, then the impact on the employee's loyalty is likely to be small, particularly if it is put right quickly.

### Individual differences and the psychological contract

There is some evidence that age moderates the impact of a breach. Longitudinal research indicates that older workers react less intensely than younger workers to breaches with less impact on their job satisfaction and performance (Bal et al., 2008, 2013). This effect appears not to be a consequence of tenure and more likely to be linked to age-related differences in emotional regulation (more constructive regulation may be practised by older workers). Age appears to bring with it a wider repertoire of strategies for coping with and appraising the meaning of emotions.

It also appears that psychological breaches can leave employees with some 'baggage'. Robinson and Morrison (2000) found that experiences of breaches of the psychological contract with former employers were linked to the likelihood of breaches occurring with the current employer. Karagonlar et al. (2015) have found that some employees remain more wary than others of the promises made by employers, even if their experiences indicate that psychological contracts are fulfilled.

Those who feel that promises have been broken might engage in deviant or counterproductive work behaviours (see Chapter 4). Restubog et al. (2015) studied workers in the hospitality and measured 'revenge cognitions': workers may consider exacting revenge but not actually act on their thoughts. They found that if the organisational culture was aggressive then such thoughts were more likely to translate into actions. Their findings indicate that organisational culture needs to be managed carefully if some of the more unpleasant effects of breaches are to be minimised. Those higher in self-control felt the effects of psychological contract breaches as keenly as anyone else but, compared to those with low self-control, they were less likely to attempt to exact revenge.

What is most important to people in their psychological contracts can vary quite a bit. Restubog et al. (2007) found that breaches have bigger effects for people who attach high value to the tangible benefits of employment such as money (outcome-oriented people)

than it does for those who attach high value to the benefits of relationships at work (relationship-oriented people). Outcome-oriented employees tended to attempt to 'even the score' by extracting revenge. Relationship-oriented employees appear less likely to do so at such actions can place at risk relationships with co-workers and supervisors.

### Key learning point

There are likely to be very significant differences between individuals in the kind of promises they expect to be kept, and the value they place on the rewards they might receive for their efforts.

Lambert (2011) argued that the way most people see their psychological contracts can be broken down into four components: promised inducements, promised contributions, delivered inducements and delivered contributions. Her results showed that much depends upon how each of these elements fulfils the specific needs of each employee at any given time: elements proximal (close) to personal need fulfilment appear to matter most. For some (e.g. those who have a personal need to pay their rent) delivered inducements (e.g. pay) may matter most. Others' needs might be closely linked to their desire to achieve long-term goals and therefore promised inducements could be more likely to match their needs (e.g. the promise of a well-defined path to a top job sometime in the future). In this case they might be happy to exert effort in return for a promise from the employer.

### Key learning point

Interventions can stop breaches of the psychological contract leading to the strong negative emotions associated with violations.

## Summary

Like most social psychological phenomena, attitudes are more complicated than they first seem. A person's attitudes may predict their behaviour quite well in some circumstances, if the right attitude is assessed, and if the person's perceptions of social pressures and their own capabilities are also taken into account. Job satisfaction concerns a person's evaluation of their job, while organisational commitment refers to the extent to which a person feels attached to their employing organisation. They can both be measured satisfactorily, are influenced by the nature of the person's job and individual differences and appear to have quite complex connections with a range of behaviours and other attitudes at work. However, they may allow us to make some imperfect predictions about if a person stays in their employing organisation and their job performance. Of course, the causes of performance and turnover are complex and many other factors aside from attitudes influence these behaviour. The psychological contract provides a useful framework for understanding how the employment relationship develops and is maintained. It also tells us quite a lot about how attitudes develop over time and what people want to get from their work.



## Closing case study

## Employers face moves to strengthen gig worker rights

UK employers will have to compensate workers if they cancel shifts at short notice under proposals intended to give people in the gig economy more control over their working lives. The measures, set out in a government consultation on Friday, are part of a broader effort to align employment regulation and practices with the changing world of work. They are also a response to concerns that the UK's jobs boom – with employment at record highs and many workers benefiting from a steadily rising minimum wage – masks precariousness and ongoing abuses at the bottom end of the labour market.

They aim to address the problem of 'one-sided flexibility' – where employers misuse flexible working arrangements, leaving workers with unpredictable hours, insecure income and little ability to assert their rights – that was identified two years ago in a review led by Matthew Taylor, chief executive of the Royal Society of Arts.

The government is proposing that workers should be entitled to reasonable notice of work schedules, and compensation if shifts are cancelled at short notice. It also wants to bolster protection for workers who are penalised for refusing shifts offered at the last minute. The measures are in line with recommendations made last year by the Low Pay Commission (LPC), which advised against the proposal made in the Taylor review, that workers should receive a higher minimum wage for working non-guaranteed hours.

Ministers have resisted calls from unions and other campaign groups to ban the use of zero-hour contracts, which are often blamed for leaving workers at the mercy of employers who give them little notice of when they will work and leave them with fluctuating incomes. However, the latest proposals include confirmation that the government plans to legislate to give workers a right 'to potentially move towards a more predictable and stable contract', with more certainty over the number of hours or the fixed days on which they work.

Bryan Sanderson, chair of the LPC, said the government's proposals 'have the potential to improve work and life for hundreds of thousands of people', while allowing flexible workers to maintain their autonomy and businesses to tailor their workforce to peaks in demand. Ben Willmott, head of public policy at the CIPD, the body for HR professionals, welcomed the proposals but said businesses would need clarity on the circumstances in which employers could refuse a request to switch to a more predictable work pattern. Although UK employment is at record highs, and low paid workers have benefited from steady increases in the minimum wage, ministers are under increasing pressure to do more to improve the quality of work and address ongoing abuses of employment rights. Earlier this week, the government set out plans to strengthen enforcement of labour market rules by creating a single body with a mandate to stamp out workplace exploitation.



Source: Delphine Strauss (2019) 'Employers face moves to strengthen gig worker rights', *The Financial Times*, 19th July, © Financial Times Limited 2019. All rights reserved. <https://www.ft.com/content/602afc46-aa24-11e9-b6ee-3cdf3174eb89>

### Suggested exercises

- 1 What types of psychological contract best describes the situation typically experienced by workers in the 'gig economy'? Are the contracts most likely to be relational, transactional, balanced or transitional?
- 2 Before the implementation of the proposed legislation, what breaches of the psychological contract appear to be frequently occurring? Consider this question from both the perspective of the employer and the perspective of the employee.
- 3 Do you think the proposed legislation will reduce the number of breaches? Explain your answer.
- 4 Why might some employees find working in the gig economy a satisfying experience while others see it as highly unsatisfactory?