

Promises, Expectations, and Obligations – Which Terms Best Constitute the Psychological Contract?

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Abstract

At the outset, the psychological contract concept was viewed as a perception of an exchange agreement between the employer and employee, but today the concept has since been extended to almost every interpersonal relationship, resulting in many researchers defining the concept in their own way. Presently the psychological contract literature is saturated with lot of different definitions. Thus leading this paper to discuss the conceptual boundaries of what the psychological contract is, what it is not, and which term best constitute the psychological contract concept.

Keywords: Psychological contract, perception, promises, expectations, obligations, exchange agreement, employee and employer.

1. Introduction

This paper sets out to discuss the conceptual boundaries of what the psychological contract is for some and why it is not for others. Earlier researchers viewed the concept as a perception resulting from an exchange agreement between two parties the employer and employee, but today the concept has grown globally to almost every interpersonal relationship such as between doctors and patients, the state and individuals, husbands and wives, teachers and students, football clubs and players, and lawyers and clients. Universally, individual background and upbringing varies from one person to another and as people move from country to country in search of a better life, it has resulted in the concept being viewed differently, thus making researchers define the concept in their own way. Consequently making it difficult for new researchers to decide which definition is appropriate. This inconsistency in individual perception characterizes the theme of this study.

The key focus is to explore why people defined the psychological contract differently. As this paper undertakes this study, it is hope that the discussions would unearth some of the divergent views about the psychological contract concept. There has been lots of discussions on the definition of the psychological contract in many academic papers and textbooks, regrettably all the discussions failed to answer one most important question – “why is it that the term ‘psychological contract’ is not widely use in the workplace.”The word ‘psychological contract’ is extensively used in academic journals and textbooks, but surprisingly in the world media like CNN, BBC, France24 and even Aljazeera it is hardly mentioned. Hence the argument that the psychological contract concept is fast becoming a topic for academic review and barely recognised among the majority of employees in the workplace.

According to literature the reason for the interest in the psychological contract is mainly due to the breakdown of the traditional deal, which focuses on negotiation between the employer and employee representatives e.g. unions, rather than the employer drive on individualism. Another underlining factor for the interest in the psychological contract is the search for a better and new ways of managing employment relations to meet the needs and interests of both employees and employers. Despite the various research on the concept, recent events shows that when negotiations fails, like the industrial disputes between the Trade Unions and the English Public sector employers in November 2011,one cannot imagine why the term ‘psychological contract’ didn’t got mentioned in the English media, despite the fact that the industrial action held on 30 November 2011 was the biggest in UK in nearly 40 years.

Despite the high volume of academic research, there are still little awareness of the psychological contract concept among junior managers and employees working in both private and public sectors. Again, the question this paper is asking is whether the psychological contract concept is too vague. If it isn't, why is it that the terms 'psychological contract' is rarely use in the work place. Is it because employers do not believe their employees have the psychological contract and so do not feel obligated to reciprocate. Likewise, the question this paper is asking is whether the world media or indeed the English Medias are aware of the term 'psychological contract'? If yes, why is it that they are not using it to highlight their message to viewers? These questions remain unanswered in today's literatures. It is argued that the discrepancy may be due to the fact that the concept has too many definitions, hence the meaning differ from person to person.

2. The development of the psychological contract concept.

The growth of the psychological contract goes back more than fifty years. Menninger (1958) was the first researcher to instigate the concept of the psychological contract. In his book the "Theory of Psychoanalytic Technique" he argued that the concept involves a variety of interpersonal exchanges which focuses on an explicit and unspoken contract between a psychotherapist and his/her patient. But he did not use the term "psychological contract" to describe his technique.

Argyris (1960) was the first researcher to conceptualize the term "psychological work contract" in a study involving a foreman and his team, in which he described an implicit relationship between a group of employees and their supervisor. During the earlier development, Argyr is did not use the term 'psychological contract' because it had not been constructed at the time. Argyris's analysis in 1960 simply referred to the term "psychological work contract" to describe a relationship between a foreman and his team. But this changed two years later in 1962, when the term "psychological contract" was constructed by Levinson, Price, Munden, Mandl, & Solley(1962) in a book titled 'Men, Management, and Mental Health'to describe in particular the set of expectations and obligations individual employees spoke of when talking about their work experiences. The field studies of these researchers were conducted in quite a different setting, which resulted in different and overlapping outcomes. According to Argyris (1960), employees are more likely to improve their performance, if employers do not get in the way of the employee's activities. In contrast, Levinson et al (1962) believes psychological contract is constantly in operation, continuously renegotiated and mutually bargained to establish a workable psychological contract. The criticism is that earlier researchers such as Argyris (1960) and Levinson et al (1962) grounded their research studies within an organizational setting, involving employer and employees. In contrast others would argue that having a better exchange relationship between employer and employees does not necessarily guarantee a low staff turnover.

Today, the term 'psychological contract' coined by Levinson et al's (1962) is the one most commonly cited, rather than the term 'psychological work contract' constructed by Argyris (1960).Rousseau (1989) reconceptualised the psychological contract concept by redefining it in her article "Psychological and Implied Contract in Organization". In contrast to the original concepts that emphasized expectation in the relationship between the employer and employees, Rousseau had placed greater emphasis on the promissory nature of the contract (Conway & Briner, 2005). The key issue here is "beliefs", which she described as a promise the employer had made and the employees in exchange had considered and offered to accept, which now binds the two parties to a reciprocal obligation. This paper have constructed below table 1.1 which illustrate a summary of the development of the psychological contract. It features the contributions of these key researchers and their differences and similarities.

Table 1.1: Summary of the development of the psychological contract

Key Difference	Similarities	Theorist Contribution
Menninger (1958)		
Moved psychological contract outside the workplace. Relationship is not reciprocal	Relationship is based on satisfaction, which is synonymous with expectation	Psychological contract is involved in a range of inter-personal exchange
Argyris (1960)		
Psychological work contract, based on an atmosphere of informal employee culture	Mutual Obligation, and exchange relationship is reciprocal	Produced optimally under passive leadership
Levinson (1962)		
Lay emphasis on understanding the relationship from the employee and employer's perspectives	Mutual obligation, and psychological contract is based on a series of expectations	Identifies two expectations: Implicit expectation and company's expectations
Schein (1965)		
He draws from both Argyris's work and Levinson's work on the psychological contract. Also, he gave more consideration to organization side of the psychological contract	Mutual expectations	Psychological contract is continuously in operation and constantly being renegotiated
Kotter (1973)		
The more the employer and employee expectation matches, the greater the employee job satisfaction continues	Mutual expectation based on employee and employer relationship	Matching expectations
Rousseau (1989)		
Individual belief and perception, rather than the employee and organizational exchange	Reciprocal exchange agreement	Suggested violation as the mechanism that connect psychological contract to various responses in contrast to what is described as a reasonable match between the employee's contribution and the organizational inducement

Source: Development of the psychological contract from 1958-1989 (Dadi, 2009)

The criticism levied against Argyris (1960), Levinson et al (1962), Schein (1965), Kotter (1973), and Rousseau (1989), is that they all seem to limit the psychological contract to the workplace. Does this mean the psychological contract does not exist outside the organization?

From the outset, we were met to believe that expectations, promises and obligations are factors that help shape the employee's psychological contract. But it is argued that this may not necessarily be the same for others. As mentioned previously, we also have exchange relations such as between doctors and patients, the state and individuals, husbands and wives, teachers and students, football clubs and their players, politicians and voters, lawyers and clients. More research is needed in this area so as to enhance the growth of the psychological contract concept. If we ignore the existence of the psychological contract on other areas because of little research interest, then we run the risk of making the psychological contract look vague. Exchange relation stretches outside the workplace, for example exchange relations between husband and wife, lawyer and clients. It is argued that most marriages do not have agreement guiding both parties, instead they are on a daily bases guided by unwritten tradition and custom, and both are obligated to comply. As we already discussed, it is argued that beliefs resulting from this tradition and customs are psychological, meaning not written down.

Therefore if either party fails to abide to these beliefs, he/she may be held responsible for violating their obligations. Similarly, is the relationship between politicians and their voters? Voters expect politicians to exhibit honourable behaves at all time. We remember the saga concerning English politician 'expenses claim' in 2010. Even when their expenses claims were initially approved and falls within their legal rights, the perception was that they had behaved dishonourable for making such claims and so must resign, because they (politicians) had violated the trust the people had for them. Does this imply voters perceived the politicians had violated their psychological contract? Even though it wasn't circulated in the media in that manner, however the general perception was that the politicians concerned had violated their psychological contract. This discussion shows that the psychological contract is widely common in most exchange relationship than what the earlier researchers had thought us to believe. Therefore, this paper would argue intensely that more interest needs to be given to other exchange relationship outside the workplace.

3. Defining the Psychological Contract

If you are interested about the psychological contract concept, the first step I assume would be to find out how the concept has been defined. Interestingly, literature shows that since the construction of the psychological contract concept there has been no single agreed definition of the 'psychological contract' (Conway & Briner, 2005) and so researchers have argued that this is because the concept is subjective in nature, meaning that everyone sees the concept differently. It is argued that the psychological contract is based on individual perception (Rousseau & Parks, 1993). In contrast it means you could argue that it existence depends on how the individual observed it. The criticism is that the traditional legal contract as we know it includes every employee, whereas the psychological contract is individually based. Researchers failure not to agree on a single definition of the psychological contract, means any employee perceptions could be considered as part of the psychological contract, but this was criticized as being misleading, vague, and ambiguous (Guest, 1998). Therefore the challenge for this paper is to define the terms best constitute the psychological contract concept.

This study has looks at few definitions used to describe the psychological contract concept. We discuss earlier that researchers first defined the psychological contract as beliefs based on expectations (Levinson et al, 1962), but later these beliefs changed to promises and obligations (Rousseau, 1989, 1990). It is believed that as long as the views about expectations and obligations were based on perceived promises, they were considered part of the psychological contract, but if they were based on past experience outside the current organization spectrum, they cannot be consider as being part of the psychological contract (Morrison & Robinson, 1997). However, the criticism on employee perceptions is that the psychological contract varies from one person to another because of the employee's cultural background and upbringing.

For new researchers, the initial step is to find out how the concept is defined. But Guest (1998a) confirmed that the moment you begin to ask yourself questions about the definition, you are faced with a barrage of definitions about various beliefs, and not knowing which is appropriate for the psychological contract, you instantly run into a range of problems. The difficulty is not that there are no definitions, but rather that the quantity of the definitions about other beliefs has proved to be problematic, and this has made it challenging to decide which is appropriate for the psychological contract concept. This paper has compared below few definitions relating to the three terms researchers are using today:

- *Rousseau (1989) defined the concept as an individual's belief regarding the terms and conditions of a reciprocal exchange agreement between the focal party person and another party. A psychological contract emerges when one party believes that a promise of future returns has been made, a contribution has been given, and thus an obligation has been created to provide future benefits.*
- *Morrison and Robinson (1997) defined the psychological contract as an employee's belief about the reciprocal obligations between that employee and his or her organization, where these obligations are based on perceived promises and are not necessarily recognized by agents of the organization.*
- *Levinson et al (1962) defined the concept 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.*

When you compare the above definitions, the impression being projected is that the psychological contract is about promises, obligation, and expectation. It is for this reasons that Guest (1998a) argued that one way to unravel this problem is for researchers to accept that the psychological contract concept includes promises, obligations and expectations. But this did not go down well with other researchers, as they argued that if this is the conceptual boundary, then the psychological contract concept run the risk of being oversimplified. The criticism is that certain researchers intend to limit the concept to the organization, instead of looking at it from a holistic perspective. For this reason, this study proposes that the terms, 'promises', 'obligations' and 'expectations' may be viewed interdependently. This was supported by Conway and Briner (2005) when they argued that perception is a mental acceptance that a promise has been made, while promise is the motivating factor driving the employee to work harder, and in return, promises give the employee the belief of future expectations, while expectations refer to what the employee is to receive from the employer in return for his/her hard work. On the other hand, one could argue that promises relate to contractual issues like pay rise which are usually written down, and so employees expect the employer to adhere to them. But the argument is that promises are not necessarily psychological. It is argued that it depends on how the term 'promise' was communicated, meaning that if it was unspoken promise based on departmental behaviour, which tends to award pay rise after a long service, then the employees may feel they would receive a pay rise after a long service.

On the issue of belief on obligations, as debated previously, Morrison and Robinson (1997) noted that if obligations are not accompanied by the beliefs that a promise has been made, but instead are based on experience predating the employee current employment, then they are not part of the psychological contract. In contrast, this paper argued that this may not necessarily apply to all interpersonal relationships, because the reason why most employees decide to join an organization varies from one person to another. For example, some people are motivated to join an organization because they feel there is opportunity for career progression, while others join solely for economic empowerment; hence employees produce various perceptions which then lead to different psychological contract. Defining the psychological contract as an implied mutuality and reciprocity between the employee and employer carries its own criticism, because the term mutuality is not really mutual because of the power gap between the employer and employee.

In an economic austerity, the reality is that mutuality is unattainable. This is because when employees are facing the threat of a large job cut and coupled with high job insecurity, employees are more likely to skip the trade union camp and negotiate with their employer so as to secure their job. This is supported by Smithson and Lewis, (2000), when they describe this type of employee behaviour as a 'compliance contract. Rousseau argued that the psychological contract is promise based and as times evolve, it takes the form of a mental model or schema, which is implicit, durable and relevant to the psychological contract theory. It is important to note that the term 'mental models and schemas' are the same, because mental models describe schemas. Schemas is viewed as a conceptual structures and processes which enable the individuals to store perceptual or information about a particular event and then make interpretations of the events through his/her own reasoning. The terms schema is also known as 'cultural model' (D'Andrade & Strauss, 1992; Holland & Quinn, 1987), 'mental model' (Johnson-Laird, 1983), 'idealized cognitive model' (Lakeoff, 1987). A mental model explains how someone thinks something should work based on their experience as they interact with other people on a similar circumstances. Schema enables individual to predict what will happen if they had taken action.

You may argue that a mental model is a representation of the individual perception, which focuses solely on the individual rather than a two way process involving the employee and employer.

For this reason, one would argue that a mental model, although based on reasoning, it is different from the notion of the psychological contract concept which aim is to meet the needs of all the parties involves in the exchange relations, because any failure to meet the needs or expectation of the other parties involves, could result being accused of violating the psychological contract of the other parties (Rousseau, 1989).

In contrast this is not the case under a mental model, which primary aim is to describe or interpret the events based on the individual perception or reasoning. In the next segment this paper discusses the conceptual boundary, exploring the challenges new researchers are faced with, as they determine the term best constitute the psychological contract concept.

4. Discussing the Conceptual Boundary of Psychological Contract

According to Conway and Briner (2005), the word ‘psychology’ is not merely viewed as unwritten but as a product of mutual expectations with two important characteristics such as: (1) implicit and (2) generally about the terms and conditions of an exchange agreement. The word ‘mutual expectation’ is generally used to describe the concept. But then have you ever asked yourselves, why mutual expectations! Does it mean, when researchers defined the concept did they viewed the concept only from the employer and employee perspectives, rather from a position outside the boundaries of the organization. Introspectively, are we advocating that the psychological contract only exist within the organization, therefore any relationship outside the workplace cannot be consider as psychological contract? On the other hand, you may argue that the concept is a mutual expectation between the employer and employee, but then doesn’t that limit the concept to the workplace. In contrast, if you support the view that the concept is a mutual expectation between the employer and employees, doesn’t that reject the usefulness of the concept in other areas, such as between doctors and patients, the state and individuals, husbands and wives, teachers and students, lawyers and clients, football clubs and their players etc. Then again, if we argued that the concept goes beyond the organizational boundary, doesn’t that highlights the reasons why others viewed the concept subjectively and so defines it differently.

The question being asked is whether the psychological contract exists only where there is exchange agreement? Some researchers would exhibit hostility toward any suggestion which implies the psychological contract is influenced by factors outside the employer and employee relationships. If this is the status quo, are we not limiting the concept to just a mutual expectations between the employer and employee.

The psychological contract is open to a variety of interpretations. Both the earlier and present researchers have loosely used various terms to define and describe the psychological contract concept. The criticism is that the concept has become all things to all people, because of the way it is used today. As a result, no person has the same psychological contract. For this reason, a number of researchers defined the concept in terms of expectations, others in terms of promises, and some in terms of obligations. The argument now is whether any sort of belief can be used to define or describe the psychological contract. If this is the situation, then the concept may be viewed as being weakened or too simplified as an exploratory tool (Guest, 1998). The general understanding about the psychological contract concept is that it is a philosophy, not a tool or a process; therefore it reflects the changing and dynamic nature of the individual. Other researchers argued that it encompasses things in the employees’ beliefs that are expected of them and things that they (the employees) are expected to provide in return to the employers’ promises (Simpson, Harrison, & Kaler, 2005). The criticism levied against the present state of the psychological contract is that it is a deep and varied concept, which incorporates both the employment context and societal factors. It is argued that the concept places too much emphasis on the traditional employment context (exchange relationships between employer and employees), and exhibit less interest on the societal factors influencing employees. For example, what is it that led the employees to join the organization?

The criticism is that people circumstances changes as they seek to improve the life of their family and so if the exchange agreement didn’t reflect their expectation; it is most likely that the employee may not be able to continue in the employment or adhere to the exchange agreement. It is argued that carrying out more research on the societal factors influencing the employee, would help nurture better understanding and improve exchange relationships both within and outside the organization. On the subject of exchange agreement, the criticism is that most employers knows little about the depth of influence employees are facing outside the organization, and so it is likely employers would view these influences as not being part of the psychological contract.

The argument is that if the employee's obligations outside the organization were unmet, most employees would seek for another job elsewhere, hence the necessity to renegotiate the terms and conditions of the exchange agreement, so as to keep the psychological contract alive (Schein, 1965).

The terms, 'promises', 'expectations', and 'obligations' are used interchangeably and in some cases used in conjunction with other terms. This has led to a great deal of confusion among new researchers exploring the psychological contract concept. For example, earlier researchers such as Schein (1965) and Katter (1973) described the psychological contract as a set of individual expectations, but as studies on the psychological contract concept grown globally, other researchers has moved their focus from expectations to promises and obligations (Rousseau, 1989, 1995; Roehling, 1997; Morrison & Robinson, 1997). As mentioned previously, these discrepancies in terms of how people viewed the concept has led many researchers to offer their own definitions. It was further argued that researchers sometimes adopt one of the existing definitions, or every now and then they formulate their own definition (Roehling, 1997; Conway & Briner, 2005). For this reason new researchers who want to find out how the psychological contract is defined are faced with the dilemma of going through all the many definitions and then deciding which ones to reject and which one to accept. It is also argued that the range of terminology that researchers used to describe the psychological contract has led many people to ask, 'What makes psychological contract a "psychological" one and not a legal contract?' The difference according to Guest (1998a) is that the psychological contract's nature of exchange is based on individual perceptions, rather than what is actually written down or explicitly agreed between the parties involved.

A contract is a written legal document, enforceable in a court of law, whereas the psychological contract cannot be enforced in a court of law as it is unspoken and not written down (Conway & Briner, 2005). It is for this reason that a written contract cannot be used to describe the psychological contract (Macneil, 1974), but can be viewed on the whole as a written obligation or promises between the parties involved in it (Rousseau, 1995). Others argued that as we know it, a formal exchange agreement from the onset, operates as a determinant of both parties' behaviour, but does not deal with any changes the employee may face afterwards outside the organization or indeed does not deal with changes to government fiscal policy which may affect the organization, for example, increase in corporation tax. Furthermore, it is argued that it is easy for employers to introduce policy changes willingly when things are not going well for them, whereas for the employees it is a different scenario as they would often opt for renegotiation in order to make their psychological contract workable or sometimes they may elect for industrial action for changes to happen. This debate corroborates and argued that employers generally are unaware of the expectations or obligations embedded within the mind of each employee. Hence it is generally accepted that if the employee expectations were to be explicit, it would not be considered as being psychological. In the next segment, the focus is on the different beliefs surrounding the psychological contract.

5. The different beliefs of the Psychological Contract

Many researchers viewed the psychological contract concept in a wide range of beliefs, depending on the individual backgrounds, upbringings, culture, religion, age group, and status (Conway & Briner, 2005). It is argued that the continuous use of the terms 'promises', 'expectations' and 'obligations' by various researchers to define the psychological contract concept, has made people view the concept as patchy and inconsistent (Guest, 1998). This lack of clarity and inconsistency raises a major challenge for new researchers. For example, it is argued that if the concept did not have an authoritative definition, that would make people to interpret the concept differently and define it in a manner best relevant to their needs. On the other hand, this paper would argue that the absence of an authoritative definition, has made the concept more acceptable globally and applicable to every generation. In contrast, others could argue that because the concept is universally accepted, researchers could never agree on a single definition, because exchange relations are different from nation to nation.

The psychological contract concept is not objective, so not everyone sees it in the same way. There are some researchers who believed that the employee past experience before he/she joined the current employment, falls outside the psychological contract (Rousseau, 1990), while others agreed that past experiences its psychological (Schein, 1973). This paper supports the view that past experience could be considered psychological if it were implicit and derived from a cultural perspective or extended family obligations. An employee's obligations to his/her immediate family or extended family are generally not written down or spoken as they are embedded within the employee concern. Therefore, this paper argues that this is psychological, because it is embedded within the mind of the employees as he/she move from one organization to another.

Any attempt on the side of the employee not to fulfil these obligations, could be view as a failure, and so may result in the employee seeking for another job elsewhere. This argument is supported by Meckler, Drake, and Levinson (2003) study when they asserted that ‘so long as an employee goal (obligations) remains reasonably attainable, the employee is naturally motivated to work’.

In table 1.2 we described how ‘promises, obligations and expectations’ were formed and then went on to discuss their differences and usage within the context of the psychological contract.

Table 1.2: Summary of the various Beliefs on the Psychological Contract

Definitions of each belief	How each belief is formed
<p>Promises: <u>Definition</u>– To assure someone, to make an undertaking, to guarantee, to agree with someone, to give your word, to make a pledge, or an agreement to secure.</p>	<p>Promises: <u>Formation</u>– Explicit promises (Rousseau & McLean Parks, 1993) are usually written down. It arises from a verbal conversation taken at a team briefing, written statement from line managers, departmental statement or terms and conditions of the exchange agreement. Whereas, implicit promises are unspoken and arise as one observes employee behaviour at work. Lastly, it is based on reward, e.g. promises the employer made to the employee. For example, if you achieve that level of percentage output, you would be entitled to a fifty pounds bonus.</p>
<p>Obligations: <u>Definition</u> – The feeling of inner compulsion towards another person, group, or family. For example, when someone receives certain benefits, he/she may feel obligated to offer his/her services in return. Show some sense of duty, responsibility, and commitment towards others.</p>	<p>Obligations: <u>Formation</u>– Obligations may arise out of promises an employee made to his/her family, extended family, or a position the employee has taken out of cultural/moral duty to support his/her community, cultural group, and religious group etc.</p>
<p>Expectations: <u>Definition</u> – To have an optimistic vision that something you hope for would come your way soon, to have a positive outlook of what you wish to receive. To be potentially optimistic of what you are about to receive in return for your hard work, to anticipate being treated equally and given the same opportunity as others.</p>	<p>Expectations: <u>Formation</u>– Expectation arises out of an exchange agreement or a promise that was made. You expect something back once you have provided a service. Arise out of individual needs or desires, e.g. to go out and look for a job when you are unemployed.</p>

To this point, this paper has reviewed the various beliefs used as key definitional words to define and describe the psychological contract. At this junction, we would now revisit where researchers had used these terms ‘promises’, ‘obligations’ and ‘expectations’ in their studies as depicted below.

- *The psychological contract emerges when one party believes that a promise of future returns has been made, a contribution has been given, and thus an obligation has been created to provide future benefits (Rousseau, 1989).*
- *When employees spoke about their work, they were in fact speaking about their expectations and that the expectation seems to have certain mutual obligations which were characterized as being implicit and mainly formed before or outside their current employment (Menninger, 1958).*
- *A set of unwritten reciprocal expectations between an individual employee and the organization (Schein, 1978).*

According to Conway and Briner (2005), the psychological contract is not all about promises. If it were, then the role of the employee's expectations would become unclear. When other researchers were focusing on expectations, Rousseau (1989, 1990) was placing her emphasis mostly on the employee's perceptions, rather than on the exchange relations between employee and employer. In contrast, this paper argues that employees generally come into an organization with different beliefs emanated from their divergent upbringings and cultural backgrounds (Thomas & Ravlin, 2003). Hence they developed different perceptions, which result in different psychological contracts.

6. Research Method

The concept of qualitative strategic thinking (Mason, 2002) was used to guide this study in order to be clear that the methodology adopted relates to the theme of this paper. As a result, this study adopted a qualitative research methodology based on an interview method, using semi-structure techniques and combined with participant observation. The qualitative interviews were conducted over ten weeks, which saw the researcher interviewed 4 pilot participants and 34 core participants, using a semi-structured method. All the interviews conducted were taped and transcribed. Data collected were analyzed in a manner consistent and informed under a grounded theory approach (Corbin & Strauss, 1998, 1990; Glaser & Strauss, 1967). This kind of research method is supported by Crossley and Vulliamy (1997); Creswell (1994, 1998, 2003); (Silverman, 2004). The findings that emerged from this study analyses have been deliberated in the discussion section of this paper.

7. Discussion

The challenge to this point is for this paper to clarify which type of beliefs, 'promises', 'obligations' or 'expectations' best constitute the psychological contract concept. This paper discussed the method at which the psychological contract concept deals with employee's expectation as they carry out their work (Morrison, 1994). On the other hand, Rousseau (1989) perspective about the idea of employee expectation was, 'it isn't expectations that are the motivating factors driving both parties to work together, but rather it is the promises the employer has made to employees. 'In support, Guest (1998a) mentioned that promises are much more 'psychologically engaging' than the idea of expectation. The criticism from a contractual viewpoint is that promises are generally explicit, written guarantee and verbally articulated, they are not perceived, therefore not psychological. Other argument is that promises generally lead to expectation, and not the other way round (Morrison & Robinson, 1997). For example, when employer makes promises to potential applicants in a job advert, applicants generally trust that the promises would be adhered to, but if it transpired that the employer did not keep to the promises, it means the employer has reneged on the promises made, an outcome Rousseau (1989) described as violation of the employee's psychological contract.

Employment relations are becoming more of an individual issue, rather than the traditional collective model between the employer and the trade unions (Coyle-Shapiro, Shore, Taylor & Tetrick, 2004), hence the reason why the psychological contract is important. This paper believes psychological contract helps to understand and manage employee behaviour. In defining the concept, this paper considered the assertion that the concept is about promises the employer has made, rather than the obligations or expectations embedded within the mind of the employee when he/she first joined the organization. For instance, in most developing countries and the third world, where there are no social security allowance and housing benefits are non-existent, therefore the employee tacit obligations to take care of his/her elderly relatives and extended family, can be viewed as being psychological, this is because to many employees from developing and third world, these are unwritten obligations embedded within their inner being, which they carry from company to company, and so any failure to adhere to it, would bring untold dishonour to the entire family. In contrast, Rousseau (1989) argued from an exchange relations perspective, that the psychological contract relies on the employees believing in future benefits based on the trust that the employer would adhere to the promises they had made to them. In criticism, this paper argued that the psychological contract concept is not solely based on the relationship between the employer and employee, but also extends to other interpersonal relationships. Therefore this paper believes that promises are not necessary the key issue but rather expectations based on trust, loyalty and honesty.

This debate on the employees 'expectations and obligations are indispensable, and it brings out the employees experience before he/she joined the current organization.

Argyris (1960) and Schein (1978) divulged that the psychological contract concept is an unwritten reciprocal expectation between the employer and employee. But in contrast, it was argued that the psychological contract concept is based on individual reasoning and as such it is 'held at the individual level and exists in 'the eye of the beholder' (Rousseau & McLean Parks, 1993). The criticism is that, to some people the psychological contract is not based solely on a single individual, but instead it involves one party providing service and the other getting paid for receiving it. In many cases, this could include as previously discussed, e.g. doctors and patients, the state and individuals, husbands and wives, teachers and students, football clubs and their players, lawyers and clients.

Furthermore, Rousseau and McLean Parks (1993) also holds the view that the psychological contract is in the mind of the employee alone, and that it is only the employee who can hold the perception and not necessarily the organization. In contrast, other researchers argued that the exchange relations are between the employee and the organization (Kotter, 1973). But this was later contested when it became apparent that managers do in fact hold perceptions and can indeed observe, feel, and perceive contract violations. Therefore, the exchange relations are between employees and their line manager and not the organization as a legal entity.

The beliefs appropriate for the psychological contract concept fluctuate from person to person, depending on the individual perceptive position. In support of Rousseau (1989) assertion, Roehling (1997) also believes that the focus of the psychological contract is on individual reasoning, which he describes as the defining factor of the concept. But then Schein (1980) described the psychological contract concept as an expectation. Lot of researchers such as Roehling (1997) and Rousseau (1989) focuses mostly on the individual reasoning, meaning without the employee accepting the exchange relationship, there cannot be a psychological contract. In contrast, this is not the case when it comes to employee obligations to provide for their extended family, because the nature of the relationship is based on perception, loyalty and trust, and no family member need to establish or enter into an exchange agreement or relationship before he/she is supported morally, financially and physically. The perception is that the employee would come to the aid of his/her extended family in time of needs (Shimkin, Dennis & Frate, 1978). This type of relationship could be referred to as a 'Psychosomatic Obligation'. A psychosomatic obligation is an exchange relationship that involves an individual being expected to provide some level of support or care to many people mostly of blood relations, based mainly on cultural values.

This type of exchange relations does not require any person making promises and it is generally unwritten and therefore psychological. Conway and Briner (2005) confirm that while all promises could involve expectations, in contrast not all expectations involve promises, as with the case in psychosomatic obligation. The influence that extended families (cousins, nephews, brothers, sisters, uncles, grandparents, aunts, and other relatives) has on employees cannot be ignore, because of the impact it has on the employee psychological contract. When employee's talks about extended family, they are referring to their psychosomatic obligations and that the obligations are mental programmers which the employee carry from one organization to another, as supported by Martin (1980), and Hofstede (1983). The obligations are embedded within the mind of the employees, which every member of the extended family expects to receive, hence it is psychological.

It was gathered that the term 'expectation' has a different meaning to the older generation than it has to the younger generation. The general consensus among the older generation was that the term 'expectation' means providing both cultural and financial supports to their extended families and providing shelter and well-being to their nuclear family (Fisher, 1982). In contrast, the younger generation believes, expectation has a different connotation to them. For example, they believe that it includes career progression, higher education, holidays, buying a house, and who they want to become, e.g. lawyer, teacher, or doctor. This shows that the two generational groups hold opposite views when it comes to expectations. The older generation group's expectations were mostly formed outside the organization, while the younger generation formed their expectations from what they gathered from their colleagues, personal experiences, or friends doing a similar job, and the information they have read about the organization.

Overall, obligations and expectations differ from person to person and from society to society or nation to nation, which in turn influences individual perception and leads to different psychological contracts. Whereas, promises are much more specific and can be implicit and explicit, depending on usage. At the same time, promises are individually focused and also contractual, meaning it can be negotiated and written down as a departmental policy.

8. Conclusions

For new researchers, the difficulties they encountered when conducting research on the psychological contract concept is to choose among the list of definitions and to decide the beliefs most appropriate for describing the psychological contract. So far, this paper has identified some of the conceptual boundaries guiding the parties involved in the exchange relations and below is this paper's conclusion concerning the beliefs that best constitute the psychological contract.

First, what has become apparent during the course of this study was the subjective nature of the psychological contract. As discussed previously, Roehling (1996, 1997) affirmed that the psychological contract is seen to many as 'all things to all people'. Therefore, the meaning of the concept may depend on variety of factors such as nationality, culture, beliefs, expectations, obligations and promises. For this reason, this paper supports Guest (1998a, 1998b) assertion that divergent views on the psychological contract made many researchers to develop different interpretations, thus resulting in not having a cohesive agreed definition of the psychological contract. After much debate, this study has made its own definition, which is:

'The psychological contract is a set of individual obligations or expectations unknown to the employer in respect of the exchange relations between the parties involved.'

This paper described employee's obligations or expectations as being unknown to the employer, because if these were known to the employer, it would not be considered psychological and so falls outside of the psychological contract, but since they were embedded in the minds of each employee and remain unspoken they are viewed as 'psychological'.

Second, based on the on-going debate this study suggests that the formation of the psychological contract needs to be viewed differently, i.e. not only as a consequence of the exchange agreement between employer and employee, but rather were influenced as a result of the employee expectations or obligations formed outside the organization, through for instance (1) information the employee had read about the organization, and (2) the information employees had gathered from talking to friends and people doing a similar job (Dadi, 2009). This is in contrast to other researchers' contributions, such as Rousseau (1989) and Conway and Briner (2005) suggestions that expectations formed outside the exchange relations or organization do not constitute the psychological contract.

Third, it was revealed culture is perceived as a mental representation, embedded within the mind of the employee throughout his lifetime and carried from one organization to another (Hofstede, 1983). Therefore, the employee's obligation to his/her nuclear or extended family, which this paper referred to as psychosomatic obligations, is essential, although the employer is not aware of it, but it is one of the primary reasons for joining the organization and plays a key role in managing the employee's psychological contract. For this reason, the employee's obligations outside the organization are beliefs that constitute the psychological contract.

Fourth, it was mentioned that promises offer more clarity than obligation and expectation (Conway & Briner, 2005). In contrast, as discussed promises are more closely related to the idea of a written contract or verbal agreement than what the individual employee perceives. If the promises offered are unclear, it is up to the employee to seek further clarification from their line manager, rather than make assumption. Therefore, promises may be viewed as contractual related, explicit and therefore may not necessarily be psychological.

Finally, fifth, to rely solely on promises made during the current exchange relations as being central to the psychological contract is to ignore the employees' past experiences and what motivated them to join the organization. If one accepts that culture influences the employees' psychological contract, therefore promises or expectations alone are no longer sufficient to form the psychological contract. As previously discussed, promises usually lead to expectations, while promises do not always lead to expectation. On the other hand, an employee obligation outside the organization, like psychosomatic obligations, if implicit it is psychological, but when promise made by the employer is explicit, it falls short of being psychological. Furthermore, an employee desired expectations outside the exchange relationship is referred to as 'demand' and this demand is psychologically embedded within the mind of the employee, which the employee usually carries with him/herself from one organization to another (Shore & Tetrick, 1994; Levinson, 1965). And so long as the employee's expectations remain reasonably attainable, the employee is naturally motivated to work (Meckler, Drake & Levinson, 2003). Therefore, the employee's expectations or obligations are beliefs constituting the psychological contract.

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