

University academics' psychological contracts in Australia and New Zealand.

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The Employment Relationship

- **Two parts:**
- **Legal contract**
- **Psychological contract**

- **Legal expectations: Observable and quantifiable outcomes**
- **Psychological expectations: Invisible, but nonetheless real**

Psychological Contract Origins

- **Construct appeared around 1960**
- **Separately from Argyris, Levinson and Schein (Roehling, 1997)**
- **Sources: social contract/social exchange theories, ideas of reciprocity**
- **“The psychological contract is a series of mutual expectations of which the parties to the relationship may not themselves be even dimly aware but which nonetheless govern their relationship to each other.”**

[Levinson *et al.*, 1963, 21].

The Problem – An Introduction

- **Academe in NZ/Australia was very slow to focus on employees' changing psychological contracts**
- **Psychological Contract mentions in Google Scholar Articles are used as an inexact measure**
- **Subject areas searched: Business, Administration, Finance and Economics, and Social Sciences, Arts and Humanities. Search term: Psychological contract**

<u>Mentions/Period</u>	World	Aus/NZ	%
Between 1960-1988	91	0	-
1989 to 1995	207	4	2
1996-2000	890	32	4
2001-2006	2,330	127	5

Psychological contracts cont.

- **Previous research reviewed (Tipples and Verry, 2006)**
- **Either been largely survey based and analysed with quantitative methods (e.g. Rousseau *et al.*)**
- **Or based on critical incidents and more qualitative in nature (e.g. Herriot *et al.*).**
- **Lorsch advocated the psychological contract construct, highlighting its diagnostic and therapeutic uses. (Lorsch, *HBR*, 1979)**
- **Useful guidance for managers is offered by earlier research on the subject, as we seek to understand employment relationships, focusing more on expectations than obligations**

PCs are of an increased importance because:

- **Performance – based employment schemes**
- **Forced redundancies**
- **The increasing use of temporary workers**
- **Decreasing union power**
- **Diversity in the workplace**

Difficulty of empirical research

- **The psychological contract is dynamic**
- **‘At any one point in time we can take a snapshot of the contract, but that’s merely a fix on a moving target.’
(Herriot, 1992, 7)**
- **Individuals may have a number of psychological contracts at the same time
(e.g. number of work roles occupied)**

Psychological contract research at Lincoln

- **1990s Lincoln University was undergoing the Employment Contracts Act 1991 IR regime and the neo-liberal ‘New Public Management’**
- **Policies of individualization and restructuring**
- **Academic frustrations, low morale etc.**
- **Management unilaterally reduced the ‘career’ grade to which most academics could rise**
- **Research questions: Had their psychological contracts been violated? How would that affect academic staff?**

PC research at Lincoln cont.

- **Initial investigations borrowed ideas heavily from Rousseau's research (Tipples and Krivokapic-Skoko, 1996)**
- **1997 research borrowed from Herriot *et al.*'s 'critical incident' approach (Tipples and Jones, 1998)**
- **'Would the answers provided by the two different methods be the same?'**
- **Application to the same base population, albeit at marginally different time periods**

Lincoln Research Results

- **There was a degree of consistency between the results.**
- **Rousseau's questions suggested academic employees believed LU owed them job satisfaction.**
- **The 'critical incident' approach suggested they were concerned about their work environment (a component of the JDI), and being treated in a way below what they expected.**

Lincoln Research Conclusions

- **For perceived employee obligations the content of psychological contracts concerned the traditional issues of quantity and quality of work done, time applied to that work and loyalty to the employer**
- **For perceived employer obligations providing a suitable work environment, supportive management, appropriate recognition for special achievements, adequate consultation, fairness and job security were central**

Lincoln Implications

- **Differences between the Employers/Employees in terms of their perceptions of the mutual obligations, promises, and expectations of psychological contracts was a continued cause for concern.**
- **Lack of match causing unstable psychological contracts and employment relationships was undesirable for both parties. It could lead to lower personal productivity, less job satisfaction and potential to turnover**
- **Contract breaches and violations have serious implications for employee trust of employers and their agents.**

Research Objectives – Charles Sturt (Krivokapic-Skoko *et al.*, 2005)

- to explore the content, formation and impact of psychological contracts established by academics**
- to analyse how the psychological contract impacts on work related issues such as job satisfaction and commitment**
- to analyse the role of PC in aligning the values of the academics with the University's values**

Method – Charles Sturt

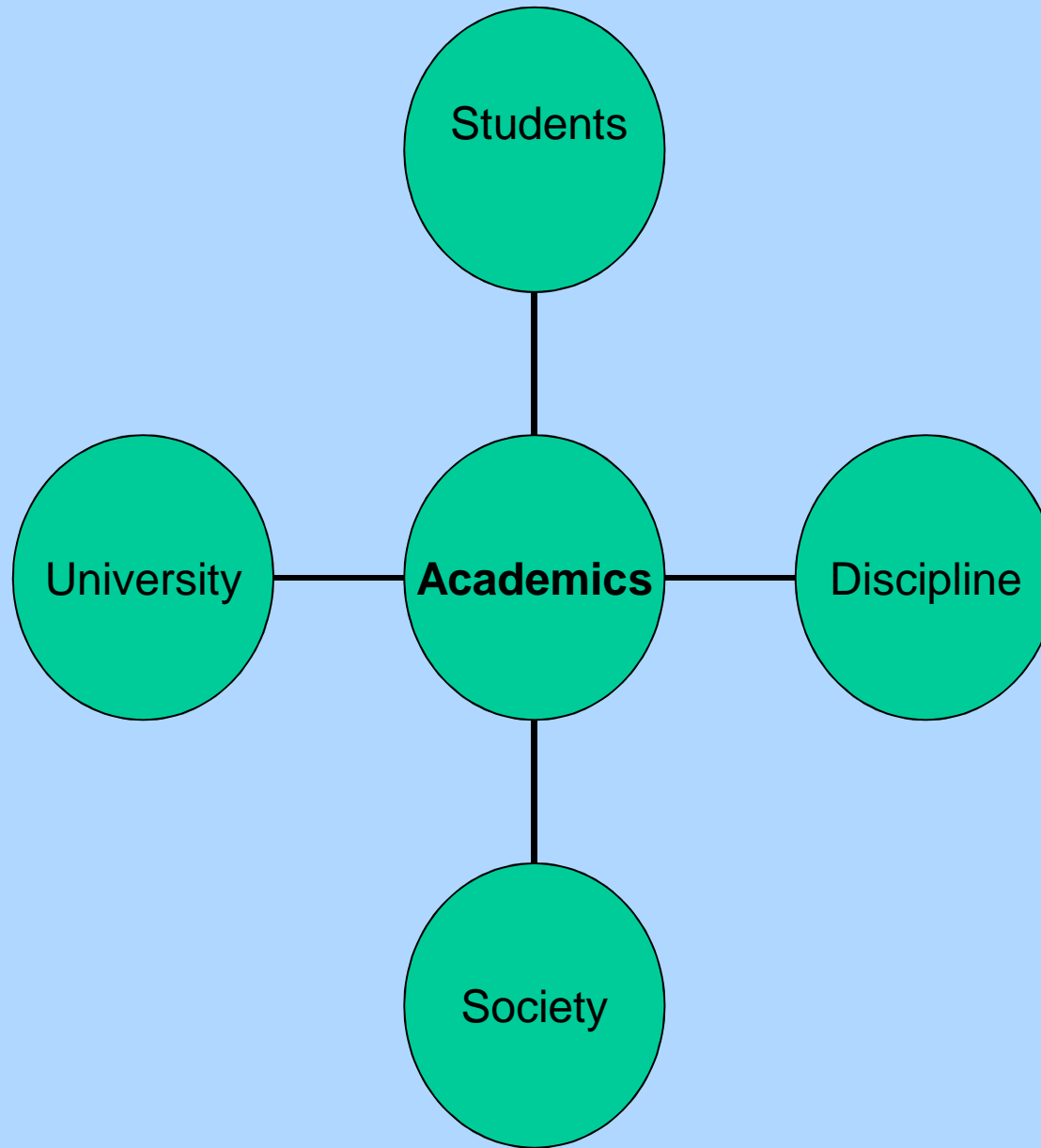
- **First phase - three focus groups of academics. The objective was to generate the themes, components, and concepts ingrained in academics psychological contracts**
- **Discussion questions for academics:**
 1. **What they feel they bring to their work that is not explicitly stated in the employment contract**
 2. **What they expect or believe their employer has promised in return**
 3. **An identification of how the University has fulfilled or exceeded these expectations**
 4. **How the University has failed to fulfil these promises**
 5. **Responses to the psychological contract violation**

Academic's beliefs about what they bring to the University

- **Loyalty**
- **Commitment to the university and its success**
- **Breadth of knowledge beyond the immediate discipline**
- **Flexibility of roles and hours**
- **Strong work ethic**
- **Thirst for learning**
- **Enthusiasm**
- **Motivation**
- **Wish to share experience - openness**

Emerging themes

- **Commitment to students/ teaching**
- **Sense of justice and ethics**
- **Commitment to making society a better place**
- **Broad knowledge base (more than expected)**
- **Commitment to the University**

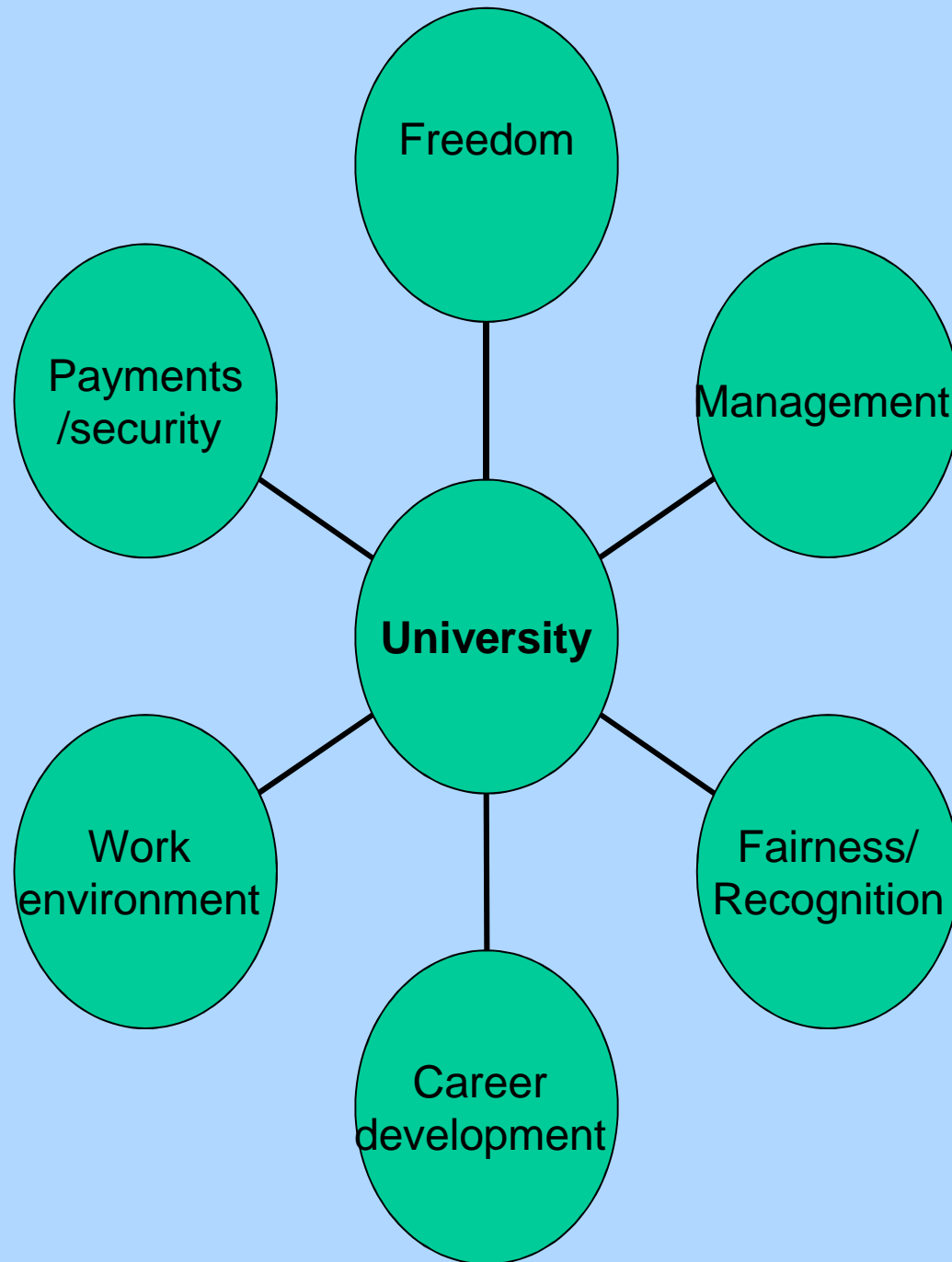


Academic staff's beliefs about what the University owed them

- **Academic freedom**
- **Flexibility**
- **Measure of security**
- **Transparency**
- **Openness (inclusion)**
- **Recognition**
- **Career development**
- **Leadership/good management**
- **Consistency**
- **Support (ideas, initiatives, resources, quality teaching personal and private crisis)**
- **Fairness**

Emerging themes

- **Promotion – fair, appreciation of disciplinary differences**
- **Good management and leadership (not just authority/positional power; past-present-future)**
- **Union (appreciate union membership; deal fairly with the union staff; no penalty for union membership)**



How the University has fulfilled or exceeded these expectations:

- **A huge amount of academic freedom**
- *“Do not have high levels of surveillance”*
- *“The flexibility is really amazing here”*
- *“Uni has embraced and supported me”*

Breaches?

L: *“Are we ready to talk about the more negative experiences?”*

X: *“Oh, we’ve been dying to talk about it”*

Violations of subjective expectations

- **Promotion/Consistency** (moving the goalposts; specifics of the discipline; teaching versus research)
- **Transparency and Openness (inclusion)**
“Changes were forced upon us without any consultation or communication”
- **Career development (gender and management);** *“We have gone back” “You don’t see as many women in management as we did several years ago”*

Violations cont.

- **Recognition/Autonomy: an increase in bureaucracy - the administrative system somehow conflicts with how academics see themselves as professionals**
- **More attention to transactions rather than good relations. Two sets of expectations caused by temporary labour force (casuals versus full-time employed)**

So what????

Employee responses to psychological contract violation - EVLN framework (Turnley and Feldman, 1998)

Exit (+)

Voice (+)

Loyalty (-)

Neglect behaviour (+)

Academics at Charles Sturt

- **Exit** (considering costs versus benefits: “*We are really trapped*”)
- **Voice** (constructive efforts to improve conditions; less union influence)
- **Loyalty** (loyalty to the students and profession is the same; loyalty to the University may change)
- **Neglect behaviour** (‘smarter’ ways of working)

The strong theme

Professionalism – that's what really drives academics:

- **teaching, focusing on students**
- **commitment to making society a better place**
- **the passion for the job**
- **a strong emphasis on the discipline and broad knowledge base**

Trust, breaches and violations

- **Prior trust has an impact on the recognition and interpretation of breaches of contract.**
- **If prior trust moderates the impact of a breach:**
 - **Establishing/maintaining trusting relationships inoculates the employees against potential contractual transgressions.**
 - **Employers earning employees' trust early on will be less likely to be perceived as breaching the contract and retain their trust in spite of perceived or actual changes (Robinson, 1996).**

Trust, breaches and violations cont.

- **A vicious circle of mistrust, interpreting a breach of trust as a violation rather than a breach, and further loss of trust, may incapacitate any organisation.**
- **A trust building strategy is more facilitating (Herriot, Hirsh and Reilly, 2000).**
- **Trust is essential for the sharing of knowledge in organisations/universities today in the new precarious employment environment (Sharkie, 2005)**
- **Guest (2004)/Pate (2006) offers a more holistic view of the causes of loss of trust.**

Future Research

- **Future research needs to be set in frameworks informed by Guest/Pate among others, using a range of research methodologies to achieve triangulation of the results (Denzin, 1989)**
- **Further research is needed on the psychological contracts of the different generations and how they are affecting the future of academe**
- **Social surveys of academics at Charles Sturt, preparatory to more international comparative research**