

**Investigating the dynamics of the psychological contract:
How and why individuals' contract beliefs change**

A thesis submitted in fulfilment of the requirements for the degree of

Doctor of Philosophy

by

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Psychological contract; change; development; longitudinal; mixed methods; individual growth modelling; corporate reputation; leader-member exchange; positive and negative affect; hardiness; breach and violation; breach and contract remediation and repair

Abstract

The overall objective of this thesis is to explore how and why the content of individuals' psychological contracts changes over time. The contract is generally understood as 'individual beliefs, shaped by the organisation, regarding the terms of an exchange agreement between individuals and their organisation' (Rousseau, 1995, p. 9). With an overall study sampling frame of 320 graduate organisational newcomers, a mixed method longitudinal research design comprised of three sequential, inter-related studies is employed in order to capture the change process.

From the 15 semi-structured interviews conducted in Study 1, the key findings included identifying a relatively high degree of mutuality between employees' and their managers' reciprocal contract beliefs around the time of organisational entry. Also, at this time, individuals had developed specific components of their contract content through a mix of social network information (regarding broader employment expectations) and perceptions of various elements of their particular organisation's reputation (for more firm-specific expectations).

Study 2 utilised a four-wave survey approach (available to the full sampling frame) over the 14 months following organisational entry to explore the 'shape' of individuals' contract change trajectories and the role of four theorised change predictors in driving these trajectories. The predictors represented an organisational-level informational cue (perceptions of corporate reputation), a dyadic-level informational cue (perceptions of manager-employee relationship quality) and two individual difference variables (affect and hardiness). Through the use of individual growth modelling, the findings showed differences in the general change patterns across contract content components of perceived employer (exhibiting generally quadratic change patterns) and employee (exhibiting generally no-change patterns) obligations. Further, individuals differentially used the predictor variables to construct beliefs about specific contract content. While

both organisational- and dyadic-level cues were focused upon to construct employer obligation beliefs, organisational-level cues and individual difference variables were focused upon to construct employee obligation beliefs.

Through undertaking 26 semi-structured interviews, Study 3 focused upon gaining a richer understanding of why participants' contracts changed, or otherwise, over the study period, with a particular focus upon the roles of breach and violation. Breach refers to an employee's perception that an employer obligation has not been met and violation refers to the negative and affective employee reactions which may ensue following a breach. The main contribution of these findings was identifying that subsequent to a breach or violation event a range of 'remediation effects' could be activated by employees which, depending upon their effectiveness, served to instigate either breach or contract repair or both. These effects mostly instigated broader contract repair and were generally cognitive strategies enacted by an individual to re-evaluate the breach situation and re-focus upon other positive aspects of the employment relationship. As such, the findings offered new evidence for a clear distinction between remedial effects which serve to only repair the breach (and thus the contract) and effects which only repair the contract more broadly; however, when effective, both resulted in individuals again viewing their employment relationships positively.

Overall, in response to the overarching research question of this thesis, how and why individuals' psychological contract beliefs change, individuals do indeed draw upon various information sources, particularly at the organisational-level, as cues or guides in shaping their contract content. Further, the 'shapes' of the changes in beliefs about employer and employee obligations generally follow different, and not necessarily linear, trajectories over time. Finally, both breach and violation and also remedial actions, which address these occurrences either by remedying the breach itself (and thus the contract) or the contract only, play central roles in guiding individuals' contract changes to greater or lesser degrees. The findings from the thesis provide both academics and practitioners with greater insights into how employees construct their contract beliefs over time, the salient informational cues used to do this and how the effects of breach and violation can be mitigated through creating an environment which facilitates the use of effective remediation strategies.

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Statement of Authorship

The work contained in this thesis has not been previously submitted to meet requirements for an award at this or any other higher education institution. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made.

QUT Verified Signature

Sarah Bankins

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Date

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Chapter 1: Introduction

'The nature of the employment relationship has been an important but amorphous topic probably since the very first time one individual struck a bargain with another, trading labour for otherwise inaccessible valued outcomes' (Coyle-Shapiro, Shore, Taylor & Tetrick, 2004, p. 1)

1.1 Background

Understanding the nature and functioning of employment relationships has important consequences for both employees and employers. From the perspective of employees, the majority of individuals, at least at some point in their adult lives, will enter into an employment relationship with one or more employers and when this relationship is functioning well it can support psychological and broader well-being, satisfaction and productivity (Levinson, Price, Munden, Mandl & Solley, 1962; Parzefall & Hakanen, 2010; Conway & Briner, 2005). From the perspective of employers, the successful management of employees is now viewed as being 'central to strategic attempts to gain competitive advantage' (Herriot, 2001, p. 2). However, the state of the labour market over the past decade, ongoing skills shortages and an ensuing 'war for talent' (Ng & Burke, 2005, p. 1195), combined with 'new economic and organisational circumstances' (Conway & Briner, 2005, p. 7) has resulted in both academics and practitioners becoming increasingly interested in how to best manage the employment relationship in order to effectively attract and retain staff (Rousseau & Schperling, 2003). Given this context, it is perhaps not surprising that this relationship, and its management, has become one of the most highly researched topics in the organisational behaviour and, more recently, human resource management fields (Argyris, 1960; Schein; 1970; Coyle-Shapiro et al., 2004; Herriot, 2001).

1.2 The psychological contract and current research limitations

Psychological contract theory is broadly situated within the organisational behaviour field and is rooted in the notion of social exchange. Blau (1964) defines this type of exchange as the 'voluntary actions of individuals that are motivated by the returns they are expected to bring and typically do in fact bring from others' (p. 91). This type of exchange involves obligations which aren't necessarily explicitly identified, meaning that when one person

‘does another a favour ... while there is a general expectation of some future return, its exact nature is definitely not stipulated in advance’ (Blau, 1964, p. 93). As a result, ‘diffuse future obligations’ are created, which each party must trust that the other will discharge and reciprocate at some point in the relationship (Blau, 1964, p. 93). Over time as the reciprocal patterns of giving and receiving inducements develop, social exchange relationships can become characterised by trust, loyalty and mutual commitments (Cropanzano & Mitchell, 2005).

The psychological contract constitutes one type of social exchange within the employment relationship and it is individual employees’, and the employer’s, perceived current and future reciprocal obligations within the employment exchange which form the basis for the contract (Coyle-Shapiro & Kessler, 2002; Rousseau, 1995). An example is provided by Dabos and Rousseau (2004), whereby an employer providing career development may anticipate that workers enjoying such opportunities will recognise that a future obligation to the employer is, with a failure to reciprocate potentially eroding the quality of the exchange relationship. Over time, the degree of mutuality between employees and employers regarding the psychological contract’s terms should increase and this agreement results in future exchanges developing into predictable actions and behaviours by each party (Rousseau, 1995).

Over the past 20 years this notion of a psychological contract has emerged as a key analytical device in conceptualising, exploring and understanding the employment relationship and, more generally, workplace behaviour (Guest & Conway, 2005, 2002; Tekleab, Takeuchi & Taylor, 2005; Rousseau, 1995). The construct was initially introduced into the domain of employment relationships by a number of seminal authors (e.g. Argyris, 1960; Schein, 1970; Levinson et al., 1962). It was later reconceptualised through Rousseau’s (1989) work which, subsequently, fomented the bulk of empirical research into the construct which continues to the present day. While there remains no agreed upon definition of the construct, it is generally understood as ‘individual beliefs, shaped by the organisation, regarding the terms of an exchange agreement between individuals and their organisation’ (Rousseau, 1995, p. 9). Many contemporary contract authors also continue to follow Rousseau’s (1989) theorising that contract-relevant beliefs are only those arising from perceptions of ‘explicit and implicit promises’ (Conway & Briner, 2009, p. 80). Since its inception, the construct has been utilised to look beyond the legal contract of employment, which focuses exclusively upon the formalised aspects of work, in order to explore the subjective and indeterminate aspects of

employment relations (Cullinane & Dundon, 2006). Given the increasingly idiosyncratic and diverse nature of employment, Cullinane and Dundon (2006) suggest that the appeal of the framework stems from its focus upon the needs of the individual, including their ‘implicit and unvoiced beliefs’ about employment (p. 114).

However, despite 50 years of theorising and 20 years of sustained empirical investigation, a number of authors argue that some of the construct’s key tenets remain under-explored (Conway & Briner, 2009; Roehling, 2008; Guest, 1998). This led Cullinane and Dundon (2006) to suggest that there is much more to do if the psychological contract is to become a viable framework within which to understand the complex and uneven social interactions between employers and employees. For example, much of the contract work to date has focused upon the *immediate* outcomes of employees’ perceptions of contract breach and violation events, where individuals believe the organisation has failed to meet one or more of its perceived obligations (breach), often resulting in negative affective employee reactions (violation) (Morrison & Robinson, 1997). This has resulted in a general consensus that breach and violation perceptions often generate negative employee behaviours and attitudes, such as lower levels of job satisfaction, organisational commitment, trust and organisational citizenship behaviours (Robinson, 1996; Pate, 2006; Turnley & Feldman, 1999b; Conway & Briner, 2002). As a result of this focus, and of particular importance to this thesis, there is a relative dearth of empirical research focusing upon a key aspect of the construct - its dynamics. While both historical and contemporary researchers agree that the contract and its contents are subject to change over the course of employment, only limited theoretical and empirical attention has been paid to exploring how the exchange relationship between the employee and employer develops (Parzefall & Hakanen, 2010) and how, when and why the process of change unfolds (Conway & Briner, 2005). As a result, there is a lack of detailed knowledge regarding how key mechanisms, such as breach and violation, operate *over time* to influence contract belief change.

The extant literature’s current examination of contract change is limited in three main ways. First, a wide variety of factors have been posited to influence individuals’ psychological contracts over time, ranging from broad societal values and cultural norms (Sparrow & Cooper, 1998) to personality characteristics (DelCampo, 2007). It is generally suggested that these factors offer contract-relevant information to individuals, which they draw upon to construct their psychological contract content. These informational cues can operate at

various levels, such as organisationally (through employer-level communications and policies), dyadically (through manager-employee relationship quality) or intra-individually (through individual difference characteristics). However, the saliency or otherwise of these cues, how they are utilised by individuals over time and whether they have a uniform or differential effect upon various contract content components remains largely unknown.

This assertion is reinforced by the findings of the five studies that have longitudinally assessed (all quantitatively) psychological contract change (Thomas & Anderson, 1998 (two-waves); Robinson, Kraatz & Rousseau, 1994 (two-waves); De Vos, Buyens & Schalk, 2003 (four-waves); De Vos, Buyens & Schalk, 2005 (two-waves); and De Vos, 2005 (five-waves)). Where these studies did include predictors to investigate contract change, they generally operated at one level, such as intra-individually (De Vos et al., 2005). Further, despite this empirical work, there remains a lack of understanding of the ‘shape’ of individuals’ contract change trajectories, across the content of both perceived employee and employer obligations, over time. For example, the longitudinal studies cited above offer mixed results as to whether an employee’s beliefs about his or her, and the employer’s, obligations increase, decrease or a combination of both over time. Further, all of these longitudinal studies have examined only linear contract change trajectories. Given the theorised complexity of the change process, which suggests that contracts are enacted through *ongoing* employee and employer interactions resulting in a constant re-definition and re-negotiation of the contract (Herriot & Pemberton, 1996), it would be instructive to implement methodologies which explicitly investigate possible curvilinear change trajectories.

While the first main limitation discussed focused upon *how* contracts change, or the ‘shape’ of contract change trajectories, and the factors which may influence this, the second limitation relates more specifically to *why* contracts change. While the notions of breach and violation have been identified as salient mechanisms for understanding why individuals may re-assess their contract beliefs, the way in which these phenomena have been investigated fails to inform the literature about their influence on employment exchange beliefs over time. For example, the theoretical underpinnings and empirical investigations of breach and violation remain focused upon a fairly discrete, cross-sectional, cause-and-effect approach (Conway & Briner, 2005). This approach supposes that breach and violation events occur, negative employee attitudes ensue and the outcome is individuals engaging in organisationally-detrimental workplace behaviours (for example, Turnley & Feldman, 2000).

However, to more fully understand how breach and violation instigate contract change, it will be necessary to explore beyond immediate employee reactions to these events to focus upon identifying the subsequent actions and reactions of individuals. For example, recent empirical work suggests that employees may indeed exhibit quite proactive and positive responses to breach and violation events (Pate, 2006; Parzefall & Coyle-Shapiro, 2011) which, when compared to negative reactions, will likely exert a different effect on individuals' psychological contract content.

The final limitation regarding the examination of contract change relates to the predominant methodologies employed in the field. One of the overarching reasons why contract change remains under-explored is because the literature is dominated by one type of study - the mono-method, cross-sectional survey (Conway & Briner, 2005). This has led some authors to suggest that the area has fallen into a 'methodological rut' (Conway & Briner, 2005, p. 89), which has thus hindered comprehensive examinations of the process of contract change.

1.3 Purpose of the current research and thesis outline

Given the limitations outlined above, the overall objective of this thesis is to explore how and why the content of individuals' psychological contracts changes over time, in order to shed further empirical light upon the theorised but, as yet, under-researched dynamics of the contract. The remainder of this chapter outlines the overall structure of the thesis, including detailing the research questions of interest and the methodological approaches utilised to address them, and summarises how the findings contribute to the literature. To situate the overall research program, Table 1.1 provides: an overview of the multiple studies which comprise the research design; an outline of the literature gaps and subsequent research questions to be addressed; and a summary of the contributions to the literature provided by the findings.

Building upon the context and extant research limitations outlined in this chapter, Chapter 2 (Literature Review) briefly reviews the historical development of the contract construct and sets the conceptual foundations of the contract, as used within this thesis. Specifically, the beliefs taken to constitute the construct will be outlined and justified. The position in the contemporary literature that only promise-based beliefs constitute the contract will be critiqued and it will be argued that the conceptualisation, and thus operationalisation, of the

Table 1.1: Overview of research program – studies, literature gaps, research questions and contributions

Study and method	Literature gaps	Research questions	Overview of contributions to the literature
Study 1 - qualitative method	<ul style="list-style-type: none"> . At the early stage of employment, there is relatively little investigation of exactly how individuals develop their initial contract beliefs. Are they based upon intra- and/or extra-organisational information sources? . There remains relatively little understanding of what a key organisational agent group for newcomers – their managers - understand the employment exchange agreement to be and, thus, the degree of mutuality in contract beliefs. 	<p>1. What is the content of the psychological contract beliefs of new entrants to the organisation? (a) How did individuals develop these psychological contract beliefs? and (b) What is the degree of mutuality between individuals' beliefs and their managers' beliefs about the employment exchange?</p>	<ul style="list-style-type: none"> . Fairly broad, generic and non-organisational specific employment-related schemas appeared to be driving newcomers' contract content (as theoretically suggested by Rousseau, 2001). . It was shown that employees utilised a mix of both social network information (regarding broader employment expectations) and perceptions of various elements of an organisation's reputation (for more firm-specific expectations) in order to construct different components of their contracts. As such, intra- and extra-organisational informational cues did not necessarily serve to construct the contract as a whole, but were variously drawn upon to construct different components of the contract's content. . While a high degree of mutuality in contract beliefs appeared to exist, a lack of belief specificity suggested that it will only be over time that what these beliefs mean in practice will be agreed upon and understood.
Study 2 - quantitative, four-wave survey method	<ul style="list-style-type: none"> . There remains little understanding of what information sources, operating at different levels such as organisationally, dyadically and intra-individually, are most important in shaping contract content over time and whether they impact uniformly or differentially across different contract content dimensions. . There is minimal investigation of the 'shape' of contract change trajectories, particularly non-linear ones. 	<p>2. How does an individual's psychological contract change, across perceived employee and employer obligations, over time? Specifically: (a) How do corporate reputation perceptions impact upon perceived employee and employer obligations over time? (b) How does the quality of the manager-employee relationship impact upon perceived employee and employer obligations over time? (c) How do the individual difference variables of affect</p>	<ul style="list-style-type: none"> . While beliefs about employer obligations demonstrated some change over time, the predominant no-change trajectory for employees' beliefs about their own obligations suggests that these are perhaps not as prone to change. . As the contract sub-dimensions did not change uniformly, this indicates greater diversity in how individuals construct and understand components of the same contract type than is currently suggested in the literature. . In terms of who or what the employee is 'contracting' with in the employment exchange - the findings suggest that individuals appear to be 'contracting' at more of an organisational level. This challenges the generally accepted notion that the manager is likely to be the most salient organisational agent in the contracting process.

		<p>and hardiness impact upon perceived employee and employer obligations over time?</p>	
<p>Study 3 - qualitative method</p>	<ul style="list-style-type: none"> . The mostly cross-sectional studies of breach and violation do not investigate the processes subsequent to these phenomena, which are likely to be relevant in understanding contract change. . Empirical investigations of breach and violation remain focused upon a fairly discrete, cause-and-effect approach, where these events occur, negative employee attitudes ensue and the outcome is adverse workplace behaviours. 	<p>2. How does an individual's psychological contract change, across perceived employee and employer obligations, over time? Specifically: (d) Why do individuals have varying contract trajectories and what is the role of contract breach and violation in understanding this variance?</p>	<ul style="list-style-type: none"> . Contract breaches and violations were found to be the most important mechanisms for driving contract change, in conjunction with the effectiveness of employees' attempts to 'remediate' the outcomes of these occurrences. To elucidate this, a post-breach and violation employee appraisal and reaction process model is developed. . The findings offer new evidence for a clear distinction between actions which repair a breach itself, and thus the contract (remedies), and actions which only repair the contract more broadly (buffers). . It is shown that it is generally the <i>individual employee</i> who enacts either direct remedy or more indirect buffering strategies following a breach. This demonstrates that employees do engage as active parties to the exchange following these events and can engage in quite constructive responses to them, rather than simply reciprocating perceived negative employer behaviour.

contract must also include beliefs other than those about promises and should encompass broader expectations and, particularly, beliefs about obligations. In order to model contract content throughout the thesis, a brief review of existing content categorisation systems will be undertaken and the adoption of Rousseau's (2000) relational-balanced-transactional contract typology will be justified.

Within this typology, relational contracts refer to long-term or open-ended employment arrangements based upon two dimensions: (1) mutual *loyalty*; and (2) long-term *stability*, often in the form of job security (Dabos & Rousseau, 2004). Transactional contracts refer to employment arrangements primarily focused upon economic exchange. These contracts are constituted by two dimensions relating to specific *narrow* duties and limited worker involvement in the organisation and *short-term* employment relationships (Rousseau, 2000; Dabos & Rousseau, 2004). Balanced contracts blend features of both relational and transactional arrangements by maintaining the involvement and long-term time horizon that characterises relational exchanges, while at the same time allowing for greater flexibility and changing contract requirements as projects evolve and circumstances change (Dabos & Rousseau, 2004). Balanced contracts are constituted by three dimensions: (1) support for meeting increasing and changeable performance requirements (*performance support*); (2) the provision of employee *development* activities and career development within the organisation; and (3) facilitating the development of *externally marketable* job skills.

After setting these conceptual foundations, the remainder of Chapter 2 will review the existing theoretical and empirical work regarding contract development and change, detail specific areas for further research, identify the contract change predictors of interest in this thesis and formulate the research questions. In particular, the literature review will identify a number of change predictors, operating at various levels, which represent potentially salient informational cues which may be drawn upon by individuals over time to construct their contract content.

First, corporate reputation and leader-member exchange are introduced as proxies for the informational cues individuals receive at an organisational- and dyadic-level respectively. In particular, the use of these variables may inform an ongoing debate within the literature

regarding who individuals actually ‘contract’ with. While many authors focus almost exclusively upon managers as the key organisational agents to enact the contract (e.g. Tekleab & Taylor, 2003), other authors suggest that, in the employee's mind, the contract exists between him or her and the organisation (Robinson & Morrison, 1995). Therefore, the potentially variable use of organisational- and dyadic-level cues may offer insights into the ‘levels’ at which individuals are ‘contracting’ by identifying the degree of saliency of each cue. Then, given the idiosyncratic nature of the construct, individual difference variables are also introduced as pertinent contract change predictors because, as Coyle-Shapiro and Neuman (2004) state, ‘if we are to fully understand the dynamics of the contracting process we must also consider what individuals bring to the situation’ (p. 153). As such, the variables of affect and hardiness are theoretically derived as potentially exerting an influence upon individuals’ contract content over time. Finally, the literature review introduces the notions of contract breach and violation and justifies their exploration as key mechanisms for understanding *why* individuals’ contracts change over time. The specific research questions, derived from these discussions, are outlined in Table 1.1 and are drawn upon as the remaining chapter structures are detailed.

Chapter 3 (Methodology) describes the overall methodological approach to be employed in this thesis and how this approach will address the research questions developed through the Literature Review chapter (see Table 1.1). Specifically, a three-study, longitudinal, mixed methods design, with an overall study sampling frame of approximately 320 graduate organisational newcomers, is used in order to explore the process of contract change. The critical realist philosophy underpinning the use of a mixed methods approach is firstly detailed and the qual (Study 1) -> QUANT (Study 2) -> qual (Study 3) data collection strategies and sequence over a 16 month period are then outlined. The overall timing of the research program, the study sampling frame and sample comparability across the three studies are also described and explained in this chapter. However, the specific sampling strategies used for each study, the resulting sample characteristics and the data collection procedures and analytical tools used within each study are detailed in the respective results chapters.

Chapter 4 presents the results, and discusses the findings, of Study 1, which address research questions 1(a-b). To begin investigating the change process, Study 1 utilises semi-structured interviews, with a sample of graduate newcomers and their managers, to particularly explore the initial content of both parties' reciprocal psychological contract beliefs around the time of newcomer organisational entry (research question 1). The factors which contributed to the development of employees' contract beliefs (research question 1(a)) and the degree of mutuality between each party's reciprocal contract beliefs (research question 1(b)) were also explored. It was found that the reciprocal contract content of graduates and their managers focused upon balanced and, to a lesser extent, relational contract components and that, *prima facie*, there was an initially high degree of mutuality between the parties' contract beliefs. In developing these beliefs, employees utilised a mix of social network information (to inform broader employment expectations) and perceptions of various elements of an organisation's reputation to construct, in particular, beliefs about balanced and relational contract content. These findings set the context for the remaining two studies by investigating the general 'starting point' for individuals' contract content at employment entry. Further, by identifying the main information sources contributing to contract belief development at this stage of tenure and the degree of mutuality in contract beliefs between employees and their managerial counterparts, these findings also shed light on the change process as the length of employee tenure increases. This becomes particularly important when the issues of why contract beliefs change over time, and the roles of breach and violation, come to be explored in this thesis.

Chapter 5 presents and discusses the results of Study 2. In order to explore how the contract beliefs identified through Study 1 change over time, Study 2 utilises a four-wave survey approach, across the study sampling frame, at approximately organisational entry and 3, 6 and 12 months hence. This research design facilitates the exploration of the 'shape' of individuals' contract change trajectories (research question 2 overall) and the roles of the four theorised predictors representing: an organisational-level cue (perceptions of corporate reputation) (research question 2(a)); a dyadic-level cue (the quality of the manager-employee relationship) (research question 2(b)); and two individual difference variables (affect and hardiness) (research question 2(c)). By investigating these predictors together, and through the use of Rousseau's (2000) contract content typology, it is possible to assess how they

affect different components of the contract and whether individuals draw upon some cues more than others in constructing their contract beliefs. The use of an individual growth modelling analytic approach for the Study 2 data also allows for the examination of whether individuals' contract change trajectories follow linear, or potentially more complex curvilinear, trajectories over time. It was found that there were differences in the general change patterns across perceived employer and employee obligations (generally quadratic versus generally no-change patterns respectively). In constructing contract beliefs, both organisational- and dyadic-level cues were focused upon by employees to construct employer obligation beliefs, while organisational-level cues and individual difference variables were focused upon to construct employee obligation beliefs.

Chapters 6 and 7 present and discuss the results of Study 3. This final study utilises semi-structured interviews in order to gain a richer understanding of why participants' psychological contracts changed, or otherwise, over the time period under study (research question 2(d)). Chapter 6 focuses upon discussing general contract change trends and Chapter 7, through detailing a range of individual cases, then focuses upon explicating a process model of post-breach and violation employee appraisals and reactions. This study directly draws upon the results of Study 2. Because individuals' survey responses were tracked, respondents who exhibited minimal, moderate or high levels of change along the spectrum of the contract scale were sampled for an interview in Study 3, in order to increase the diversity of responses. Study 3 particularly draws upon the mechanisms of breach and violation in order to understand the contract change process, with the qualitative method allowing for a more in-depth exploration than has currently been undertaken in the literature regarding the *post*-breach and violation actions and responses of individuals. The findings confirmed the central roles of breach and violation in triggering contract belief change and that it is these events, in conjunction with the effectiveness of various 'remediation effects' which were employed by individuals to address the outcomes of these occurrences, which drove individuals' contract changes to greater or lesser degrees. It was found that, following a breach or violation event, two types of remediation effects were evident: remedies (which directly addressed the breach) and buffers (individuals' cognitive strategies to re-assess the situation). When effective, the former repaired the breach and the contract, while the latter only repaired the contract more broadly. There could be ongoing cycles of remediation

effects occurring until individuals perceived the situation to be resolved or instead continued to adjust their contract beliefs to reflect the changed situation.

Finally, Chapter 8 draws together the findings across the full research program and outlines their theoretical and practical implications. The key limitations of the research are also outlined and potential areas for future research are then presented. It is shown that when the results from the three studies are taken together they serve to shed empirical light, for both academics and practitioners, on the process of psychological contract change. This final chapter details how the findings from this thesis serve to both inform and extend the contract literature (see Table 1.1 for a summary).

Broadly, in Study 1, by qualitatively exploring individuals' and their managers' reciprocal contract content around the time of employee organisational entry, it is possible to examine the specificity and detail with which these beliefs are held and so to identify the degree of mutuality in beliefs at this point in employees' tenure. As key organisational agents, examining managers' contract content also offers the opportunity to explore a rarely investigated facet of the contract - the organisation's side, and understanding, of the contract's terms (Tekleab & Taylor, 2003). For individuals, exploring how they developed their contract beliefs also serves to identify whether, with minimal exposure to intra-organisational communications, they do indeed rely more upon non-organisationally controlled, extra-organisational messages through which to form their initial contract beliefs. The main contributions here are that it appeared to be fairly broad, generic and non-organisational specific employment-related schemas that were driving individuals' contract content at this stage of employment. Further, the intra- and extra-organisational information sources also used to develop contract beliefs at this time were not necessarily used to construct the contract as a whole, but were variously drawn upon to construct different components of the contract's content. Finally, while there appeared to be a high degree of mutuality in contract parties' reciprocal employment exchange beliefs, a general lack of belief specificity suggests that the enactment of the contract will be more complex over time.

From Study 2, the quantitative, longitudinal investigation contributes to the literature by being the first empirical study, known to the author, to explore both linear and non-linear

contract change trajectories and also to investigate the roles of corporate reputation and hardiness in shaping contract content. Examining, in concert, the roles of informational cues and individual difference characteristics, which operate at various levels, allows for an assessment of how they each influence different contract content components over time. The main contributions here are that while employer obligations demonstrated some change over time, the predominant no-change trajectory for employees' beliefs about their own obligations suggests that these are perhaps not as prone to change. Also, in terms of who or what the employee is 'contracting' with in the employment exchange, the findings suggest that individuals appear to be 'contracting' at more of an organisational-level. This challenges a generally accepted notion in the literature that the manager is likely to be the most salient organisational agent in the contracting process.

Building upon the previous two studies, the findings from the final qualitative study (Study 3) then serve to extend the nascent research on breach and violation as unfolding, and often complex, processes that are intertwined with other elements of the exchange relationship. This confirms the important roles of breach and violation in driving contract content change, whilst also extending the literature to investigate employees' and organisational agents' subsequent responses, actions and reactions to breach and violation events. The main contribution here is the development of what is termed a post-breach event or experience employee appraisal and reaction process model and, in particular, the distinction between actions which repair a breach itself, and thus the contract, (remedies) and actions which only repair the contract more broadly (buffers). The model demonstrates that, following the trigger of a breach or violation event, contract change occurred to greater or lesser degrees depending upon the effectiveness of a range of possible remediation effects that could be employed by individuals to address the situation. It was also evident that it is generally the *individual employee* who enacts either direct remedy or more indirect buffering strategies following a breach. This demonstrates that employees do engage as active parties to the exchange following these events and can engage in quite constructive responses to them, rather than simply reciprocating perceived negative employer behaviour.

In response to the overarching research question of this thesis, how and why individuals' psychological contract beliefs change, it is shown that individuals draw upon various

information sources, predominantly at the organisational-level, as cues for influencing their contract content. The 'shape' of individuals' contract change trajectories for both employer and employee obligations generally follow different, and not necessarily linear, trajectories over time. Experiences of breach and violation in conjunction with remedial actions, which serve to address these occurrences either by remedying the breach itself (and thus the contract) or the contract only, are identified as central to guiding individuals' contract changes to greater or lesser degrees over time.

Chapter 2: Literature Review

2.1 Introduction

The main purpose of this thesis is to explore how and why individuals' psychological contracts change. In particular, to investigate the roles of organisational- and dyadic-level informational cues, individual difference characteristics and contract breach and violation in shaping contract content over time. In order to set the conceptual basis for this thesis and elaborate on the overall research focus, three main arguments are constructed in this chapter. First, the conceptual foundations for the use of the psychological contract within this thesis, particularly regarding the beliefs taken to constitute the construct, are outlined. This is done because, notwithstanding the fact that the terms expectations, obligations and promises continue to be used interchangeably in the literature when defining the contract (Montes & Zweig, 2009), many contemporary authors continue to adhere to Rousseau's (1989) early, solely promise-based contract conceptualisation. Given the lack of consensus in the literature regarding a key facet of the construct, contract researchers are urged to be clear about, and justify, the belief conceptualisation they adopt (Roehling, 2008). As such, it will be argued that the conceptualisation, and thus operationalisation, of the contract must consist of beliefs other than those solely about promises and should include broader expectations and, particularly, beliefs about obligations.

In order to construct this argument, the chapter will firstly provide an overview of the historical development of the contract to offer some conceptual context and identify the basis for ongoing issues surrounding the contract's examination (section 2.2). The conceptual foundations for the construct, as used within this thesis, will then be outlined, specifically by critiquing the extant promise-based contract belief framework and identifying that a broader set of beliefs constitute the contract (section 2.3). The various contract content models available in the literature are then briefly reviewed and the use of Rousseau's (2000) typology is justified (section 2.3.6).

The remaining two arguments to be developed focus upon demonstrating that how and why individuals' contracts change over time remains relatively under-explored. The second main

argument focuses upon identifying that while a plethora of variables have been theorised to influence how individuals construct their contracts, the salience or otherwise of variables operating at different levels, such as organisationally or intra-individually, and how these informational cues and guides are utilised over time remains largely unknown (section 2.4.1). This argument is developed as the current empirical work on contract change is reviewed, which demonstrates that where studies do include predictors to investigate change, they generally operate at one level, such as intra-individually (e.g. De Vos et al., 2005) (section 2.4.1.2). The review of existing longitudinal studies will also show that there remains little understanding of the ‘shape’ of individuals’ contract change trajectories, such as whether an individual’s beliefs about employee and employer obligations increase, decrease or a combination of both over time. This discussion then leads to the development of the first sets of research questions. That is, in order to begin investigating change, individuals’ initial contract content, or ‘starting point’ beliefs, first need to be identified (research questions 1 and 1(a-b)) (section 2.4.2). Four of the five constructs of interest within this thesis are then introduced - corporate reputation, leader-member exchange, affect and hardiness (representing organisational-, dyadic- and individual difference-level variables respectively). Their potential roles in shaping individuals’ contract content over time are then outlined (research questions (2(a-c)) (section 2.4.3).

The third key argument constructed in this chapter complements the second and focuses more specifically on *why* contracts change over time. The final and related constructs of interest in this thesis, breach and violation, are introduced and it is argued that while these are important mechanisms for understanding why individuals may re-assess their contract beliefs over time, the mostly cross-sectional quantitative studies of these phenomena have failed to elucidate the processes subsequent to a breach or violation perception (section 2.4.4). It will be shown that these processes will be important for understanding why individuals revise their contract content over time. The final research question developed through this discussion, while focusing upon the roles of breach and violation in contract change, will remain broad to also allow for the investigation of other potential change triggers (research question 2(d)).

2.2 The development of the psychological contract construct

The aim of this section is to provide some conceptual context to the main construct of interest in this thesis, the psychological contract. Contrasting historical and contemporary conceptualisations also assists in identifying under-explored facets of the construct and ongoing tensions in the literature. These conclusions then lead to a more detailed discussion of the conceptual basis for the contract and particularly an ongoing area of debate concerning the contract's constituent beliefs. It is widely recognised that Rousseau's (1989) seminal work provides a key demarcation in the contract's conceptual and empirical development. As such, this review begins by examining the work of the early contract authors (termed the 'pre-Rousseau' period), then identifies the key features of Rousseau's (1989) reconceptualisation of the contract and subsequently assesses the work of contemporary authors who largely adhere to her view (termed the 'post-Rousseau' period).

2.2.1 The pre-Rousseau account of the psychological contract

Four seminal works (Argyris, 1960; Levinson et al., 1962; Schein, 1970; Kotter, 1973) are credited with introducing the psychological contract construct into the domain of employment relationships (see Conway & Briner, 2005, 2009; Roehling, 1997). Notwithstanding some conceptual distinctions and minimal reference to each others' work, enough similarities emerge to identify five components of the pre-Rousseau authors' conceptualisation of the construct. First, the contract consists of mutual expectations, held by both the employee and the company, which are largely implicit and unspoken (Levinson et al., 1962). For employees, these expectations are held either unconsciously (relating to latent psychological issues and needs such as nurturance) or consciously (explicitly relating to expectations of job performance and security). These expectations have 'obligatory' and 'compelling' qualities (Levinson et al., 1962, p. 20) and whether or not they are fulfilled operates powerfully as a determinant of behaviour (Schein, 1970). The authors draw upon clinical psychological perspectives (Levinson et al., 1962) and theories of the fundamental motivational drivers of humans (Schein, 1970) to understand the normative basis of these expectations.

Second, individuals' expectations were viewed as frequently forming prior to entering the current employment relationship (Levinson et al., 1962; Schein, 1980) and are forged from

inner needs, traditions and norms, past experiences and a host of other sources (Schein, 1980), in concert with organisational experiences. The company's expectations arise from its history, business environment, policies and practices and managerial and organisational statements and values (Levinson et al., 1962). Third, the pre-Rousseau authors view the contract as involving two parties, the individual and the organisation, and both employee and employer perspectives to the contract are explored (Kotter, 1973). Managers were often viewed as the appropriate agent to represent the organisation's perspective (Levinson et al., 1962; Kotter, 1973) and enact the contract through the process of reciprocation and ongoing interactions.

Fourth, the authors recognised the important roles of reciprocity and mutuality in establishing what Schein (1970) termed a 'workable' psychological contract (p. 53). When these processes worked well, expectation 'matches' (Kotter, 1973, p. 94), or contract fulfilment, occurred. The noted benefits of fulfilment include greater pleasure in work and the fuller use of capacities (Levinson et al., 1962), increased organisational commitment and loyalty (Schein, 1970) and reduced turnover (Kotter, 1973). Conversely, expectation 'mismatches' (Kotter, 1973, p. 94), or unfulfilled expectations, resulted in what Schein (1970) termed contract 'violation' (p. 54). The downfalls of this phenomenon include a range of negative behaviours and emotional responses (Levinson et al., 1962; Schein, 1970; Kotter, 1973). Overall, the authors focused the contract notion upon how to best manage often competing employee and organisational expectations to optimally meet the needs of each party (Levinson et al., 1962; Kotter, 1973; Schein, 1970). Fifth, the pre-Rousseau authors view the contract as changing over time, as employee and organisational expectations and needs change (Schein, 1970; Levinson et al., 1962). Finally, methodologically, much of the work done to investigate the contract was in the qualitative field (notwithstanding Kotter, 1973) and often based upon a large number of semi-structured interviews.

However, despite this early work the notion of the psychological contract generated very little research interest, either theoretically or empirically, at the time (Conway & Briner, 2005). Indeed, the theory only found its 'renaissance' (Cullinane & Dundon, 2006, p. 114) following a seminal reconceptualisation by Rousseau (1989).

2.2.2 The Rousseau (1989), and post-Rousseau, account of the psychological contract

Given that 20 years of research has followed since Rousseau's (1989) reconceptualisation, and in order to give a balanced account of the evolution of thought since that time, Rousseau's (1989) seminal claims are highlighted and then, where applicable, if theoretical and empirical work has since moved considerably past these claims, this will be discussed. However, it is important to describe and understand Rousseau's earlier work (1989; 1995; 2001) as it remains often-cited by contract scholars as the basis for their contemporary work.

Rousseau (1989) defines the psychological contract as:

'an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party. The key issues here are 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).

The beliefs constituting Rousseau's (1989) account of the contract are obligations arising from the exchange of perceived *promises*. Rousseau (1989) differentiates these beliefs from the broader concept of expectations. In her later work she is clear that while obligations are a form of expectation, not all expectations need to be promissory and, thus, not all expectations form part of the psychological contract (Rousseau & Tijoriwala, 1998). Rousseau (1989; 1995; 2001) also details what constitutes a psychological contract-related promise. She states that two types of promises are relevant to the contract: (1) promises conveyed in words (focusing on forms of speech to convey promises – 'explicit' promises) and (2) promises conveyed through actions (promises derived from the interpretation of actions or indirect statements – 'implicit' promises) (Rousseau, 2001). Rousseau (2001) also notes the important role of context when an individual interprets promises, either through words or actions. Events where promise-making and exchange are expected, such as during socialisation, are times when organisational communications are likely to be interpreted as promises (Rousseau, 2001).

This issue of which types of beliefs, expectations, obligations and/or promises, constitute the psychological contract remains unsettled in the literature. For example, while Rousseau's

(1989) early work clearly staked theoretical claims around the sole and prime role of promises as constituting the contract, her later theoretical work (see Rousseau, 2010 in particular) and most of her empirical work (Rousseau, 1998; Robinson et al., 1994; Bal, Jansen, van der Velde, de Lange & Rousseau, 2010) has used the broader notion of obligations. However, many contemporary researchers continue to adhere to her promise-based contract conceptualisation (Restubog, Bordia, Tang & Krebs, 2010; Conway, Guest & Trenberth, 2011; De Vos et al., 2005). This issue is only noted here, but is explored in greater detail in section 2.3.1 to justify the position taken in this thesis regarding the beliefs constituting the contract.

In terms of how contract beliefs develop, in Rousseau and colleagues' earlier work it was claimed that contract-relevant promise-based beliefs only arose through interactions in the current employment relationship, excluding beliefs which antedated this relationship (Rousseau & Greller, 1994; Rousseau & Wade-Benzoni, 1994; Robinson, 1996). However, Rousseau's later work (Rousseau, 2001, 2010), and almost all contemporary contract work (e.g. Conway & Briner, 2005, 2009; Tallman & Bruning, 2008), has wound back from these quite strong claims and recognises, and now examines, pre-employment schemas, extra-organisational factors and intra-individual characteristics as relevant information sources and guides for contract belief development. Regarding intra-organisational sources of information, Rousseau and colleagues have advocated the role of various organisational 'contract-makers' (Rousseau, 1995, p. 55; Rousseau & Wade-Benzoni, 1994; Rousseau & Greller, 1994). This term refers to the 'multiplicity of potential (organisational) agents' (Rousseau, 2010, p. 208), such as recruiters, senior managers and direct supervisors, that can all convey information about reciprocal commitments and thus help inform the development of individuals' contracts (Rousseau, 1995; Conway & Briner, 2005). Contract-relevant 'social cues' can also be gathered from interactions with, and observations of, co-workers (Conway & Briner, 2005, p. 53). Rousseau (1995) further suggests that organisations can express various forms of commitment 'in an ongoing and relatively continuous fashion' through agent statements, organisational policies and structures and 'social constructions' such as perceptions of corporate history or reputation (p. 36).

Posited extra-organisational influences relevant to contract belief development include economic, legal and political factors (Conway & Briner, 2005) and social cues sourced from the national culture and values (Sparrow, 1998; Sparrow & Cooper, 1998). Individuals' internal interpretations, pre-dispositions and constructions have also been suggested by post-Rousseau authors as having a bearing upon contract beliefs (Sparrow & Cooper, 1998), including personality type (Tallman & Bruning, 2008; Raja, Johns & Ntalianis, 2004) and exchange and creditor ideologies (Coyle-Shapiro & Neuman, 2004). Relatedly, authors in the post-Rousseau period are also clear that the contract beliefs that individuals develop will likely change over time, making the contract a dynamic construct (Rousseau, 1995; Schalk & Roe, 2007; Conway & Briner, 2002). However, the mostly cross-sectional contemporary empirical work has restricted the exploration of these dynamics and also the relative importance of the many posited sources of contract-relevant information (Conway & Briner, 2005).

Rousseau's (1989) account of the contract also focuses upon its perceptual nature. The analysis is firmly at the individual-level, meaning an employee can have a unique experience regarding his or her exchange relationship with an employer (Rousseau & Tijoriwala, 1998). Individuals' psychological contract beliefs may diverge from what is in writing and from interpretations by other parties (Rousseau & Tijoriwala, 1998) and this is due, largely, to it being only perceptions of promises which comprise the contract. In other words, it is not promises *in fact* which necessarily constitute the contract, but *perceived* promises (Robinson & Rousseau, 1994) (*italics are mine*). It is also the perception of mutuality, not mutuality in fact, that characterises a psychological contract (Rousseau, 1990; Rousseau & Tijoriwala, 1998). That is, both parties may not actually share a common understanding of all contract terms (Robinson & Rousseau, 1994), instead they may only believe that they share the same interpretation of the contract (Robinson & Rousseau, 1994). Further, despite acknowledging that there are two parties to a contract, Rousseau (1989) was clear that 'individuals have psychological contracts, organisations do not' (p. 126). Organisations, as the other party in the relationship, provide the context for the creation of a psychological contract, but cannot in turn have a contract with its members (Rousseau, 1989). However, individual managers can 'perceive a psychological contract' with employees and respond accordingly (Rousseau, 1989, p. 126). Although much post-Rousseau period work continues to focus upon the

individual employee's perceptions of the contract, there is acknowledgement that more empirical work is now needed to investigate the organisation's side of the contract via its various agents (Conway & Briner, 2005, 2009; Rousseau, 2010). This will provide a better understanding of the degree of objective mutuality between contract parties (Tekleab & Taylor, 2003) and remedy much of the currently one-sided nature of the contract's investigation.

Rousseau (1989) also outlines, in greater detail than earlier authors, the concept of contract violation. She defines this as 'a failure of organisations or other parties to respond to an employee's contributions in ways the individual believes they are obligated to' (Rousseau, 1989, p. 128). Rousseau (1989) emphasises that this failure produces 'more than just unmet expectations ... it signals a damage to the relationship between the organisation and the individual' (p. 128). While unmet expectations may lead to dissatisfaction and perhaps to frustration and disappointment, perceived contract violation 'yields deeper and more intense responses, akin to anger and moral outrage' and "'victims' experience a changed view of the other party and their interrelationship' (Rousseau, 1989, p. 128-129). A much-cited reason in the post-Rousseau period for focusing solely upon promises as the contract's constituent beliefs is because violated *promises*, Rousseau (1989) claims, will produce more intense, emotional and organisationally detrimental responses than unmet *expectations*. While there is empirical support for this position (Robinson, 1996; Turnley & Feldman, 2000; Robinson & Rousseau, 1994), there is also opposition, both empirical (Taylor & Tekleab, 2004; Montes & Zweig, 2009) and theoretical (Roehling, 2008). While, as noted above, Rousseau appears to have wound back somewhat from a sole focus upon promises as the basis for the contract, the notions of breach and violation, which were founded upon the effects of broken *promises*, continue to be much-investigated in the literature.

The final point of note regarding the post-Rousseau period account of the contract relates to the predominant model of the contract's content. Rousseau (1989) introduced the notion of a contractual continuum, based upon the transactional-relational spectrum borrowed from the legal scholarship of MacNeil (1985). In her empirical work focusing on new recruits' contract perceptions, Rousseau (1990) found that the patterns of employee and employer obligations corresponded to two types of agreements or psychological contracts – what she

termed transactional (short-term agreements focused on specific economic, monetisable elements) and relational (open-ended agreements focusing on the relationship and involving non-monetisable factors such as loyalty). Rousseau's (2000) extended model of contract content, and other authors' content categorisations, will be outlined and contrasted in greater detail in section 2.3.6. Methodologically, much of the contemporary contract work is in the quantitative field and has been fostered, in part, by the creation of the aforementioned contract content categories and operationalisations, which were lacking in the pre-Rousseau period.

2.2.3 Contrasting pre- and post-Rousseau authors' accounts of the psychological contract

While, *prima facie*, there are differences between pre- and post-Rousseau authors' accounts of the contract, which are often focused upon in the literature, there are also underlying similarities. Overall, six key areas of contrast between pre- and post-Rousseau theorising emerge, as outlined in Table 2.1. First, the most obvious and often-cited distinction is that the initial, pre-Rousseau authors' focus upon expectations is eschewed in favour of promise-based beliefs (see Table 2.1: row: 1). The notion of expectations clearly takes a far broader set of beliefs to be relevant to the contract, whereas the stronger emphasis upon promises restricts the construct's scope. However, an underlying similarity of note here is that both sets of authors conceptualise the contract's beliefs as having an underlying normative basis. That is, both groups centre their conceptualisations upon what employees believe that they and their employer *ought to* give and receive within the exchange relationship. It is the posited source of this normativity which differs - motivational drivers, traditions and norms versus perceived promises.

Second, early post-Rousseau period work suggested that the contract is shaped solely by the individual's interaction with the employer (Rousseau & Greller, 1994; Rousseau & Wade-Benzoni, 1994), meaning that only those beliefs formed through the current employment relationship create the contract (Roehling, 1998). However, as noted previously, much of the contemporary literature, including Rousseau's more recent work, has wound back from these claims and there is now greater alignment between pre- and post-Rousseau

Table 2.1: Contrasting pre- and post-Rousseau authors' conceptualisations of the psychological contract

Construct component	1. Pre-Rousseau period	2. Rousseau (1989), and post-Rousseau, period	3. Subsequent evolution of thought in post-Rousseau period	4. Outcomes for contemporary contract literature
1. Contract beliefs	Expectations: mutual, unspoken and implicit (Levinson et al., 1962; Argyris, 1960)	Promise-based, reciprocal obligations: explicit and implicit promises (Rousseau, 1995)	There is an ongoing interchangeable use of expectations, obligations and promises as the focal contract beliefs. However, many authors still adhere to a promise-focus (see section 2.3.1).	The literature remains unsettled on exactly which beliefs constitute the contract.
2. Psychological contract belief development	Formed from both experiences antedating, and interactions within, the current employment relationship.	The contract is shaped by the individual's interaction with the current employer only (Rousseau & Greller, 1994; Rousseau & Wade-Benzoni, 1994).	There is recognition that a range of extra-, as well as intra-, organisational factors will shape the contract.	The exploration of extra-organisational factors in contract belief development is less well-developed than that of intra-organisational factors.
3. Reciprocity and mutuality	Reciprocity and mutuality exist <i>in fact</i> to establish a 'workable' contract (Schein, 1970, p. 53).	The focus is on the <i>perception</i> of mutuality and <i>perceived</i> promises – not necessarily <i>in fact</i> .	There remains a focus upon the individual-level, perceptual nature of the contract.	Outcomes relate to points 1 (contract beliefs) and 5 (parties to the contract).
4. Contract dynamism	The contract changes over time as employee and organisational expectations and needs change (Levinson et al., 1962)	There is consensus that the contract is a dynamic construct.	There remains agreement on this point, but a focus upon cross-sectional studies has restricted the exploration of the contract's dynamics.	There is a paucity of longitudinal work to explore contract change – although work has begun (e.g. De Vos et al., 2003, 2005).
5. Parties to the psychological contract	The individual and the organisation are contract parties – managers may act as organisational agents.	The focal party is the individual – 'organisations cannot have a psychological contract but can provide context for their creation' (Rousseau, 1989, p. 126). Managers may 'perceive' a contract with employees (Rousseau, 1989, p. 126).	Notwithstanding point 3 (a continuing individual-level focus), there is agreement that organisational agents provide contract-relevant cues and this 'side' of the contract requires further investigation.	There has been a disproportionate focus on the employee's side, or interpretation, of the contract.

6. The results of unfulfilled or unmet contract beliefs	Authors variously focus upon 'unfulfilled' contracts (Levinson et al., 1962), 'violations' (Schein, 1970) and contract 'mismatch' (Kotter, 1973). Outcomes include negative emotional responses and behaviour, increased turnover and a changed employee-employer relationship (Schein, 1970).	Contract "violation" yields deep and intense responses, akin to anger and moral outrage, with the 'victim' experiencing anger, resentment, shock, outrage and a sense of injustice and wrongful harm' (Rousseau, 1989, p. 128-129).	Breach and violation continue to be much-explored tenets of the contract construct.	Outcomes relate to point 7 (focus of the literature and empirical studies).
Other issues of interest:				
7. Focus of the literature and empirical studies	The focus is on contract fulfilment through mutuality and 'matching' employee and employer expectations (Kotter, 1973, p. 94).	The focus is on the antecedents and immediate consequences of breach and violation (Robinson & Rousseau, 1994; Morrison & Robinson, 1997).	Breach and violation continue to be much-studied, generally cross-sectionally, but with greater recognition of the need to explore other contract dynamics.	There has been a disproportionate focus on exploring the notions of contract breach and violation.
8. Components of the psychological contract	Broad categories of expectations were articulated (Levinson et al., 1962). Kotter (1973) created a more arbitrary list of employee and employer expectations based upon surveys. Empirical investigation was scant and largely qualitative.	Transactional, relational (Rousseau, 1990) and, later, balanced (Rousseau, 2000) contract components were described and are widely used as a basis for quantitatively examining contract content.	Other content models and measures have been developed since Rousseau's (2000) relational-balanced-transactional typology; although, they are often study-specific.	The creation of robust measures of contract content has facilitated contemporary empirical investigations of the contract.

conceptualisations on this issue (see Table 2.1: row: 2). Broadly, there is agreement that a range of both intra- and extra-organisational factors, and intra-individual characteristics, will shape the development and ongoing nature of individuals' psychological contract beliefs. More empirical work, however, is needed in order to concretise what these salient factors are (this issue is reviewed in more detail in section 2.4). A third contrast is that Rousseau's account of the contract focuses on *perceived* promises and the *perception* of mutuality, meaning there does not necessarily need to be agreement between the parties regarding the contract's terms. The earlier conceptualisation focuses on mutuality and reciprocity *in fact* to establish a 'workable' psychological contract (Schein, 1970, p. 53) and suggests that each party is, at least somewhat, conscious of the joint interaction and some level of contract agreement exists (see Table 2.1: row: 3). Much of the contemporary contract literature continues to support the individual-level, perceptually-focused account of the contract. Fourth, both pre-and post-Rousseau authors agree that the contract is dynamic (see Table 2.1: row: 4); however, neither camp has thoroughly explored the concept longitudinally (this issue is reviewed in more detail in section 2.4).

Fifth, for the earlier authors, the parties to the contract are the individual and the organisation, with recognition that managers often act as organisational agents (see Table 2.1: row: 5). Pre-Rousseau authors did, from the outset of constructing the contract notion, reinforce the important role of agents, particularly managers, in the creation and maintenance of the contract. Regarding post-Rousseau period authors' position on this point, descriptions of Rousseau's (1989) earlier work must again be contrasted with the evolution of thought in this area. While Rousseau (1989) positions the contract as a solely individual construction and posits that the 'organisation' cannot hold a psychological contract, she did recognise that the organisation provides the context for contract creation and that managers may 'perceive' a psychological contract with their employees (Rousseau, 1989, p. 126). Contemporary contract work has gone further and reached a broad recognition that organisational agents do play key roles as contract-makers (including as sources of contract-relevant information) and that, at the very least, an understanding of this 'other side' of the contract is required to provide a fuller understanding of the dynamics of the construct (Tekleab & Taylor, 2003). Again, on this point, an increasing alignment has emerged between pre- and post-Rousseau authors' contract conceptualisations.

Finally, the concept of contract ‘violation’ is introduced, in more detail than previous authors, by Rousseau (1989) (see Table 2.1: row: 6). Although, it should be noted that the earlier authors also reference expectation ‘mismatches’, or unfulfilled contracts, and indeed ‘violations’ (Kotter, 1973, p. 94; Schein, 1970, p. 54). Although using different terminology, an underlying similarity here is that both pre- and post-Rousseau authors’ theorising regarding the intensity of employees’ reactions to unfulfilled contract beliefs is very similar. For example, earlier authors did reference emotional responses such as frustration (Schein, 1970), a range of negative behaviours such as hostility, conflict and stress (Levinson et al., 1962), longer term ramifications upon the employment relationship such as misaligned values and goals (Schein, 1970) and employees’ deliberate and ongoing workplace complacency (Kotter, 1973). Similarly, Rousseau (1989) also references emotional responses to contract violation such as employee anger, resentment and shock. However, to highlight the main contrast here, the pre-Rousseau authors did focus more, comparatively, upon contract fulfilment than violation, through understanding mutuality (Levinson et al., 1962) and the ‘matching’ of employee and employer expectations in order to best manage the employment relationship (Argyris, 1960; Schein, 1970; Kotter, 1973, p. 94). Conversely, subsequent (mostly cross-sectional) empirical work in the post-Rousseau period largely focuses on the antecedents and immediate consequences of contract violation (this body of work is reviewed in more detail in section 2.4.4).

In summary, this section has sought to provide some conceptual context for the notion of the psychological contract (see Table 2.1: columns 1-2), specifically by contrasting historical and contemporary contract conceptualisations to demonstrate the evolution of thought in the area, which continues in the post-Rousseau period. This discussion has begun to show broad areas of agreement (see Table 2.1: column 3), but also areas of ongoing debate and further research opportunities (see Table 2.1: column 4). For example, there was always agreement that the construct is dynamic, but other initial stances of Rousseau and colleagues have been wound back somewhat to more closely mirror the pre-Rousseau authors’ contract conceptualisation – particularly regarding the role of mutuality, the importance of organisational agents in contract-making and exploring a broader range of intra- and extra-organisational factors in contract belief development. Before turning more explicitly to the

research opportunities of interest for this thesis, one of the ongoing debates emanating from Rousseau's (1989) work, regarding exactly which beliefs constitute the contract, will now be explored in greater detail. This discussion relates to the first main argument to be developed in this chapter, which serves to set the conceptual foundations for the contract construct in this thesis.

2.3 Conceptual foundations – beliefs constituting the contract and models of contract content

While it is not unusual across various areas of scholarship for there to be ongoing debate regarding the tenets of a construct, in the psychological contract literature researchers are counselled to be explicit about their position, in particular, regarding their conceptualisation and understanding of the contract's constituent beliefs (Roehling, 1997, 2008; Conway & Briner, 2005). This is because, as identified in the previous section, the issue of exactly which beliefs constitute the contract remains unsettled in the literature. While no specific research questions will address this particular issue, it is discussed in order to set the conceptual foundations for the research in this thesis by being clear about the contract belief conceptualisation adopted.

The overall argument proposed here is that a sole focus upon promise-based beliefs poses too restrictive a theoretical basis for a comprehensive understanding of what many historical and contemporary authors ostensibly seek to explore through the contract construct. In other words, in taking the construct to refer to employee and employer beliefs regarding their reciprocal exchange relationship, and as a mechanism to explore its dynamic, subjective and indeterminate aspects (Cullinane & Dundon, 2006), it will be conceptually demonstrated that beliefs other than those solely based upon promises will be relevant to the investigation and understanding of the contract. This argument will be developed by firstly detailing the current state of affairs in the literature on this issue and the continuing focus upon promises as the contract's constituent beliefs. The disciplines of philosophy, speech act theory and law, which offer some of the most detailed theorising on the notion of a promise, are then drawn upon to provide a reference point through which to examine how the concept has come to be used in the contract literature. Finally, the extant 'explicit-implicit' promise

distinction will be critiqued as a theoretically and empirically questionable basis for conceptualising promises and it will be shown that there are beliefs, without a basis in a promise, which will have the same ‘normative force’ and result in the same negative reactions when unmet as their promise-based counterparts.

2.3.1 The current state of affairs – expectations, obligations or promises?

In order to critique the extant focus upon promise-based beliefs within the contract literature, it is first necessary to offer clear evidence that this focus does indeed exist. It was Rousseau’s (1989) work which re-directed the conceptualisation of the contract’s constituent beliefs away from the broader notion of expectations (utilised by the pre-Rousseau authors) to instead focus solely upon promise-based beliefs. However, as Table 2.2 (columns 1-2, row 1) shows, and as identified earlier, Rousseau’s stance on this issue has changed. While her early, particularly conceptual, work fairly consistently focused upon promise-based beliefs, her more recent work has solely employed the broader notion of obligations to both conceptualise and operationalise the contract (Table 2.2: columns 1-2, row 1). In fact, in her most recent work Rousseau (2010) suggests that ‘obligations are preferred over expectations and promises in assessing a psychological contract’s content’ (p. 210). However, while Rousseau’s more recent work has shifted focus, her early work (1989; 1995; 2001) remains influential and the result is that many contemporary contract authors continue to follow a solely promise-based belief conceptualisation (e.g. Dulac, Coyle-Shapiro, Henderson & Wayne, 2008; Montes & Irving, 2008; Schalk & Roe, 2007) (see Table 2.2: column 1, rows 2-15). The researchers cited in Table 2.2 have been identified as ‘key contract authors’ because they have published multiple papers on the topic, particularly over the past decade. A full version of Table 2.2 is provided in Appendix 2.1, with text quotes from each cited author/s.

When promises are focused upon within contemporary studies there is usually no explanatory reasoning provided, other than referencing authors who have also utilised the stated conceptualisation (e.g. see Appendix 2.1: column 3, rows 18, 28, 40, 53). This makes it difficult to ascertain whether beliefs are included or omitted by design or otherwise and

Table 2.2: Key authors' contract belief conceptualisations and operationalisations (since Rousseau, 1989)

Author block ^a	1. Overarching belief conceptualisation	2. Overarching belief operationalisation	Specific authors
1. Rousseau et al.	Promises	n/a ^b	Rousseau, 1989; Rousseau and Wade-Benzoni, 1994; Rousseau, 1995; Rousseau and Tijoriwala, 1998; Rousseau, 2001
	Includes references to promises, obligations and expectations	n/a	Rousseau and Greller, 1994
	Includes references to promises, obligations and commitments	Obligations	Dabos and Rousseau, 2004
	Promises	Obligations	Rousseau, 1990; Hui, Lee and Rousseau, 2004
	Obligations	Obligations	Bal, Jansen, van der Velde, de Lange and Rousseau, 2010; Rousseau, 2010
2. Robinson et al.	Promises	Obligations	Robinson, Kraatz and Rousseau, 1994
	Promises	Promises	Robinson and Rousseau, 1994; Robinson, 1996; Robinson and Morrison, 2000
	Obligations	Promises	Robinson and Morrison, 1995
	Promises	n/a	Morrison and Robinson, 1997
3. Kickul et al.	Promises	Promises	Kickul and Lester, 2001; Kickul, 2001(a); Kickul, 2001(b)
4. Coyle-Shapiro et al.	Obligations	Obligations	Kessler and Coyle-Shapiro, 1998; Coyle-Shapiro and Kessler, 2000; Coyle-Shapiro and Kessler, 2003
	Promises	Obligations	Coyle-Shapiro, 2002; Coyle-Shapiro and Kessler, 2002
	Promises	Promises	Dulac, Coyle-Shapiro, Henderson and Wayne, 2008
	Obligations and promises	Obligations	Parzefall and Coyle-Shapiro, 2011
5. Montes et al.	Promises	Promises	Montes and Irving, 2008; Montes and Zweig, 2009
6. Restubog et al.	Promises	Promises	Restubog, Hornsey, Bordia and Esposito, 2008; Zagencyk, Gibney, Kiewitz and Restubog, 2009; Restubog, Bordia, Tang and Krebs, 2010
7. Conway and Briner et al.	Promises	Promises	Conway and Briner, 2002; Conway, Guest and Trenberth, 2011
	Promises	n/a	Conway and Briner, 2005
8. De Vos et al.	Promises	Promises	De Vos, 2005; De Vos, Buyens and Schalk, 2003
	Promises	Expectations	De Vos, Buyens and Schalk, 2005
9. Schalk et al.	Obligations	Obligations	Freese and Schalk, 1996
	Promises	Obligations	Linde and Schalk, 2006
	Promises	n/a	Schalk and Roe, 2007
	Promises	Promises	van den Heuvel and Schalk, 2009
10. Ho et al.	Promises	Promises	Ho, Weingart and Rousseau, 2004; Ho and Levesque, 2005
	Promises	n/a	Ho, 2005
	Obligations	Obligations	Ho, Rousseau and Levesque, 2006
11. Feldman et	Includes references to promises,	n/a	Turnley and Feldman, 1999(a)

al.	obligations and expectations		
	Refers to 'beliefs'	Promises	Turnley and Feldman, 1999(b)
	Promises	Promises	Ng and Feldman, 2008
	Promises	n/a	Ng and Feldman, 2009
12. Sparrow et al.	Includes references to promises, obligations and expectations	n/a	Sparrow and Cooper, 1998
	Expectations	n/a	Sparrow, 1998
	Promises	Obligations and promises	Westwood, Sparrow and Leung, 2001
	Promises	n/a	Arshad and Sparrow, 2010
13. Suazo et al.	Promises	Promises	Suazo, Turnley and Mai-Dalton, 2005; Suazo, Turnley and Mai-Dalton, 2008
	Promises	n/a	Suazo, Martinez and Sandoval, 2009
	Promises	Obligations and promises	Suazo and Turnley, 2010
14. Tekleab et al.	Obligations	Obligations	Tekleab and Taylor, 2003
	Promises	Obligations	Tekleab, Takeuchi and Taylor, 2005
	Promises	Promises	Tekleab and Chiaburu, 2011
15. Bellou et al.	Promises	Obligations	Bellou, 2007; Bellou, 2009

^aThe author frequently cited as the first author of a work/s is used as the lead name of each 'author block'

^bMeans the paper/s are conceptual or review-based or the work/s are books

results in unpersuasive justifications for solely focusing upon particular belief types, such as promises, over others. Where reasons are offered, a much-cited one draws upon Rousseau's (1989) assertions that expectations, obligations and promises imply different levels of psychological engagement, which results in more or less intense reactions depending upon the type of belief that goes unfulfilled (Roehling, 2008; Guest, 1998; Rousseau & Tijoriwala, 1998). Rousseau (1989) argues that psychological contract promise-based beliefs involve an element of trust, a sense of relationship and a belief in the existence of a promise of future benefits. Therefore, violated promises will produce more intense, emotional and organisationally-detrimental responses than unmet expectations (Rousseau, 1989, 1990), which instead lead to disappointment and a less emotional outcome (Thomas & Anderson, 1998). While there is some empirical evidence to support these claims (Robinson, 1996; Turnley & Feldman, 2000; Robinson & Rousseau, 1994), others question the efficacy of these results (Taylor & Tekleab, 2004) and Montes and Zweig (2009) have offered empirical evidence that promises play a negligible role in predicting feelings of violation and behavioural intentions. Theoretically, Roehling (2008) also questions whether unmet promises will necessarily result in more intense negative reactions than, say, unmet obligations without a basis in a promise, such as beliefs based upon moral and social norms.

Further to these issues, other ongoing complications exist such as contemporary authors sometimes utilising the terms promises, obligations and expectations individually, collectively or interchangeably (Thomas & Anderson, 1998; Montes & Zweig, 2009). This points to the lack of conceptual clarity regarding belief types and likely stems from neither pre- nor post-Rousseau authors being consistently clear on the definitions of, and relationships between, the terms they use – expectations, obligations and promises. Table 2.2 (column 1, rows 1, 11, 12) demonstrates how authors can reference various, or all, belief types when conceptualising the contract. A final point of inconsistency to note is the disconnection within some studies regarding the conceptualisation and operationalisation of the contract's beliefs. For example, some authors suggest that promise-based beliefs solely constitute the contract, but then use obligations-based measures (see Table 2.2: columns 1-2, rows 1, 2, 4, 9). Even where authors have consistent promise-based conceptual and operational positions within a study, quantitative measures often do not distinguish between implicit and explicit promises, and so are perhaps only capturing the latter concept

(exceptions are Robinson & Morrison, 1995; Conway & Briner, 2002 and De Vos et al., 2003).

This discussion has demonstrated that contemporary authors continue to primarily focus upon promises as the psychological contract's constituent beliefs and there appears to be a lack of conceptual clarity regarding the belief types that have been variously posited as constituting the contract. In order to build upon this and develop the argument that promises offer too narrow a focus for conceptualising the contract, the notion of promising is now detailed to provide some conceptual clarity regarding what a promise is and what it is not. This is important because in identifying the scope of promise-based beliefs, it will be shown that solely focusing upon promises poses too restrictive a theoretical basis for a comprehensive understanding of what many historical and contemporary authors ostensibly seek to explore through the contract construct.

2.3.2 What is a promise? A cross-disciplinary perspective

For contemporary contract authors the definition of a promise usually takes the following forms: 'a commitment to, or an assurance for, some future course of action, such as providing the promise recipient with some benefit' (Montes & Zweig, 2009, p. 1244); '(a promise is) any communication of future intent' (Morrison & Robinson, 1997, p. 228); 'the term 'promises' is used here to encompass the broad array of verbal and non-verbal expressions of future intent' (Rousseau, 2001, p. 526); or 'a commitment to do (or not do) something' (Roehling, 2008, p. 263). As these definitions illustrate, the notion of a promise has come to be construed differently and sometimes quite broadly and, as a result, a clear and consistent explication of the notion is required within the contract literature (Conway & Briner, 2005, 2009).

While the concept of promising is referenced in many diverse fields, the most comprehensive theorising on, and examination of, the topic has occurred in the areas of speech act theory, philosophy and law. These disciplines are now drawn upon to conceptually detail the core, paradigmatic features of a promise. This will offer greater clarity on what constitutes a promise than is currently theorised and explicitly acknowledged in the contract literature. Some contract authors may view this discussion of a promise as

somewhat redundant, given that it is *perceived* promises rather than *actual* promises which constitute the contemporary account of the contract. However, this conceptual detail is important given the fairly broad raft of current definitions of a promise that are available in the contract literature. Further, this discussion will inform the later exploration of the notions of implicit and perceived promises, by firstly detailing what a promise encompasses.

Within the field of speech act theory, Searle (1969) defines a promise as a commitment on the part of a speaker to accomplish a future action. A promise is defined by nine fulfilment conditions, grouped into four main categories (as per Bernicot & Laval, 1996): (1) a propositional content condition (a statement is made about a future action to be accomplished by the speaker); (2) a preparatory condition ((a) the listener would rather have the speaker accomplish that future action than not and the speaker thinks this is the case and (b) neither the speaker nor listener knows whether the speaker will actually accomplish the action); (3) a sincerity condition (the speaker intends to accomplish the action); and (4) an essential condition (it becomes the speaker's obligation to accomplish the future action).

In the philosophical literature the characteristics that Scanlon (1998) attributes to promising are: (1) I claim to have a certain intention; (2) I make this claim with the clear aim of getting you to believe that I have this intention; (3) I do this in circumstances in which it is clear that if you do believe it then the truth of this belief will matter to you; and (4) I indicate to you that I believe and take seriously the fact that you believe the former, such that it would be wrong of me not to (accomplish my promised action). In the law literature a promise is defined as follows: 'by communicating a promise, the promisor informs the promisee about the proposed future receipt of a benefit' (Goetz & Scott, 1980, p. 1266-1267). The obligation to keep promises is also an acknowledged moral duty (Atiyah, 1981; Goetz & Scott, 1980) and while this duty may sometimes be opposed by reasons to the contrary, its weight does not disappear (Smith, 1972).

From the definitions presented, there is broad agreement across these fields that a promise will usually have all of the following features: (1) there is a promisor and a promisee (or possibly more than one); (2) there is a commitment by the promisor to undertake some future action; (3) the promisor intends to accomplish this action and it is under his or her

control to do so; (4) the promisee usually wants the promisor to accomplish the action and will usually come to rely on it being accomplished; (5) a promise can be spoken or written; and (6) all things being equal, it would be wrong of the promisor not to fulfil the promise, as a promise gives rise to an obligation on the part of the promisor to fulfil it.

This theorising also distinguishes between promises and other types of communication which do not convey promises, such as assertions and opinions/guesses. Understanding these distinctions provides a foundation for the later analysis of various employer communications which have come to be described as conveying promises within the contract literature, but which this theorising would suggest do not. In promising we are underwriting the promisee's plans and hence doing something that is meant to pertain directly to his or her deliberations (Watson, 2003). Promises 'not only bind my will by creating reasons for acting as promised but are meant to provide corresponding reasons for others' (Watson, 2003, p. 65). In contrast, an assertion is putting something forward as true (Watson, 2003). For example, 'to assert that *p* is, among other things, to endorse *p*, to authorise others to assume that *p*, to commit oneself to defending *p*, thereby (typically) giving others standing to criticise or challenge what one says' (Watson, 2003, p. 58). A key difference here is that promising incurs a different justificatory burden to asserting. The 'special assurance that is given in promising is not that *p* is true (as in asserting) but ... to make it true that *p*' (Watson, 2003, p. 62).

Assertions can simply involve making a statement and individuals have the right to challenge whether or not it is true. The person making the assertion is not committed to undertaking any future course of action to make the assertion true, as in a promise, other than to perhaps provide evidence of its truth. Opinions/guesses do not involve such elements of 'authorising and of undertaking justificatory responsibility' (Watson, 2003, p. 58). Here 'being committed to *p* amounts just to this: I will be right or wrong depending on whether or not *p* ... and I may stick my neck out without authorising you to do so' (Watson, 2003, p. 58). Examples of the three communications are: if a senior team member says to a junior team member: (1) 'I promise that after three years in this team you will receive a promotion' (a promise); (2) 'After three years in this team, most people have received a promotion' (an assertion); or (3) 'I bet after three years with us you'll get a promotion' (an opinion/guess).

Given this, it can be concluded that promises, assertions and opinions/guesses are conceptually different.

This discussion has drawn upon various disciplines with some of the clearest and most consistent theorising on the notion of a promise in order to identify what the concept entails. Within this thesis a promise is taken to be constituted by the features outlined in the cross-disciplinary review above. Further, it is accepted that the notions of promises, assertions and opinions/guesses are all forms of communication, but are conceptually different. This detail furthers the argument being developed by providing a foundation from which to now explicitly critique how promising has come to be described and researched in the psychological contract field and to demonstrate that the current conceptualisation of explicit and implicit promises is not robust.

2.3.3 Promising and the psychological contract – the ‘explicit-implicit’ promise distinction

The notion of promises and promising as outlined in the previous section broadly aligns with what is termed an ‘explicit’ promise in the psychological contract literature. However, within this literature, the extant descriptions of promises also include another type of promise, termed an ‘implicit’ promise. Although constituting a key part of the contemporary contract conceptualisation, beyond Rousseau’s (2001) work already described (‘promises in action’ – section 2.2.2), the notion of an implicit promise remains vaguely defined (Conway & Briner, 2009). Definitions of the concept largely reference the posited sources of its development: interpretations of past exchange; witnessing other employees’ experiences through ‘vicarious learning’; drawing inferences from repeated patterns of exchange and observations of past practice; and through various factors that each party may take for granted, such as good faith or fairness (Robinson & Rousseau, 1994, p. 246; Cassar & Briner, 2009). As the more problematic promise conceptualisation, in order to explore and critique the notion, one of the few ‘fleshed out’ examples of an implicit promise (taken from Rousseau, 2001) is briefly assessed within the framework of what has been defined as a promise within this thesis (a similar example is also used by Robinson & Morrison (2000, p. 526)). This is undertaken because in constructing a notion such as an implicit promise, existing cross-disciplinary agreement on what constitutes a promise cannot be ignored. Thus,

the implicit promise concept must at least be grounded in the theorising on what a promise is.

Rousseau's (2001) implicit promise example is this: a recruiter who 'mentions' the experiences of recent hires in the firm can be reasonably construed to promise the hearer that he or she will have the same experiences upon joining up (p. 527). For argument's sake, it is assumed that the applicant applied for a graduate role and the recruiter stated ('mentioned') during the interview that previous graduates who entered similar roles received promotions within their first three years of tenure with the organisation. In taking this example in isolation, its broadness is initially concerning as an implicit promise does not, at first glance, exhibit any of the core, paradigmatic features of a promise as previously outlined. For instance, there appears to be no commitment by the recruiter to undertake some future action or acknowledgment that it is within his or her control to do so, either directly or on behalf of the organisation. What is clear is that the recruiter *is* providing information regarding past promotional trends, or in Watson's (2003) terminology is making an assertion, which the applicant can ask him or her to verify, but not a promise. Also, while the applicant may very well *want* the recruiter to ensure that he or she receives a promotion, it is highly unlikely that the applicant will think from this one interaction (without any of the other features of a promise being in place) that the recruiter is obligated to do so because he or she believes a *promise* has been made.

Although cursory, this assessment demonstrates that the cited example of an implicit promise does not constitute a promise as defined by the clearest and most consistent cross-disciplinary work on the concept. As such, the statement should not, in the mind of the recruiter or applicant, generate an obligation based upon a belief that a promise has been made. While only one example of an implicit promise is explored here, this analysis will also hold for other examples such as 'vicarious learning' (or learning from the experiences of others, see Conway & Briner, 2005; Rousseau, 2001). Further, by suggesting that individuals, by and large, *would* believe such a statement to be a promise assumes that individuals cannot discern an *actual* promise from a communication which is not a promise, such as an assertion. But, speech act research demonstrates (e.g. Bernicot & Laval, 1996) that children as young as three are able to distinguish statements expressing a promise from

ones which do not. This suggests that to support the implicit promise notion, specific empirical assessment is needed to safely claim that adults in an employment context, at least in most cases, cannot normally do the same.

However, an argument that authors in the post-Rousseau period may pose to counter this analysis is that it is *perceived* promises, not necessarily promises *in fact*, which constitute the psychological contract (Robinson, 1996; Robinson & Rousseau, 1994). In other words, if an employee *believes* or *perceives* a communication to be a promise, whether or not it is an *actual* promise, then it does constitute a promise in the context of the psychological contract. This ‘perceived-actual’ promise distinction can be linked to the ‘explicit-implicit’ promise distinction. Robinson and Morrison (2000) offer an example to demonstrate: a recruiter may *clearly promise* a new employee that he or she will be promoted within three years (an explicit promise), or the recruiter may make some vague statement such as ‘people tend to get promoted rapidly here, often within three years’ (a so-called implicit promise) and the employee *perceives* this as a promise of promotion to him or her and this belief then forms part of his or her psychological contract (p. 526).

To understand how a perception of a promise could develop from such a ‘vague statement’ (Robinson & Morrison, 2000, p. 526), Rousseau (2001) suggests that context plays a key role in establishing a communication as an implicit promise. Recruitment, socialisation and certain repeated interactions that occur in employment (such as performance reviews) are occasions where promise-making and exchanges are expected by an individual (Rousseau, 2001). Thus, when verbal expressions and organisational actions occur on such occasions individuals are likely to be motivated to interpret them as promises (Rousseau, 2001). This reasoning perhaps gets us closer to what Rousseau intended with this concept. Examining ‘implicit promise-type’ events in isolation (as done above) suggests that they do not come close to meeting the agreed features of a promise, and are unlikely to be construed by individuals as promises. However, repeated patterns of exchange, interaction and other contextual factors may offer an avenue to explore whether, indeed, there are systematic factors at play which increase the likelihood of individuals believing that their organisation has promised them something, even when an objectively-identifiable promise (as previously defined) has not been made.

A better integration of elements of social cognition theory may offer some guidance towards a more comprehensive elucidation of the implicit promise notion. The studies of social perception and cognition have traditionally been associated with the proposition that people perceive and think about the social world differently from what would be expected when based solely upon the stimulus information and principles of formal logic (Higgins & Bargh, 1987). Accordingly, social perception and cognition researchers have tended to take as their domain of inquiry the study of the ways in which people go beyond the information given (Higgins & Bargh, 1987) – a tack which would appear necessary to explore a notion such as an implicit promise. Psychological contract literature already draws upon cognitive concepts such as schemas (see Rousseau, 2001 – pre-employment schemas) and attribution biases and judgement errors (see Morrison & Robinson, 1997 – contract breach and violation attributions). However, apart from suggesting that pre-employment schemas may affect how individuals interpret subsequent contract-relevant messages (Rousseau, 2001), there is no explicit theorising or empirical examination of how contextual effects may influence individuals' cognitions and, thus, their interpretations of organisational messages and actions (Conway & Briner, 2005).

For example, of relevance to understanding how implicit promises may be constructed, individuals could engage in: confirmation bias (searching for or interpreting information in a way that confirms one's preconceptions (Oswald & Grosjean, 2004)); a range of heuristics (cognitive short-cuts, such as through pre-existing schemas, to aid interpretation); or selective perception (the tendency for expectations to affect perception (Oswald & Grosjean, 2004)). Further, the effects of various organisational relationships (such as the manager-employee relationship) and past patterns of behaviour may, over time, have some type of 'accretion effect' and encourage the perception of organisational promises, even where an objective promise does not exist. However, social cognition theory also offers some countering evidence to Rousseau's (2001) suggestion that particular events, such as recruitment, foster promise interpretation. For example, some cognition research suggests that individuals' cognitive efforts are generally greater during times of uncertainty or change, such as recruitment, meaning that these are perhaps the times when communications will be most accurately and objectively interpreted by individuals (Hilton, 1991). However,

while by no means an exhaustive list, these recognised types of cognitive influences may provide a way forward for better understanding the implicit promise concept.

The point of this discussion is to highlight the under-developed nature of the implicit promise notion and that, in its current state, it is at the very least a theoretically questionable and empirically non-validated concept. To date, there is no clear evidence that there are systematic cognitive or contextual effects which result in individuals often construing certain organisational communications or actions, which are not theoretically and objectively promise-based, as promises. Conceptual claims of the existence of implicit promises warrant further investigation which, as suggested above, may be informed by drawing more heavily upon social cognition theory.

As such, promises, akin to the contract literature's description of explicit promises, are taken to be as previously defined in this chapter and the notion of an implicit promise is not accepted. Given this, promises will indeed form one belief set relevant to the psychological contract. However, the aim of the final plank of the overall argument rejecting a solely promise-based contract conceptualisation is to detail how there will be a range of employee beliefs, which are not promise-based, but which may well hold the same importance, or normativity, for an individual as a promise and will, thus, be relevant for investigating the contract construct.

2.3.4 The conceptual relationship between types of normative beliefs and the restrictiveness of a sole focus upon promises

A normative belief refers to an individual expecting, or believing, that his or her employer *ought to* be providing him or her with something. As per the definition of promising provided earlier, a promise will, generally, give rise to a normative belief that the promisor ought to, and is obligated to, fulfil that promise. However, normative beliefs are *also* created and exist in the absence of a perceived or actual promise. Here, a non-promise-based normative belief will often give rise to a belief in an obligation, or it can simply give rise to a belief that another party ought to do something, without a concomitant belief that the other party is obligated to do it. The latter relates to the broader notion of expectations, which refer to beliefs held by employees about what they will find in their job and organisation,

stemming from a variety of sources such as past experiences, social norms and observations (Sparrow & Cooper, 2003). The key relationship between promise- and non-promise-based normative beliefs is that they can both give rise to a belief that another party ought to provide something. As such, the main purpose of this section is to exemplify how non-promise-based beliefs can, theoretically, hold just as much importance for individuals, and result in similarly negative reactions when unmet, as do promise-based beliefs.

For example, an employee may not perceive that a promise has been made by his or her employer, yet still hold a normative belief that the employer is obligated to act in a certain way because there is a social, cultural, moral or other requirement that compels the employer to do so. As a general case, employees will likely hold a normative belief that their employer is obligated to treat all employees with respect, not because the employer has promised to do so, but because there is a prevailing moral standard to do so. Other authors concur that these types of normative beliefs exist in the absence of a promise. For example, Macneil (1985) suggests that ‘in complex relations (such as employment), obligations, often heavily binding ones, arise simply out of day-to-day operations, habits and customs which occur with little thought about the obligations they might entail, or about their possible consequences’ (p. 503). However, these can be, and often are, even more fundamental than more explicitly held beliefs about promises (Macneil, 1985). Roehling (2008) also highlights that certain social norms, such as principles of reciprocity, interact with patterns of employee-employer exchange to create obligations in a wide range of circumstances. Thus, salient beliefs regarding moral and social norms and the like would be excluded from psychological contracts conceptualised as involving only promise-based beliefs, resulting in a deficient theoretical base for understanding the construct.

Similarly pertinent normative beliefs can also be formed through an individual’s idiosyncratic experiences, rather than a belief in a promise. For example, an individual may enter an organisation expecting that his or her current employer will provide verbal recognition for ‘a job well done’ and he or she has come to believe this for a number of reasons, such as through previous employment experiences or a personal pre-disposition. Now, although the individual’s current organisation has not made any promises to him or her regarding recognition, the individual has nonetheless come to the organisation expecting the

employer to provide explicit recognition to employees. Thus, despite clearly being important for the individual and their employment exchange relationship, this type of belief, based upon idiosyncratic experiences and dispositions, would be excluded from psychological contracts conceptualised as involving only promise-based beliefs.

A second element in the conceptual relationship between promise- and non-promise-based beliefs relates to individuals' reactions when either type of belief goes unfulfilled. As previously identified (see section 2.3.1), the assertion that unmet promises will necessarily result in more intense employee reactions than unmet non-promise-based beliefs is a key justification for post-Rousseau authors' focus upon promises as solely constituting the contract. However, inconsistent empirical support for this assertion (Arnold, 1996; Montes & Zweig, 2009; Taylor & Tekleab, 2004) offers the opportunity to challenge it and, as such, a theoretical case is now made to demonstrate that, at least in some cases and possibly many, both promise- and non-promise-based beliefs will result in equivalent employee reactions when they are unfulfilled.

As previous examples have shown, employees' normative beliefs may stem from idiosyncratic experiences. Let us return to the individual who holds a normative belief that his or her organisation should provide verbal recognition for 'a job well done'. When this individual, bearing in mind his or her individual dispositions, finds that this belief is going unfulfilled, his or her subsequent reactions may be at least as, and possibly more, negative and organisationally-detrimental than if, say, a *promised* pay rise is not provided, which the individual may not view as important because he or she is not concerned with higher monetary recognition. While it is acknowledged that the source of this normative belief, idiosyncratic experiences, can be criticised as potentially being the result of an individual's over-zealous desires or unrealistic expectations, this example demonstrates that, theoretically, this will not always be the case and that, at least for some, and possibly many, employees a belief stemming from idiosyncratic experiences which goes unfulfilled *can* result in strong and negative reactions which are at least akin to those resulting from an unfulfilled promise. Cassar and Briner (2009) also offer empirical evidence to suggest that individuals do indeed identify employer obligations based upon their personal experiences, which the authors suggest form part of the psychological contract.

2.3.5 The position taken in this thesis regarding psychological contract beliefs

In summary, this overall section has sought to argue that a sole focus upon promise-based beliefs poses a too restrictive theoretical basis for a comprehensive understanding of what many historical and contemporary authors ostensibly seek to explore through the contract construct. This was done because as long as this conceptual issue remains unsettled in the literature, researchers can continue to make theoretical cases, such as the one made here, to justify the contract belief framework adopted and, further, they are encouraged to do so (Roehling, 2008). It has been argued here that when the notion of promising is conceptually clarified, how promises have come to be conceptualised in the contract literature, particularly as occurring implicitly, is theoretically questionable and empirically non-validated. It was further demonstrated that contract-relevant beliefs can often be created and exist in the absence of a belief in a promise and that, theoretically, employees' reactions when either promise- or non-promise-based normative beliefs go unfulfilled can be equivalent. Therefore, at least for some employees, a solely promise-based contract conceptualisation will exclude beliefs that will clearly be important for understanding their psychological contracts.

As such, the stance taken in this thesis is that the focal belief under study is obligations, which will capture both beliefs about promises (which entail a belief in an obligation) and non-promise-based normative beliefs which also entail a belief in an obligation (such as those arising from social, cultural and moral norms). Through qualitative work in this thesis (see Chapter 3 – Methodology), the broader belief set of expectations will also be investigated. That is, what the employee expects the organisation to be providing to them in the employment exchange, without an explicit focus upon the requirement for a concomitant belief in an obligation. These beliefs, and the multitude of sources from which they derive, will likely all play a role in examining the dynamics of the employee-employer exchange relationship, particularly the subjective and indeterminate aspects of this relationship which the psychological contract construct seeks to explore (Cullinane & Dundon, 2006). Although a criticism of the included beliefs may be that the contract construct becomes too broad, there are precedents for the focus upon investigating both obligations quantitatively (Coyle-Shapiro & Kessler, 2000; Schalk & Freese, 2008) and expectations qualitatively (Thomas & Anderson, 1998; Millward Purvis & Cropley, 2003).

2.3.6 Examining the psychological contract – models of contract content

Having set the main conceptual foundation for the contract, the remainder of this section will briefly detail how authors model, or conceptualise, the various components of the contract's content (which will comprise the main focus of this thesis) and identify the approach adopted here. Contract content refers to the terms and reciprocal obligations that characterise an individual's psychological contract (Rousseau & Tijoriwala, 1998). While some of this discussion relates to operationalising the construct it is only brief, with more specific issues of scale reliability and validity being detailed in the relevant results chapter (see Chapter 5 – Study 2 Results and Discussion). Overall, there is consensus in the literature that the psychological contract is multi-dimensional (Freese & Schalk, 2008) and various typologies have been developed in order to categorise the potentially vast range of contract elements (Tipples, Krivokapic-Skoko & O'Neill, 2007).

As identified in section 2.2.2, the main typology that has dominated the literature is Rousseau's (1990) transactional and relational, and later balanced (Rousseau, 2000), contract distinctions (Tipples et al., 2007). Relational contracts refer to long-term or open-ended employment arrangements based upon mutual trust (Rousseau, 2000). Relational contracts are constituted by two dimensions: (1) mutual *loyalty*; and (2) long-term *stability*, often in the form of job security (Dabos & Rousseau, 2004). For example, employees believe they are obligated to remain with the firm and be good organisational citizens by demonstrating commitment to the organisation's needs and interests and they believe the employer is obligated to provide stable wages and long-term employment and to support the well-being and interests of employees (Rousseau, 2000). Transactional contracts refer to employment arrangements with a limited duration, primarily focused upon economic exchange, specific narrow duties and limited worker involvement in the organisation (Rousseau, 2000). Transactional contracts are thus constituted by two dimensions: (1) *narrow* involvement in the organisation, limited to a few well-specified performance terms; and (2) being of *short-term* duration (Dabos & Rousseau, 2004). For example, employees believe they are obligated to perform only a fixed or limited set of duties and have no obligations to remain with the organisation and they believe the employer has committed to offering only limited involvement in the organisation, minimal employee development and employment for only a specific time (Rousseau, 2000).

Finally, balanced contracts blend features of both relational and transactional arrangements by maintaining the involvement and long-term time horizon that characterises relational exchanges, while at the same time allowing for greater flexibility and changing contract requirements as projects evolve and circumstances change (Dabos & Rousseau, 2004). Balanced contracts are constituted by three dimensions: (1) offering support for meeting increasing and changeable performance requirements (*performance support*); (2) engaging in employee *development* activities and offering career development within the organisation; and (3) support for developing *externally marketable* job skills. For example, employees believe they are obligated to successfully meet new and more demanding performance goals, to help the firm become and remain competitive and they are further obligated to develop skills valued by their employer as well as broader, externally marketable skills (Rousseau, 2000). Employees may also believe that their employer has committed to providing continuous learning to assist them in successfully executing escalating performance requirements, as well as providing a range of development opportunities to enhance individuals' employability both within and outside the organisation (Rousseau, 2000).

The relational-transactional typology was theoretically derived for use in the contract literature by Rousseau (1990) and both she and Robinson et al. (1994) found empirical support for its existence. Rousseau (2000; 2008) later extended this initial work to include the balanced contract distinction, with a validated quantitative measure then developed. This typology was also designed by Rousseau (2000) to capture employees' perceptions of both their own (employee) and their employers' obligations in the employment exchange. This point is important because while the contract concept is rooted in the notion of social exchange, many studies focus solely upon what the employee perceives the *employer's* obligations to be (De Vos et al., 2003). As Freese and Schalk (2008) state, a measurement instrument for contract content should reflect a core part of the definition of the contract, which implies the existence of mutual obligations. Therefore, when operationalising the contract they counsel that both perceived employer obligations and employee obligations should be assessed (Freese & Schalk, 2008).

The language of this typology (relational-balanced-transactional) continues to be widely used (Tallman & Bruning, 2008; Grimmer & Oddy, 2007; Coyle-Shapiro & Kessler, 2000; Herriot & Pemberton, 1996) and it has guided both hypothesis development and the operationalisation of the contract within much of the literature (Rousseau & Tijoriwala, 1998). As a result, Rousseau's (2000) operationalisation has been verified in a number of studies (Irving & Bobocel, 2002; Dabos & Rousseau, 2004; Hui, Lee & Rousseau, 2004; Wang, Chen & Zhou, 2007) and other research which develops sample-specific measurement items also finds factor-level evidence for these content categories (Ho, Rousseau & Levesque, 2006; Grimmer & Oddy, 2007; Coyle-Shapiro & Kessler, 2003). While it should be noted that other studies which have sought to classify contract elements along transactional-relational lines have not always found similar factor structures (see Arnold, 1996), Rousseau's (2000) most recent operationalisation of this typology has demonstrated reasonable factor stability across studies and samples (Hui et al., 2004; Dabos & Rousseau, 2004).

While the relational-balanced-transactional contract typology demonstrates an a priori, theoretically-derived system, other categorisations have been developed more from existing contract questionnaires as well as some literature review. For example, based upon the work of other authors, De Vos et al. (2003) identified five content dimensions of the contract for employer promises (to employees): career development; job content; social atmosphere; financial rewards; and work-life balance. They also identified another five content dimensions for employee promises (to the employer): in- and extra-role behaviour; flexibility; ethical behaviour; loyalty; and employability (De Vos et al., 2003). Freese and Schalk (1996) also used five similar categories for capturing employees' own perceived obligations: job content; opportunities for personal development; social aspects; the HRM policy of the organisation; and rewards. Tallman and Bruning (2008) identified employee obligation dimensions related to commitment and loyalty and organisational obligation dimensions related to job and person support and pay and benefits. Bal et al.'s (2010) instrument again follows similar themes, with employer obligations categorised as economic (obligations regarding money and goods), socio-emotional (obligations regarding support and socio-emotional concern) and developmental (obligations to provide employees with advancement and training). Employees' own perceived obligations were categorised based

upon De Vos et al.'s (2003) work. While there are also examples of researchers aggregating contract content to the level of employer and employee obligations (e.g. Coyle-Shapiro & Kessler, 2002), many others continue to adapt items from Rousseau (1990) or Robinson et al. (1994) (who advocated the relational-transactional contract typology) to their specific sample and, following factor analysis, then categorise the content along relational-balanced-transactional lines (e.g. Ho et al., 2006). While many of the aforementioned categorisations exhibit similar themes, it is particularly evident that there are categorical similarities between Rousseau's (2000) typology and those of De Vos et al. (2003) and Bal et al. (2010).

Overall, Rousseau's (2000) relational-balanced-transactional typology is adopted in this thesis to understand and explore contract content because: it is theoretically well-established in the literature; it focuses upon both employees' perceived own and employer obligations; and the typology's operationalisation has been validated across a number of studies, allowing for cross-study comparisons.

2.3.7 Summary of the conceptual foundations – what is the psychological contract?

Following the discussions in the literature review to this point, within this thesis the psychological contract is taken to refer to an individual's perceptions of both his or her own (employee) and reciprocal employer obligations in the employment relationship. Two points to note here are that the focal belief is obligations and, following the agreed exchange nature of the construct, the focus is upon employees' perceptions of reciprocal obligations. Further, it is recognised that organisational agents, such as managers, will likely hold an important role in enacting the 'organisation's side' of the contract. The content of the contract will be assessed according to Rousseau's (2000) relational-balanced-transactional contract typology. As a theoretically-driven approach, it is the most dominant form of contract content categorisation in the extant literature and also has extensive empirical support.

The preceding sections have all focused upon setting the main conceptual foundations for the study of the psychological contract in this thesis. As outlined in the chapter introduction, the main research area to be focused upon relates to investigating how and why the psychological contract changes. The supporting constructs to be used to investigate the

phenomenon of contract change and the specific research questions of interest will now be detailed in the remainder of this chapter.

2.4 Development and change in the psychological contract

As identified earlier (section 2.2.3), both pre- and post-Rousseau period researchers agree that the psychological contract is dynamic and enacted through ongoing interactions, resulting in constant re-definition and re-negotiation of the contract (Herriot & Pemberton, 1996). However, while it has been demonstrated that contracts change over time (Robinson et al. 1994; De Vos et al., 2003, 2005), there is a relative paucity of theoretical and empirical work investigating the dynamics of the psychological contract (Rousseau, 2001) and little exploration of how, when and why this process unfolds (Conway & Briner, 2005). The lack of longitudinal methodologies and little attention being directed toward understanding the contract as a process (Conway & Briner, 2005) has resulted in the field still not truly understanding its dynamics, particularly in relation to effects upon employee behaviour (Sparrow, 1998).

The aim of the remainder of this chapter is to demonstrate that how and why individuals' contracts change over time remains relatively under-explored. To do this, two main arguments will be constructed. First, it will be shown that a plethora of variables have been posited to influence individuals' psychological contracts over time, from factors such as societal values and cultural norms (Sparrow & Cooper, 1998) to personality characteristics (DelCampo, 2007). However, it will be demonstrated that there remains little understanding about 'what factors are most important and how this diverse range of potential influences work together to shape and change the contents of psychological contracts' (Conway & Briner, 2005, p. 55). In addition, it will be shown that there has been minimal investigation of the 'shape' of individuals' contract change trajectories, for example whether they follow a linear or more complex curvilinear trajectory over time. These points will be developed as the current literature on contract development and change is reviewed and will facilitate the discussion of the first sets of research questions. That is, in order to begin investigating change, individuals' initial contract content first needs to be identified (research questions 1 and 1(a-b)). Then, four of the five constructs of interest within this thesis are introduced,

corporate reputation, leader-member exchange, affect and hardiness (representing organisational-, dyadic- and individual difference-level informational cues and guides respectively) and their potential role in shaping individuals' contract content over time is outlined (research questions 2(a-c)).

The second main argument to be developed complements the first and focuses more specifically on why contracts change over time. As the fifth, and related, constructs of interest in this thesis, breach and violation, are introduced it will be argued that while these are important mechanisms for understanding why individuals may re-assess their contract beliefs, the mostly cross-sectional studies of these phenomena have failed to elucidate the processes subsequent to a breach or violation perception. Further, it will be shown that it is these post-breach and violation processes which will likely be important for understanding why individuals revise their contract content over time. The final research question developed through this discussion, while focusing upon the roles of breach and violation in contract change, will remain broad to also allow for the investigation of other potential change triggers (research question 2(d)).

2.4.1 Contract change – existing theoretical and empirical work

The remainder of this chapter is focused upon reviewing the extant theoretical and empirical work regarding psychological contract development and change and then constructing and explicating the research questions for this thesis. Specifically, the mechanisms which drive contract development and change, such as information-seeking and acquisition, are first outlined and the plethora of variables which have been posited, sometimes implicitly, to influence these mechanisms and result in varied contract development and change are then reviewed. The findings from the existing longitudinal studies of contract change are also then examined. Following this discussion, the specific research questions, and variables of interest, for this thesis are described and justified.

First, it is important to clarify the use of the terms contract 'development' and 'change' in this thesis. In the literature the terms can be used relatively interchangeably, but often to describe the same phenomena. For example, earlier longitudinal contract work (namely Thomas & Anderson, 1998; Robinson et al., 1994) which took place over, approximately,

two year periods and with samples of organisational newcomers, are described by the respective authors as assessing contract belief *change* over time. More recent longitudinal contract work (such as De Vos et al., 2003, 2005) also focuses on a similar two year time period, again with samples of organisational newcomers, although the authors describe their work as assessing contract belief *development*. Further, other authors use the term ‘development’ to refer more specifically to individuals’ formation of their contract beliefs before entering an organisation or around the time of entry (Shore & Tetrick, 1994; Herriot & Pemberton, 1997; Westwood, Sparrow & Leung, 2001).

In this thesis, contract ‘development’ is taken to refer to how individuals developed their contract beliefs which exist at the point of organisational entry. Contract ‘change’ is then taken to refer to the adjustments in these beliefs which occur during organisational tenure (or at least the period of tenure under study). Therefore, contract development is viewed as more of a supporting element in the broader investigation of contract change. That is, understanding the content of individuals’ contract beliefs at organisational entry, and how these have developed, offers a starting point, or benchmark, to then assess the trajectory, or change, in these beliefs over time. As Tipples et al. (2007) note, the psychological contract can be continuously changing. Therefore, whether it is three weeks or three years of tenure, whether individuals’ beliefs are being adjusted, wholly revised, or new beliefs are being formed, this constitutes a change from the ‘starting point’ beliefs. Hence, contract development and change are examined together in this thesis in order to explore the dynamic nature of the construct.

2.4.1.1 Key mechanisms posited to drive psychological contract development and change

This section is structured around a discussion of the higher-level mechanisms posited to drive contract development and change, such as information-seeking and acquisition, followed by a discussion of the lower-level variables which affect the operation of these mechanisms, such as organisational practices. While these links aren’t always explicitly made in the literature, and often remain somewhat theoretically implicit, they are made explicit here to assist in understanding why certain factors are investigated by researchers. While it is not the aim of this thesis to empirically examine each of the mechanisms cited,

they are outlined in order to provide some context to the study of contract development and change and to assist in grounding the inclusion of particular constructs (or predictors) as a means of exploring contract change in this thesis. Within the literature, the main mechanisms posited to facilitate and assist in understanding the contracting process over time are: information-seeking and acquisition (and various sources of information); contract breach and violation; employment schemas (or mental models of the employment relationship); and reciprocity. Each of these, and their roles in contract development and change, are now described.

In the workplace, information-seeking and acquisition broadly refers to individuals seeking information about their job role and tasks, as well as their work group and the organisational setting (De Vos et al., 2005). Through this process, intra- and/or extra-organisational sources of quality information are sourced (Sparrow & Cooper, 2003; Rousseau, 2001). As a result, individuals, over time, come to better understand their employment exchange and so construct, adapt, adjust and revise their psychological contracts in line with the information available to them. The variables posited by authors as drivers of information-seeking and acquisition include individuals': goals and motivations (Shore & Tetrick, 1994); differing work values such as locus of control and career strategy (De Vos, 2005; De Vos & Buyens, 2005); and personality traits such as self-efficacy, self-esteem and tolerance for ambiguity (De Vos et al., 2005). In terms of the contract-relevant information sources available to individuals to construct, manage and revise their beliefs, a range of intra-organisational (Rousseau, 2001 – recruitment and selection practices) and extra-organisational (Sparrow & Cooper, 1998 – broader cultural and societal norms) variables have been posited theoretically and examined empirically (see Table 2.3).

Intra-organisational communications, in particular, are much-cited sources of contract-relevant informational cues. Human resources activities and strategies, such as recruitment and selection, performance reviews and compensation and benefits, are seen to play an important role as 'message senders' to shape the terms of the contract (Rousseau & Greller, 1994; Rousseau, 1990; Westwood et al., 2001; Guest & Conway, 2002). For example, recruitment and selection processes, such as realistic job previews, hold important informational qualities for potential employees (Scholarios, Lockyer & Johnson, 2003;

Rousseau & Greller, 1994) and the subsequent contracts they construct (Rousseau, 1990). Employees' interactions with others in the workplace (termed 'contract-makers' (Rousseau 1995, p. 55)), such as supervisors, co-workers or other workplace social referents (Ho & Levesque, 2005), can also convey information that individuals rely upon in constructing their psychological contracts.

Table 2.3: Empirical examinations of contract-relevant information sources

Level of variable/s	Variable/s	Impact upon contract formation	Researchers
Societal	Cultural values (individualism, collectivism)	Individuals' cultural values affect the types of contracts (relational or transactional) that they form with their employers.	Zhao and Chen (2008)
Organisational and wider business environment	HR policies and practices and perceptions of the broader business environment	HR policies and practices impact upon the formation of psychological contracts. Feelings and attitudes about the wider business and employment environment are factored into exchange relationship calculations.	Westwood, Sparrow and Leung (2001)
Organisational	Job-related and recruitment-based communications	These types of communications had a consistent positive association with contract explicitness and lower breach and fairer exchange perceptions.	Guest and Conway (2002)
Dyadic	Recruitment and selection interview discussions	Implicit rather than explicit discussions of, especially, relational material were more important to post-interview perceptions of mutual trust, understanding and reciprocity.	Millward Purvis and Cropley (2003)
Dyadic	Manager-employee tenure	Manager-employee tenure predicted agreement on employees' obligations. Employees tended to feel more obligated in shorter-tenure relationships and perceived reduced obligations in longer-tenure relationships.	Tekleab and Taylor (2003)
Individual	Gender	Men and women held distinct perceptions of employer inducements.	Hill and Montes (2008)
Individual	Personality traits	There are relationships between various personality traits and contract dimensions (particularly with the emotional dimensions of personality).	Tallman and Bruning (2008)

The second mechanisms linked to contract change are the related, but separate, constructs of breach and violation. As mentioned earlier, breach refers to an employee perceiving an unfulfilled organisational obligation and violation refers to the emotional and affective responses which may accompany a breach perception (Morrison & Robinson, 1997). It is these negative deviations from what employees expect in their employment exchange which

can trigger a re-assessment and possible revision of the terms of their contract. The empirical evidence for the effects of breach and violation in changing general employee attitudes, as well as contract beliefs, largely focuses upon immediate and negative consequences. For example, studies have consistently demonstrated that the outcomes of these phenomena are many and varied, but broadly include: lower levels of job satisfaction, organisational commitment, trust and organisational citizenship behaviours (Robinson, 1996; Pate, 2006; Turnley & Feldman, 1999b; Conway & Briner, 2002); movement to a more transactional contract (Shore & Tetrick, 1994); employees' downward re-appraisal of their obligations (Anderson & Schalk, 1998); and higher levels of a range of withdrawal behaviours, such as intentions to turnover (Tekleab & Taylor, 2003; Robinson & Rousseau, 1994).

The key models of breach and violation draw upon a range of variables to explain these phenomena. Robinson and Morrison (2000) found that perceived contract breach was more likely when organisational performance and self-reported employee performance were low and the employee had: not experienced a formal socialisation process; little interaction with organisational agents prior to hire; a history of breach with former employers; and many employment alternatives at the time of hire. Zagenczyk, Gibney, Kiewitz and Restubog (2009) show that organisations can proactively lessen the likelihood of contract breach by fostering both mentor and supportive supervisory relationships. Turnley and Feldman (1999a) also suggest that factors such as individual differences (affectivity, equity sensitivity and conscientiousness), organisational practices (procedural/interactional justice, remediation and quality working relationships) and labour market factors (exit costs, employee 'replaceability' and the availability of attractive job alternatives) will determine whether contract breach, violation, or both, will be perceived by employees. While these findings are important in developing an understanding of the breach and violation concepts, it remains the case that much of the research continues to focus mainly upon antecedents and immediate, negative consequences of these phenomena.

The third mechanism of note is the concept of schemas, which is utilised in many theoretical models of contract development and change (Shore & Tetrick, 1994; Rousseau, 2001; Rousseau, 2003; Sparrow & Cooper, 2003; De Vos et al., 2005). Schemas organise past experiences into mental models by linking concrete observations to larger patterns and

meanings (Rousseau, 2001), guiding the way that new information is perceived, interpreted and organised (Sparrow & Cooper, 2003). Schema formation is an individualised process, with most being idiosyncratic and tied to particular individual experiences (Sparrow & Cooper, 2003) and once formed schemas tend to be maintained and subsequent information tends to be interpreted in light of them (Rousseau, 2001).

A multitude of variables have been theorised to influence employment-related schemas, including: professional norms and ideologies (Rousseau, 2001); equity sensitivity (Zhao & Chen, 2008); exchange orientation (De Vos, 2005); creditor ideologies (Coyle-Shapiro & Neuman, 2004) and individual difference characteristics such as gender (Hill & Montes, 2008), personality (DelCampo, 2007) and age (Ng & Feldman, 2009). When linked to the psychological contract, it has been proposed that pre-employment schemas influence psychological contract development and, over time, also provide a lens through which workers view (often differently) their employment experiences and the obligations these create (Rousseau, 2001; Hill & Montes, 2008).

The final key mechanism related to contract change is social exchange and reciprocity. This concept forms a basic premise of the psychological contract framework, whereby employees reciprocate with their employer through inducements and contributions which are contingent upon how well they believe they have been treated (Coyle-Shapiro & Kessler, 2000). One of the earliest longitudinal studies of contract change, Robinson et al. (1994), demonstrated that employees reciprocate the treatment they receive by adjusting their own perceived obligations to their employer (as described by Coyle-Shapiro & Kessler, 2002). Reciprocity has some natural linkages to both the information-seeking and acquisition and breach and violation mechanisms. In terms of the former, De Vos et al. (2003) state that, for newcomers, organisational actions will not only inform them about the promises the organisation is willing to make (thereby influencing changes in perceived employer promises) but also about the promises the newcomer should make in return (thereby influencing changes in perceived employee promises). In terms of breach and violation, the notion of reciprocity has been used to explore how individuals restore balance to the social exchange relationship after experiencing these events. It is posited that employees will often be motivated to reciprocate employer breaches and violations by reducing their commitment to the

organisation or decreasing the amount of effort they expend to benefit the organisation (Turnley, Bolino, Lester & Bloodgood, 2003). Hallier and James (1997) did find that, following a breach event, employees process information and make determinations of future behaviour based upon past patterns of reciprocity. In terms of variables which drive individuals' calculations of reciprocity, Coyle-Shapiro and Neuman (2004) suggest that any dispositional characteristic that sensitises an individual to the presence (or absence) of equity in social exchange should play an important role in the contracting process, such as creditor ideologies, equity sensitivity and exchange orientation.

Overall, this section identified the mechanisms and variables posited to influence contract development and change. While touching on some empirical work here, in order to fully develop the argument that little is actually known about how these factors influence the contract over time, the review will now focus upon the longitudinal contract change studies that have been undertaken in order to identify their findings and subsequent areas for further research.

2.4.1.2 Longitudinal studies – empirically examining psychological contract change

Only five studies have longitudinally assessed (all quantitatively) psychological contract change: Robinson et al., 1994 (two-waves); Thomas and Anderson, 1998 (two-waves); De Vos et al., 2003 (four-waves); De Vos et al., 2005 (two-waves); and De Vos, 2005 (five-waves)). All of these studies have focused upon examining linear change, with the authors generally not specifying why it is that only this type of trajectory is being studied, as opposed to more complex, non-linear trajectories. As such, while these findings certainly offer some guidance regarding the existence of linear contract change trajectories and their drivers, there remains a relatively limited body of knowledge regarding how the potential complexity of contract change operates.

The earlier longitudinal studies found that employees' beliefs about their own obligations decreased over time (a negative linear contract change trajectory), whereas their beliefs about what the employer owes them increased (a positive linear contract change trajectory) (Thomas & Anderson, 1998; Robinson et al., 1994). For example, Thomas and Anderson (1998), while only focusing upon employees' expectations of the organisation, found that as

newcomers gained relevant knowledge of their new organisational environment their expectations of their employer increased significantly during the first eight weeks of tenure, particularly in terms of relational contract dimensions (e.g. job security and social/leisure aspects). These changes were explained, in part, by the acquisition of socialisation knowledge (an intra-organisational variable), meaning individuals' contract beliefs generally changed toward the 'insider norms' of more experienced employees (Thomas & Anderson, 1998, p. 745). As such, the authors related these changes to the information-seeking and acquisition mechanism and identified that such expectation changes were 'influenced by recruits' greater understanding of their environment and their place within it' (Thomas & Anderson, 1998, p. 761). In their longitudinal study among MBA students, focusing upon employees' beliefs about their own and their employers' obligations, Robinson et al. (1994) also observed an increase in perceptions of employer obligations and a decrease in perceived employee obligations during the first two years of tenure. However, the authors related this finding to the breach and violation mechanism, stating that an employer's failure to fulfil its commitments was found to be significantly associated with a decline in some types of perceived employee obligations. For example, perceptions of violation strongly affected employees' beliefs about both relational and transactional employee obligations (a decrease and increase respectively), however, the observed effects upon the same types of employer obligations were weaker (Robinson et al., 1994).

More recent longitudinal studies have focused upon the information-seeking and acquisition mechanism to understand contract change and offer some different results to those above. De Vos et al.'s (2003) four-wave study during early socialisation supported the idea that during this time newcomers actively make sense of promises based on their interpretations of experiences encountered in the work setting. They also found evidence for the operation of the reciprocation mechanism during socialisation. It was shown that individuals continue to adapt their perceptions of their own and their employer's promises throughout both the encounter (first few months of tenure) and acquisition (around 6-12 months of tenure) socialisation stages (De Vos et al., 2003). The authors' findings also shed light on the role of schemas, by suggesting that individuals' schemas about what they are entitled to receive from their employer are more stable than schemas about their own contributions (De Vos et al., 2003). De Vos et al. (2005) extended this line of inquiry, assessing the impact of work

values and work locus of control (individual difference characteristics) on the frequency of newcomer information-seeking about their psychological contract. The relationship between work locus of control and contract-related information-seeking was weak, suggesting that information-seeking is most likely motivated by a variety of factors (De Vos et al., 2005).

De Vos (2005) offers some more guidance regarding contract change trajectories and found that, during the first year of employment, newcomers increase their perceptions of promises regarding both what they and their employer should be providing in the relationship. However, while not explicitly examining curvilinear trajectories, De Vos' (2005) results did show that the functional forms of the trajectories investigated, in most cases, did not follow a linear form, leading the author to suggest the existence of differences and complexities in contract change processes.

Overall, the preceding sections demonstrate that theoretically, and empirically, we know that individuals' psychological contracts are dynamic, that beliefs about employer and employee obligations will change and this will be due to a range of possible individual difference, intra-organisational and extra-organisational variables working through a range of mechanisms. Of particular importance to this thesis is that when researchers cite particular variables, such as human resources practices, cultural values and personality types, as influencing contract content, they are, usually implicitly, suggesting that these variables work through the information-seeking and acquisition mechanism to provide contract-relevant informational cues. That is, these various information sources offer guidance to individuals about the exchange relationship with their employer and the reciprocal obligations within that relationship - the content of the psychological contract.

However, from the theorising and empirical work examined, there remains little guidance on whether particular factors, operating at different levels such as organisationally, dyadically or intra-individually, may be more important than others in influencing the contract over time. Also, it remains largely unknown whether various informational cues impact uniformly or differentially across different contract content dimensions (such as relational, balanced and transactional content). This assertion is reinforced by the review of the five longitudinal studies. Where these authors did include predictors to investigate contract change, they

generally operated at one level, such as intra-individually (e.g. De Vos et al., 2005). It was also shown that, in terms of the ‘shapes’ of individuals’ contract change trajectories, the studies offered mixed results as to whether employees’ beliefs about their own and their employers’ obligations increase, decrease or a combination of both over time. Further, they all examined only linear contract change trajectories. Given the theorised complexity of the change process, which suggests that contracts are enacted through *ongoing* employee and employer interactions resulting in a constant re-definition and re-negotiation of the contract (Herriot & Pemberton, 1996), it is possible that more complex curvilinear contract change trajectories also exist.

This discussion has developed the first main argument in this section of the chapter and facilitates the discussion of the first main research areas of interest. That is, investigating a number of theorised factors, operating at various levels, and how they influence individuals’ contract content across both perceived employee and employer obligations over time. Further, the relative dearth of longitudinal work means that very little is known about *how* individuals’ contracts change, or the ‘shape’ of the change trajectories, across the content of both perceived employee and employer obligations. This is another area that this thesis will explore.

2.4.2 The starting point – initial contract content and belief development

In order to more broadly investigate contract belief change, it is first necessary to identify the general ‘starting point’ of individuals’ contract content around the time of organisational entry. As Westwood et al. (2001) suggest, ‘employees do not enter organisations with an attitudinal *tabula rasa* (clean slate) ... the expectations they develop within a specific organisational context are assuredly informed by prior experiences and expectancies derived therefrom’ (p. 625). Beyond understanding initial contract content, there is also the opportunity to explore how individuals developed these contract beliefs which exist at the point of organisational entry. At this stage in an individual’s tenure, there is agreement in the literature that the main mechanisms driving belief development are information-seeking and acquisition and schemas (e.g. Rousseau, 2001).

As previously identified, the literature cites a broad range of intra- and extra-organisational information sources which may impact upon contract belief development. While much of the literature has empirically tested the effect of various intra-organisational messages in particular (see Table 2.3), at this early stage of employment there remains relatively little empirical evidence for the salience or otherwise of extra-organisational information sources. These cues may well be more important for individuals who have had relatively little contact with organisational insiders prior to entry and have had minimal exposure to organisationally-controlled communications, beyond the recruitment and selection process.

Relatedly, due to a lack of organisation-specific experience, at this stage of their employment newcomers are also likely to have largely developed their contract beliefs via existing employment schemas. These schemas, while possibly having some organisational-specific elements, may also entail much broader beliefs about what work means and what a 'good' or 'desirable' workplace should be like. While these schema elements may have developed over a number of years and through a variety of sources, they may still operate as a lens through which incoming organisation-specific information is construed (Rousseau, 2001). However, in the psychological contract field relatively little is known about the contents of these pre-employment schemas and their effect upon subsequent contract beliefs.

Lastly, in identifying individuals' initial contract content, it is also instructive to gain an understanding of the reciprocal contract beliefs of a key organisational-agent group for these newcomers – their managers. As identified previously, both pre- and post-Rousseau authors recognise the important role of managers in enacting the contract and the importance of, at least, some semblance of agreement or mutuality in contract terms between the two parties. Otherwise, as Guest (1998) states, 'the implicit encounters the implicit, the result (being) two strangers passing blindfolded and in the dark, disappointed at their failure to meet' (p. 652). Understanding, at the outset of tenure, this degree of belief mutuality between employees and their managerial counterparts can then also shed light on the change process as the length of tenure increases, particularly when the roles of breach and violation come to be explored in this thesis. This discussion leads to the first research question and its components.

Research question:

1. What is the content of the psychological contract beliefs of new entrants to the organisation?
 - (a) How did individuals develop these initial psychological contract beliefs? and
 - (b) What is the degree of mutuality between individuals' beliefs and their managers' beliefs about the employment exchange?

2.4.3 Contract change – the role of contract-relevant cues as predictors

Post-Rousseau period authors agree that individuals interact with a range of 'contract-makers', which can be both people and broader organisational practices (Rousseau & Greller, 1994, p. 388) and which send messages to individuals that signal the types of obligations they and their employer should be exchanging. Thus, in being exposed to a variety of informational cues, or 'sources of knowledge' (Thomas & Anderson, 1998, p. 749), potentially operating at a variety of levels, individuals will derive meanings from these cues which will then help shape their contract content over time. For example, employees' interpretation of information from their employer and others, their observation of activities and actions in the workplace, together with their personal dispositions, are theorised to create idiosyncratic contract beliefs (Tallman & Bruning, 2008). However, despite these theoretical propositions there have been few empirical studies, particularly longitudinally, that seek to determine how different factors create and, over time, continue to shape contract beliefs (Tallman & Bruning, 2008).

In this thesis four types of contract-relevant cues and guides, representing information sources at various levels, will be explored with regard to their effect upon employees' psychological contract content over time. These information sources focus upon: an organisational-level cue (perceptions of corporate reputation); a dyadic-level cue (quality of the manager-employee relationship) and two individual difference variables which may influence, among other things, the perception and interpretation of information (positive and negative affect and hardiness). In the following sections: (1) these types of cues and individual difference variables will be expanded upon and described; (2) their role in sending contract-relevant messages, or influencing interpretations of reciprocal obligations, will be

explicated; (3) their theoretical links to various contract change mechanisms will be detailed; and (4) the related research questions will be developed.

2.4.3.1 The role of corporate reputation as a predictor of contract change

Within the contract literature, it is recognised that there are a range of organisational-level communications and messages which send cues to individuals regarding reciprocal employment obligations. One such informational cue is an individual's overall perception of an organisation across a range of dimensions, captured via the notion of corporate reputation. In this thesis, reputation will be utilised as a proxy for the contract-relevant informational cues individuals receive at an organisational-level. This is a factor which has been cited by both pre- and post-Rousseau authors (Schein, 1970; Levinson et al., 1962; Rousseau, 1989, 1995, 2001) as potentially playing a key role in contract-making; however, the theoretical link has not yet been empirically investigated. This examination is perhaps timely given the increasing interest in, and integration between, the human resources and marketing research fields (e.g. Martin & Hetrick, 2006; Martin, Beaumont, Doig & Pate, 2005).

Among scholars, there is broad agreement with Fombrun's (1996, p. 72) definition of corporate reputation as 'a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents (stakeholders) when compared with other leading rivals' (see Chun, 2005; Wartick, 2002; Porritt, 2005; Walsh & Beatty, 2007). The reputation that constituents ascribe to a company is the aggregation of many personal judgements about the company's credibility, reliability, responsibility and trustworthiness (Fombrun, 1996). Although there are variations upon this definition, Gotsi and Wilson (2001) summarise the reputation concept's core characteristics: it is dynamic; it takes time to build and manage; it is largely dependent on the everyday images that people form of an organisation based on the company's behaviour, communication and symbolism; it crystallises a company's perceived ranking in a field of other rivals; and different stakeholders may have different reputational views of the same company based on their own economic, social and personal backgrounds. Reputations can be created through both organisationally-controlled (such as marketing material and performance reports) and non-organisationally-controlled (word-of-mouth referrals and broader media commentary) avenues (Caruana, 1997).

It is also instructive to briefly differentiate the concepts of corporate image, identity and employer branding from reputation as they can be used interchangeably, although they are separate constructs (Bromley, 2000; Gotsi & Wilson, 2001; Chun, 2005). Corporate image refers to ‘how others see us’ or the summary impressions or perceptions of an organisation that are held by external stakeholders (Chun, 2005, p. 95), resulting from the way an organisation presents itself to its publics (Bromley, 2000). Corporate identity refers to ‘how we see ourselves’ or employees’, and other intra-organisational stakeholders’, perceptions of their organisation (Chun, 2005, p. 96). Employer branding involves promoting, both within and outside the firm, a clear view of what makes a company different and desirable as an employer (Backhaus & Tikoo, 2004) and the main stakeholder group focused upon is potential hires (Martin et al., 2005). Overall, image, identity and branding are viewed as components of an organisation’s corporate reputation and are important elements in the management of that reputation (see Chun, 2005). Whereas the other concepts focus upon individual stakeholder groups, reputation includes both internal and external stakeholders in its assessment of perceptions (Chun, 2005).

When compared to the other concepts, ‘proponents of the reputation construct claim it to be a more distinctive ‘root’ and intuitive concept than, for example, branding’ and is ‘the superior organisational lens through which to view individuals’ perceptions of a firm’ (Martin & Hetrick, 2006, p. 21-22). This can be attributed to the reputation construct taking into account past, present and future impressions of a company and incorporating a wider range of information sources and potential stakeholders (Martin & Hetrick, 2006). While the image and identity concepts focus on one particular stakeholder group, as Helm (2007) notes, stakeholder group affiliation is not necessarily one-to-one. This means that an individual can simultaneously belong to several stakeholder groups and this is likely to occur over time, which is relevant for this study. For example, an organisational newcomer may still hold reputation perceptions from being a potential hire, but over time become more acculturated to the organisation as an experienced employee, while continuing to be exposed to outsiders’ perceptions of the firm (e.g. through social networks) and also possibly being both a customer and shareholder of the firm. Overall, reputation is taken to be a collective term referring to stakeholders’ views of an organisation including identity, image and

branding perspectives, built up over a period of time and focusing on what the organisation does and how it behaves (Chun, 2005). For these reasons the reputation construct, as opposed to a narrower construct, is utilised within this thesis.

When linked to the psychological contract, an individual's perception of an organisation's reputation has been posited to influence, in particular, the mechanisms of employment schemas and information-seeking and acquisition. Schemas help organise individuals' mental models regarding the intentions and goals of an employer and its agents (Rousseau, 2001). For example, an organisation's reputation as a stable employer can send quite clear messages about that organisation's intentions (Rousseau, 1989) in terms of retention and potentially other obligations along relational contract lines. Or, a reputation as a developmental employer (Martin, Staines & Pate, 1998) can send salient signals to employees regarding the construction and ongoing revision of balanced contract components. As a result, in terms of information-seeking, employees who are attracted to, and place greater importance upon certain aspects of, an employer's reputation may be more motivated to seek out information consistent with their pre-dispositions (Hill & Montes, 2008). By extension, such individuals might develop beliefs that their employers are more obligated to provide them with inducements related to those particular aspects of the company's reputation in exchange for their efforts (Hill & Montes, 2008). Further, such individuals might be more vigilant in monitoring the degree to which these contract terms are fulfilled over time and, therefore, may be more sensitive to breaches of these perceived obligations (Hill & Montes, 2008). As such, over time, individuals may continue to refer back to their perceptions of the organisation as a whole (via perceptions of its reputation) as they revise and adjust the content of their contracts.

The use of corporate reputation as a proxy for how individuals gather information about and perceive their organisation, and thus construct their psychological contracts, also offers the opportunity to explore a broader contract issue. That is, if individuals do predominantly use organisational-level informational cues to adapt and revise their contract over time, this offers some insight into the question of whether an individual perceives that the contract exists between him or her and the organisation (Robinson & Morrison, 1995), rather than at an agent-level, such as with managers. While much of the contract literature does focus upon

managers as the key agents in enacting, fulfilling and potentially breaching individuals' contracts (Tekleab & Taylor, 2003; Rousseau, 2010), it is acknowledged that employees may well hold beliefs concerning what the *organisation* is obligated to provide and, in a sense, the organisation takes on an anthropomorphic identity as a party to the psychological contract (Robinson & Morrison, 1995; Conway & Briner, 2009). Therefore, the concept of corporate reputation provides a rich field for better understanding how an employee's overall perceptions of his or her organisation's reputation impacts upon the content of the psychological contract over time.

Research question:

2. How does an individual's psychological contract change, across perceived employee and employer obligations, over time? Specifically:
 - (a) How do corporate reputation perceptions impact upon perceived employee and employer obligations over time?

Given that there are various ways in which corporate reputation content is conceptualised, these are briefly reviewed here and the model chosen for use within this thesis is identified. Berens and van Riel's (2004) classification of various reputation measurement streams is utilised to structure this discussion. First, the main conceptual components of the construct of reputation are that it is multi-dimensional and includes perceptions of both financial and non-financial aspects of an organisation and it is comprised of multiple stakeholders' views, rather than, say, just external stakeholders, and each group's views may differ on various dimensions given their preferences and needs (Gotsi & Wilson, 2001).

Berens and van Riel's (2004) first conceptual stream focuses on the concept of social expectations, or the expectations that people have regarding the behaviour of companies. Reputation measures like Fortune magazine's *Annual Most Admired Companies* survey (and other business media rankings, see Schwaiger, 2004) and Fombrun, Gardberg and Sever's (2000) 'Reputation Quotient' are prominent examples of reputation content models in this stream. A main criticism of the former survey is that its measures have no theoretical foundation and have a uni-dimensional focus, largely upon organisations' financial

performances (Davies, Chun, da Silva & Roper, 2004; Chun, 2005). In part as a result of the lack of a robust and validated reputation measure, Fombrun et al.'s (2000) model, and subsequent measurement system, of corporate reputation content focuses upon the perceptions of multiple stakeholder groups and captures the multi-dimensionality of the construct (Chun, 2005). The Reputation Quotient content model was generated mainly from existing media rankings and from both the image and reputation literatures. In this model, reputation is assessed across six dimensions (emotional appeal, vision and leadership, product service and quality, financial performance, workplace environment and social responsibility) which reflect two higher-order factors (emotional and rational reputation dimensions) (Fombrun et al., 2000). The Reputation Quotient is now considered one of the primary existing multi-dimensional reputation models and scales in the literature (Walsh & Beatty, 2007) and has been utilised by a number of authors when operationalising various stakeholders' perceptions of corporate reputation (e.g. Walsh & Beatty, 2007 (with some sample-specific amendments); Ou, Abratt & Dion, 2006; Porritt, 2005; Ou, 2007).

Berens and van Riel's (2004) second stream of reputation content models is based on the concept of corporate personality, or the personality traits that people attribute to companies. The studies conducted by Davies and colleagues (Chun, 2005; Davies, Chun & da Silva, 2001; Davies et al., 2004) are prominent examples of this approach. The main model and scale here is Davies et al.'s (2001) Corporate Character scale, which identifies five major and two minor dimensions of corporate character. These are: agreeableness (honest, socially responsible); competence (reliable, ambitious); enterprise (innovative, daring); ruthlessness (arrogant, controlling); chic (stylish, exclusive); informality (easy-going) and machismo (tough) (Davies et al., 2001, 2004). Overall, this system does not constitute a direct measure of reputation but is, rather, an example of a projective technique, or an indirect measure, which adopts a personification metaphor (Davies et al., 2004). This particular conceptualisation and operationalisation has been used largely by the authors who developed it (e.g. Chun & Davies, 2006).

The last of Berens and van Riel's (2004) streams uses the concept of trust as its starting point, that is, the perception of a company's honesty, reliability and benevolence. The Corporate Credibility scale developed by Newell and Goldsmith (2001) is an example of this

approach (Berens & van Riel, 2004), as it is based on the concept of trust. Researchers appear to apply the trust notion ‘especially in situations where organisations and their direct stakeholders are engaged in highly sensitive, high-risk interactions, like those in many business-to-business situations’ (Berens & van Riel, 2004, p. 175). As this is not relevant to the work of this thesis, this stream will not be discussed further.

Overall, the Reputation Quotient model and measure of reputation content is adopted in this thesis. This is because: it aligns with the theorised multi-dimensionality of the construct; it can be used across multiple stakeholder groups; and the measure itself has been tested and validated. Further, in this thesis a ‘stakeholder slice’ of organisational newcomers and employees over time is being focused upon. This model and measure of reputation allows for this as Fombrun (1996) is clear that different constituent groups will hold different reputation perceptions of the same company and the Reputation Quotient measure has been used by researchers to focus upon just one stakeholder group’s reputation perceptions (e.g. customers – Walsh & Beatty, 2007; Ou, 2007).

2.4.3.2 The role of leader-member exchange as a predictor of contract change

As the broader review of the contract literature has shown, an employee’s manager is considered one of the key agents representing the organisation in the psychological contracting process. Through this dyadic-level relationship and interaction, various managerial communications and messages will send cues to individuals regarding reciprocal employment obligations. The main way in which this employee-manager interaction has been conceptualised in the contract literature is through the notion of leader-member exchange (LMX)¹. This variable will be utilised as a proxy for the contract-relevant informational cues individuals receive at a dyadic-, manager-level. However, while both psychological contracting and LMX processes are viewed as dynamic, the role of LMX in influencing contract content over time has not been explicitly addressed in the literature.

¹ As one of the, relatively, more established constructs in the organisational behaviour literature, there is a degree of consistency and consensus on the validity of the LMX concept as a leadership model. While other models of leadership exist, such as leader-based and follower-based models (see Graen & Uhl-Bien, 1995), it is beyond the scope of this thesis to explore these in depth. It is suffice to note that the LMX relationship-based conceptualisation of leadership (Graen & Uhl-Bien, 1995) is well-established and has been utilised across a range of studies and in a range of disciplines (see also Schriesheim, Castro & Cogliser, 1999; van Breukelen, Schyns & Le Blanc, 2006; and Gerstner & Day, 1997 for some reviews).

LMX theory suggests that rather than treating all subordinates alike, leaders differentiate between them, forming different types of exchanges and relationships with each (Liden, Bauer & Erdogan, 2004). It is through a dynamic process that working relationships between supervisors and employees are negotiated over time (Dienesch & Liden, 1986; Graen & Scandura, 1987), in that one person's behaviour evokes a response from the other and a reciprocal response pattern of offering and accepting resources develops (Paglis & Green, 2002). Through this process, either 'low-quality' LMX relationships (strictly based on the employment contract and role-defined relations) or 'high-quality' LMX relationships (involving mutual trust, respect and support) are formed (Tekleab & Taylor, 2003). It is assumed that time and resource constraints require leaders to develop a cadre of trusted assistants to help in managing the work unit (Graen & Uhl-Bien, 1995) and in exchange for their support for the leader, these assistants are likely to receive special attention, recognition, career support (Le Blanc, 1994) and higher levels of responsibility, decision influence and access to resources (Zhong, Lam & Chen, 2009). These types of high-quality LMX relationships thus create obligations upon subordinates as a result of access to their supervisors' special supports (Zhong et al., 2009). Drawing upon the notion of reciprocity, Zhong et al. (2009) suggest that subordinates in a high-quality, as opposed to a low-quality, LMX dyad are more likely to work harder, be more committed to fulfilling objectives and be more loyal to their supervisors and organisations. Conversely, low-quality LMX dyads tend to be characterised by more formal working relationships (Zhong et al., 2009) based upon principles of economic or transactional exchange (Henderson, Wayne, Shore, Bommer & Tetrick, 2008).

When linked to the psychological contract, the quality of this employee-manager relationship has been posited to influence, in particular, the mechanisms of information-seeking and acquisition (Tekleab & Taylor, 2003) and contract breach and violation (Zagenczyk et al., 2009). For example, a higher-quality LMX relationship, as opposed to a lower-quality one, is likely to result in a higher level and frequency of communication about reciprocal obligations between the manager and employee, which, in turn, will tend to enhance the level of agreement, or mutuality, regarding these obligations (Tekleab & Taylor, 2003; Morrison & Robinson, 1997). LMX has also been utilised within the contract

literature to assess its role in mediating breach and violation perceptions and outcomes (Major, Kozlowski, Chao & Gardner, 1995; Sutton & Griffin, 2004). For example, high-quality LMX relationships offer a form of social support capable of buffering the potentially negative effects of a contract breach or violation (Restubog et al., 2010)², or even the identification of one or both (Morrison & Robinson, 1997), as employees in these relationships may exhibit broader zones of tolerance for deviations from contract terms (Schalk & Roe, 2007).

Regarding contract content more broadly, it is evident that the types of LMX relationships developed within dyads may influence an employee's contract content. For example, higher-quality LMX relationships, characterised by trust, loyalty and support, may serve to increase an individual's beliefs in more relational reciprocal obligations. Conversely, lower-quality LMX relationships, characterised by formality and economic-based exchange, may serve to increase an individual's beliefs in more transactional contract content. Further, over time as the quality of a manager-employee relationship changes, and the concomitant cues that this sends to an individual are interpreted, so may the content of an individual's psychological contract. Overall, LMX theory provides an especially important lens through which to view the psychological contract (Suazo, Turnley & Mai-Dalton, 2008). Therefore, this construct will assist in understanding how manager-employee relationship quality impacts upon the contract content of employees over time.

Research question:

2. How does an individual's psychological contract change, across perceived employee and employer obligations, over time? Specifically:

(b) How does the quality of the manager-employee relationship impact upon perceived employee and employer obligations over time?

² Although, Restubog et al. (2010) also found empirical support for a converse, 'betrayal effect' here, where perceived contract breach had a stronger negative relationship with subsequent employee behaviours when experienced under high-quality LMX conditions.

2.4.3.3 The roles of affect and hardiness as predictors of contract change

While situational factors such as corporate reputation and leader-member exchange perceptions are important in investigating contract change, given the idiosyncratic nature of the construct ‘if we are to fully understand the dynamics of the contracting process we must also consider what individuals bring to the situation’ (Coyle-Shapiro & Neuman, 2004, p. 153). That is, as a psychological contract reflects one person’s understanding of commitments exchanged with another, individual differences will influence the likelihood that a given person’s contract will incorporate certain beliefs and not others (Rousseau, 2010). Despite the acknowledged import of studying both person and situation, the role of individual difference variables in exchange relationships has received relatively little theoretical and empirical attention in the contract literature (Coyle-Shapiro & Neuman, 2004). Two individual difference variables, affect and hardiness, are included in this thesis to investigate their effect on shaping individuals’ contract content over time. After first describing these variables, their use in this thesis will be justified by more broadly reviewing how individual difference variables have been studied in the contract literature and then identifying how the use of these particular variables can further inform our understanding of contract change.

Affectivity is a characteristic that pre-disposes individuals to experience positive versus negative emotional states (Suazo & Turnley, 2010). These states are not continuum opposites (Watson & Clark, 1984; Cropanzano, James & Konovsky, 1993), with positive affectivity and negative affectivity being independent personality dimensions (Suazo & Turnley, 2010; Egloff, 1998). Individuals exhibiting high positive affectivity are characterised as excited, joyful, enthusiastic and exhilarated (Cropanzano et al., 1993), they will experience positive emotional states and generally view their lives and work from a favourable perspective (Suazo & Turnley, 2010). Individuals exhibiting high negative affectivity are characterised as often being listless, lethargic, and apathetic (Cropanzano et al., 1993), they generally experience negative emotional states and view their lives and work from a pessimistic perspective (Suazo & Turnley, 2010). Individuals reporting high negative affectivity may not necessarily be experiencing something negative, they are simply less likely to report positive feelings (Cropanzano et al., 1993). In an employment context, research suggests that individuals with high positive affectivity, as opposed to high negative

affectivity, are more likely to experience higher levels of job satisfaction (Staw & Ross, 1985) and engage in organisational citizenship behaviours (Kaplan, Bradley, Luchman & Haynes, 2009).

The concept of hardiness seeks to capture a psychological style associated with resilience, good health and performance under a range of stressful conditions (Bartone, Roland, Picano & Williams, 2008). Although taken as a single dispositional variable (Cole, Feild & Harris, 2004), the notion is comprised of three obliquely related (Cole et al., 2004) and conceptually important facets - commitment, control and challenge (Bartone, 1999). That is, people high in hardiness have a strong sense of commitment to life and work, are actively engaged in what's going on around them (commitment facet) and they believe they can control or influence what happens to them (control facet) (Bartone et al., 2008). 'Hardy' people also enjoy new situations and challenges (Bartone et al., 2008), experience activities as important stimuli for learning (Maddi, 1999) and believe that change, rather than stability, is normal in life (challenge facet). Further, the anticipation of changes is likely to be viewed as an interesting incentive to growth rather than as a threat to security (Kobasa, Maddi & Kahn, 1982) and 'hardy' individuals are likely to be internally motivated and create their own sense of purpose and meaning in their work (challenge facet) (Bartone et al., 2008).

Overall, hardiness research has shown that higher levels of this disposition enhance resiliency in response to the ongoing demands and pressures of everyday life (Maddi, 2005). Until relatively recently, hardiness research has focused upon its influence on the health and stress outcomes for samples including army personnel (e.g. Bartone, 1999) and emergency workers (e.g. Moran & Britton, 1994). For example, individuals exhibiting high hardiness sentiments, as opposed to low ones: display fewer signs of depression, anxiety and psychological distress (Rhodewalt & Zone, 1989; Rhodewalt & Agustsdottir, 1984); exhibit a greater sense of commitment and control over ambiguous situations (Bartone, Ursano, Wright & Ingraham, 1989); and demonstrate enhanced performance, conduct and morale (Maddi, 1999). Given the evidence that psychological hardiness helps insulate individuals from the effects of stress and can predict future well-being, 'questions naturally arise regarding its generalisability across contexts and its influence on outcomes other than health' (Cole et al., 2004, p. 66). However, the concept of hardiness has only recently begun to be

discussed in terms of an organisational context and continues to remain relatively absent from the organisational behaviour literature (Cole, Bruch & Vogel, 2006).

In linking both affect and hardiness to the psychological contract, there isn't a great deal of explication of the underlying mechanisms which they are likely to operate upon, given the relatively nascent linkages between individual difference and psychological contract research. However, within extant studies the main mechanism through which these variables are explored, as with much of the broader body of contract literature, is breach and violation. This research stream has focused upon the role of the 'Big-5' personality type variables³ in predicting perceptions of, and responses to, contract breach and violation (e.g. Raja et al., 2004; DelCampo, 2007; Arshad & Sparrow, 2010). DelCampo (2007) suggests that individual differences, including personality traits, will influence the primary appraisal process (Scheck & Kinicki, 2000) during which an individual formulates their opinion about a particular situation, such as a potential breach event. For example, it has been demonstrated that individuals reporting high levels of negative affectivity (Arshad & Sparrow, 2010) and 'Big-5' personality traits such as neuroticism (Raja et al., 2004; DelCampo, 2007) are more likely to report incidences of contract breach and violation and experience stronger negative reactions to these events than individuals reporting lower levels of these traits. It is generally concluded that these outcomes occur because these individuals exhibit traits such as a propensity to feel negative emotions, anxiety and distress (DelCampo, 2007).

However, of more relevance to this thesis is the explicit linkage of individual difference variables to contract content over time. These variables provide a guide as to how individuals view and interpret the world around them (DelCampo, 2007) and, thus, how they will perceive and interpret numerous facets of organisational life (Suazo & Turnley, 2010). As such, the schema mechanism is likely to be salient in understanding the effect of individual differences on organising the interpretation of workplace knowledge and, thus,

³ Although other researchers have begun drawing theoretical links between the contract and non-personality related individual difference variables such as age and work experience and subsequent perceptions of breach and violation (Bal, De Lange, Jansen & Van Der Velde, 2008; Ng & Feldman, 2009).

contract content over time. For example, Zhao and Chen (2008) found that the personality characteristics of equity sensitivity and external locus of control were positively related to the transactional contract type, whereas conscientiousness was positively related to the relational contract type. Raja et al. (2004) also demonstrated that the neuroticism trait was positively related to transactional contracts and negatively related to relational contracts and the extroversion trait was positively related to relational contracts and negatively related to transactional contracts. Tallman and Bruning (2008) suggest that these findings show that employees reporting a high neuroticism trait will focus more upon their immediate and instrumental needs (transactional contract) and reject actions by the organisation that relate to building a relationship (relational contract). Conversely, employees reporting a high extroversion trait are more likely to focus upon developing a long-term relationship with their organisation (relational contract) (Tallman & Bruning, 2008).

These findings offer guidance for how the variables of affect and hardiness may act upon different content components of the contract. These variables were specifically chosen for inclusion in this thesis because: (1) neither has been tested within the contract literature for either their cross-sectional or longitudinal effect on contract content; and (2) as will now be shown, they may exert differential effects upon relational, balanced and transactional contract elements. In terms of the affect variable, and in line with the findings presented above, it is likely that this characteristic will exert more of an impact upon relational and transactional contract content. That is, individuals reporting higher levels of negative affectivity, with a concomitant propensity to experience negative emotional states and hold pessimistic work perspectives (Suazo & Turnley, 2010; Isen & Baron, 1991), will likely be more inclined than 'low negative affect' individuals to focus upon transactional contract components, involving narrow and clearly defined duties and relatively short-term or finite tenure in their roles (Rousseau, 2000). Conversely, 'high positive affect' individuals may be comfortable accepting more ambiguous and open-ended relational contract terms, given their overall more positive view of the employment relationship (Rousseau, 2000).

In terms of the hardiness variable, its purported influence upon whether individuals enjoy new and challenging situations (Bartone et al., 2008) and whether they experience activities as important stimuli for learning (Maddi, 1999) appears to link more closely to balanced

contract components. These contract terms focus upon individuals perceiving reciprocal obligations related to meeting new, different and increasingly challenging performance standards and actively seeking out developmental opportunities (Rousseau, 2008). This type of link has also been made by Cole et al. (2004), who suggest (in a pedagogical context) that students who report hardy attitudes will: be more motivated to learn class material; be more strongly committed to their classes; have higher academic expectations; and be energised by academic challenges. In transferring these suppositions to a workplace context, given that ‘high hardiness’ individuals are likely to perceive challenging and dynamic situations as less threatening than ‘low hardiness’ individuals and, rather, see them as desirable opportunities for growth, ‘high hardiness’ individuals may be more likely to perceive higher reciprocal balanced contract obligations with their employers over time.

Overall, there is evidence that employees’ personalities relate to the psychological contracts they believe exist between themselves and their employer (Tallman & Bruning, 2008). As such, the individual difference variables of affect and hardiness both provide potentially important influences in shaping various contract content components over time.

Research question:

2. How does an individual’s psychological contract change, across perceived employee and employer obligations, over time? Specifically:

(c) How do the individual difference variables of affect and hardiness impact upon perceived employee and employer obligations over time?

2.4.3.4 Summary of the chosen informational cue variables as predictors of contract change

Overall, in this thesis four types of contract-relevant cues and guides, representing information sources at various levels, will be explored with regard to their effect upon employees’ psychological contract content over time. These information sources focus upon: an organisational-level cue (perceptions of corporate reputation); a dyadic-level cue (quality of the manager-employee relationship) and two individual difference variables which may affect, among other things, the perception and interpretation of information (positive and

negative affect and hardiness). These particular information sources, operating at different levels, were chosen for a number of reasons.

It is established in the contract literature that managers are one of, if not the, most important organisational agents in the contracting process. Through ongoing interactions with their managers, employees are sent information and cues about reciprocal obligations which will likely be important in shaping their contract over time. Therefore, this dyadic-level cue, captured through the oft-used LMX construct, is employed. In order to assess the roles of other informational cues, beyond the dyadic-level, an organisational-level cue was also sought. Here, individuals' perceptions of their organisations' reputations are used as a proxy for organisational-level informational cues; that is, how an employee gathers information about, and perceives, his or her overall organisation. The reputation variable was utilised as it is an organisational-level factor that both historical and contemporary contract researchers have cited as potentially playing a key role in contract-making, although the theoretical link has not yet been empirically investigated. Finally, given the idiosyncratic nature of the contract, individual difference variables will also be investigated because, as an increasing number of researchers suggest, 'if we are to fully understand the dynamics of the contracting process we must consider what individuals bring to the situation' (Coyle-Shapiro & Neuman, 2004, p. 153). The variables of affect and hardiness were theoretically derived as potentially exerting an important, and as yet un-investigated, influence upon individuals' contract content over time and are, thus, utilised within this thesis.

2.4.4 Contract change – the roles of breach and violation

The final argument to be developed in this chapter, as alluded to in the introduction to this overall section, is that there remains little elucidation of the contract as a dynamic process and *why* it is that contracts change over time. While section 2.4.1.1 identified that breach and violation are salient mechanisms for understanding why individuals may re-assess their contract beliefs over time, the theoretical underpinnings and empirical investigations of these processes remain focused upon a fairly discrete, cause-and-effect approach (Conway & Briner, 2002). That is, this approach supposes that breach or violation events occur, negative employee attitudes ensue and the outcome is individuals engaging in organisationally-detrimental workplace behaviours (for example, Turnley & Feldman, 2000). However, to

fully understand why these mechanisms influence contract content change it will be necessary to explore the processes *subsequent* to a breach or violation perception.

Generally, even when researchers seek to integrate other theories in order to more comprehensively explore employee reactions to breach and violation, the focus largely remains upon employees responding to perceived exchange relationship imbalance with negative, withdrawal behaviours or a mechanistic revision of the contract. For example, Schalk and Roe (2007) draw upon self-regulation theory which postulates that: (1) there is a comparison of a variable state with a desired state; and (2) there will be a corrective action to significant discrepancies. Depending upon the perceived discrepancies, the authors' options for 'corrective responses' by employees are: balancing (negative behavioural deviations by the organisation are followed by negative behavioural deviations by the individual); revising (the terms of the contract will be reconsidered and a new contract established); and deserting (the contract is abandoned, usually via resignation) (Schalk & Roe, 2007, p. 172). This is despite drawing upon the more flexible notions of contract 'zones of acceptance and tolerance' (Schalk & Roe, 2007, p. 172) (termed 'contract malleability' by Ng and Feldman (2009)). These concepts propose that individuals can tolerate deviations from contract expectations, which has a bearing on whether they then perceive a contract violation from a breach event (Schalk & Roe, 2007; Rousseau, 1995), which may then result in a potentially wide range of employee responses.

As another example, Turnley and Feldman (1999b) utilise control theory which suggests that when discrepancies exist between what is promised and what is received, employees are motivated to eliminate, or at least reduce, such imbalances. Using the exit-voice-loyalty-neglect (EVLN) framework (Hirschman, 1970), they suggest that employees' responses to these discrepancies are to either leave the organisation (*exit*), engage with superiors to improve the situation (increase *voice*), decrease extra-role behaviours (decrease *loyalty*) or increase withdrawal behaviours (increase *neglect*). While Turnley and Feldman's (1999b) use of the EVLN framework recognises in at least one element, voice, that employees will not necessarily engage in negative reactions to breach and violation, on the whole, this theorising continues to focus upon employees as largely passive actors in the employment relationship, reacting in fairly mechanistic and invariable ways to contract discrepancies.

Seeck and Parzefall (2008) suggest that by viewing employee attitudes and behaviours as dependent variables which are causally influenced by employer actions, it remains the case that very little is known about an employee's role in influencing the psychological contract and its content in everyday work. In light of this, there is some acknowledgement amongst contract researchers that there can be widely contrasting individual tendencies toward either constructive or destructive and active or passive responses (Rousseau, 1995) to breach and violation and that employees do not necessarily respond negatively to *all* instances of these phenomena (Morrison & Robinson, 1997). For example, in seeking to redress a perceived exchange imbalance, it is possible that employees will *increase* their contributions to 'fill the void' left by an employer's contract breach or violation. Recent qualitative research highlights not only potentially constructive employee responses in the face of employer obligation violations, but that the resultant employment exchange relationship can continue to be perceived positively (see Pate, 2006). Overall, these findings suggest that more complex post-breach and violation processes are at play than are currently theorised (Parzefall & Coyle-Shapiro, 2011) and which will, thus, have a bearing on the understanding of contract content change.

Overall, contract change is a complex process of employee and employer response and counter-response to, in particular, breach and violation events and the scope and scale of responses will likely differ for employees depending upon many factors (see Hallier & James, 1997; Grunberg, Moore, Greenberg & Sikora, 2008)⁴. In attempting to understand *why* contracts change over time, with a particular focus upon the roles of breach and violation, a fairly broad final research question is identified. This is done to also allow for the exploration of other potential change triggers, beyond breach and violation, in the contracting process.

⁴ As a pre-cursor to Chapter 3 (Methodology), within this thesis breach and violation will be assessed qualitatively by eliciting comparative judgements regarding an individual's actual employment experience relative to their existing psychological contract (Rousseau & Tijoriwala, 1998). While quantitative measures of breach and violation generally assume a global, dichotomous (yes/no) evaluation (Rousseau & Tijoriwala, 1998), the restrictiveness of this approach is clear when researchers are seeking to understand the potentially complex interplay and cycle between breach, violation, subsequent employee responses and resultant contract change.

Research question:

2. How does an individual's psychological contract change, across perceived employee and employer obligations, over time? Specifically:

(d) Why do individuals have varying contract trajectories and what is the role of contract breach and violation in understanding this variance?

2.5 Literature review summary

The psychological contract is an often-deployed construct to examine and understand the operation of the employment relationship. However, despite fifty years of theorising and twenty years of sustained empirical investigation, understanding the actual dynamics of the construct remains sorely under-explored. This is no doubt due, in part, to the dearth of longitudinal studies within the field, which means that while it is acknowledged that psychological contracts change during the course of employment, few studies have investigated how and why these changes occur.

The main purpose of this thesis is to explore how and why individuals' psychological contracts change and to particularly investigate the role of various theorised predictors, existing at different levels, in shaping contract content over time. To provide the foundations for this focus, the literature review has covered three main areas. First, an overview of the historical development of the contract construct provided some conceptual context and identified the basis for ongoing issues and tensions surrounding the contract's examination. Second, the conceptual foundations for the construct, as used within this thesis, were then outlined regarding: (1) critiquing the extant promise-based contract belief framework and identifying that a broader set of beliefs will constitute the contract; and (2) identifying extant contract content models and then justifying how contract content will be examined in this study. Third, the related areas of contract development and change were concurrently discussed in order to identify the opportunities for further research, to which this thesis seeks to contribute. Here, the other constructs of interest within the thesis, corporate reputation, LMX (representing organisational- and dyadic-level contract-relevant cues respectively), affect and hardiness (representing individual difference contract-relevant variables) and contract breach and violation (existing theorised drivers of contract change) were introduced

and described, with subsequent research questions identified. The following chapter will now describe and justify the methodology to be employed in order to address these research questions.

Chapter 3: Methodology

The previous chapter set the overall conceptual foundations for the examination of the psychological contract in this thesis, reviewed the extant theoretical and empirical work regarding contract development and change and identified the research questions of interest to be explored. This chapter begins by outlining and justifying the philosophical basis (section 3.2) and overall research design utilised in this thesis to address the research questions – namely, a mixed methods, longitudinal approach comprised of three sequential, inter-related studies (section 3.3). The overall data collection strategy, study sampling frame and sample comparability across the three studies are also described and explained in this chapter (section 3.4). Finally, the ethical considerations of relevance to this thesis are noted (section 3.5). The sampling strategies used for each study, the resulting sample characteristics and the data collection procedures and analytical tools used within each study will be detailed in the respective results chapters.

3.1 Introduction

The psychological contract field is dominated by one type of study, the mono-method, cross-sectional survey (Conway & Briner, 2005). This has led some authors to suggest that the area has fallen into a ‘methodological rut’ (Conway & Briner, 2005, p. 89). The overall purpose of this thesis is to measure changes in psychological contract beliefs over time and to specifically investigate the roles of a range of predictors, operating at different levels, as well as breach and violation, in influencing this phenomenon. With this purpose in mind, the limitations of the literature’s extant methodology become clear.

The over-reliance on methods and designs favoured in organisational psychology research, such as cross-sectional surveys, are particularly unsuitable for investigating the sorts of intra-individual change processes that are suggested by psychological contract theory (Conway & Briner, 2005). As the contract is defined as a within-person construct which is formed, negotiated, re-negotiated, fulfilled, breached, repaired and so on, and where each stage or event is part of an ongoing process (Conway & Briner, 2009), clearly longitudinal methods should be employed to capture this process over time. Further, the contract is theorised as being highly individualised and subjective in nature and this highlights the importance of

capturing not only overall trends in contract change, but also individuals' interpretations of the factors generating these changes. As such, the need to increasingly utilise qualitative methods to research the contract has been highlighted in the literature (Rousseau & Tijoriwala, 1998). In general, it can be concluded that cross-sectional, mono-method approaches, as opposed to longitudinal, mixed methods approaches, will limit the in-depth exploration of psychological contract change.

In order to meet the objectives of this thesis, address some of the methodological limitations within the contract field and to draw upon the strengths of both qualitative and quantitative modes of inquiry, a longitudinal and sequential mixed methods approach, constituted by three studies (or phases), is utilised. This research design focuses on, first, identifying the content of individuals' reciprocal psychological contract beliefs at organisational entry, the sources of information from which these beliefs developed and the degree of mutuality with managers' reciprocal contract beliefs (Study 1 - qualitative phase). Second, building on this context, the change in individuals' contract content over time will be explored, including the roles of corporate reputation and LMX (representing organisational- and dyadic-level contract-relevant cues) and affect and hardiness (representing individual difference variables) as drivers of contract change (Study 2 - quantitative phase). Third, an in-depth understanding of why contract changes occurred over the study period will be sought, by sampling participants with high, moderate and minimal levels of change as identified through Study 2. In particular, the roles of breach and violation in driving these changes will be explored (Study 3 – qualitative phase). Before detailing the specific research design, the philosophical assumptions underpinning the use of a mixed methods approach are explicated.

3.2 Philosophical assumptions - mixed methods

Research methods are based upon a particular paradigm, a patterned set of assumptions concerning reality (ontology), knowledge of that reality (epistemology), and the particular ways of knowing that reality (methodology) (Guba, 1990). Historically, quantitative and qualitative methods have broadly formed the two distinct modes of inquiry employed by researchers. Quantitative approaches are usually associated with a positivist paradigm, which

is based on the philosophy that researchers' preconceptions need to be set aside in order to identify objective facts based upon empirical observations (McEvoy & Richards, 2006). Qualitative approaches are usually associated with the interpretivist paradigm, which places a much greater emphasis upon the way in which the world is socially constructed and understood (McEvoy & Richards, 2006). As the use of mixed methods research has gained credibility and increased in many areas of scholarship, it has occurred amidst ongoing debate about the efficacy of combining methodological procedures, both qualitative and quantitative, which ultimately stem from different paradigmatic assumptions (Howe, 1992). While various mixed methods-compatible paradigms now exist, such as pragmatism, these will not be explored in detail in this thesis (see Greene, 2007). However, given the importance, for mixed methods researchers in particular, of outlining the paradigmatic assumptions underlying an empirical investigation (Greene, 2007), the critical realist philosophy underpinning the use of a mixed methods approach in this thesis will be briefly detailed.

Critical realism is a philosophical position that aims to develop a middle way between empiricism and interpretivism (Mingers, 2006). Broadly, critical realism posits the independent existence of structures and mechanisms which causally generate, through their complex interactions, the actual events that occur (and sometimes do not occur) (Mingers, 2006). However, only a subset of this domain of events is actually observed (or observable) empirically (Mingers, 2006). Specifically, critical realists distinguish between three different ontological domains: the empirical (those aspects of reality that can be experienced either directly or indirectly); the actual (those aspects of reality that occur, but may not necessarily be experienced); and the real or 'deep' structures and mechanisms that generate phenomena (such as events and experiences) (McEvoy & Richards, 2006, p. 69). These structures are defined as sets of internally related objects and mechanisms (Sayer, 1992). Objects are internally linked in a structure in the sense that their identity depends on their relationship with the other components of the structure (Tsang & Kwan, 1999). These structures may be physical, social, or conceptual, and may well be unobservable except through their effects (Mingers, 2006). For example, the employer-employee relationship itself presupposes the existence of an employment contract, wages, hiring and firing (Tsang & Kwan, 1999), the formal and informal aspects of the workplace culture, social relationships and so forth and,

together, they form a structure. Some, but not all, of the events generated through these structures and mechanisms will be observed or experienced by people and thus become empirically identifiable (Mingers, 2006).

Epistemologically speaking, critical realists recognise that we do not have observer-independent access to the world (Mingers, 2006). However, this does not make all theories or beliefs equally valid, as there are still rational grounds for preferring one theory over another (for example through comprehensiveness, explanatory power, or coherence with other bodies of knowledge) even though we cannot *prove* it to be true for all time (Mingers, 2006). For critical realists, what is relied upon is the empirical feedback obtained from those aspects of the world that are accessible (Sayer, 2004).

Methodologically speaking, the ultimate goal of research for a critical realist is not to identify generalisable laws (positivism) or to identify the lived experience or beliefs of social actors (interpretivism), rather, it is to develop deeper levels of explanation and understanding (McEvoy & Richards, 2006). The logic that underpins critical realism is called ‘retroduction’ (McEvoy & Richards, 2006, p. 71) and this involves three stages: identifying recurring patterns of action; postulating structures and mechanisms that, if they were to exist, would provide a causal explanation for the actions; and then subjecting these explanations to empirical scrutiny (Wry, 2009). To generate these retroductive inferences, critical realists argue that the choice of methods should be dictated by the nature of the research problem and, in many cases, it is suggested that the most effective approach will be to use a combination of quantitative and qualitative methods (McEvoy & Richards, 2006). As Mingers (2006) states, ‘critical realism is ... happy to accept the validity of a wide range of research methods without recognising the primacy of any’ (p. 215). McEvoy and Richards (2006) are also clear that a mixed methods approach affords the opportunity for ‘methodological triangulation’, which further provides a platform for making retroductive inferences about the causal mechanisms that are active in a given situation (p. 71).

Within this thesis, the focus is on understanding how individuals’ psychological contracts change over time. While the change trajectories of each individual’s contract will likely be different, it is posited that there are systematic effects at work which can assist in explaining

overall trends and individual differences in contract change. In critical realist terms, the purpose of this study is to explore and understand the underlying structures and mechanisms which drive changes in individuals' psychological contracts. The components of these structures and mechanisms may be intra-individual (related to personal characteristics), dyadic (related to relationships with managers) or organisational (related to broader perceptions of the organisation as a whole). In order to generate retroductive inferences about the phenomena that these underlying structures and mechanisms generate regarding the psychological contract over time, this study draws upon the strengths of both qualitative and quantitative methods. Having set the paradigmatic foundations for a mixed methods approach, the specific research design (methodology) is now detailed.

3.3 Research design – longitudinal, mixed methods

Mixed methods research is formally defined as the class of inquiry where the researcher mixes or combines quantitative and qualitative research techniques, methods, approaches, concepts or language into a single study (Johnson & Onwuegbuzie, 2004). To provide a foundation for the research design, the research questions for the thesis are reiterated:

1. What is the content of the psychological contract beliefs of new entrants to the organisation?
 - (a) How did individuals develop these psychological contract beliefs? and
 - (b) What is the degree of mutuality between individuals' beliefs and their managers' beliefs about the employment exchange?
2. How does an individual's psychological contract change, across perceived employee and employer obligations, over time? Specifically:
 - (a) How do corporate reputation perceptions impact upon perceived employee and employer obligations over time?
 - (b) How does the quality of the manager-employee relationship impact upon perceived employee and employer obligations over time?
 - (c) How do the individual difference variables of affect and hardiness impact upon perceived employee and employer obligations over time?
 - (d) Why do individuals have varying contract trajectories and what is the role of contract breach and violation in understanding this variance?

This study follows the dimensions of Teddlie and Tashakkori's (2009) Methods-Strands Matrix typology to construct the research design. This typology is utilised as it limits the number of dimensions upon which to base decisions to avoid becoming overly complex, it recognises that no typology is exhaustive and it emphasises flexibility for the researcher in developing a final study design (Teddlie & Tashakkori, 2009). This typology posits four decision points for formulating a research design, which are now outlined with reference to this thesis.

3.3.1 Decision point 1 - the number and type of methodological approaches

First, the number of methodological approaches (i.e. multiple mono-methods versus mixed methods) and the unit of analysis must be established. A mixed methods approach is undertaken in this thesis to draw upon the strengths of both qualitative and quantitative procedures in order to most effectively address the research questions. Survey-based quantitative methods allow for the use of reliable, valid and consistent measures of key constructs, thus providing a means to investigate causal relationships between posited variables over time and to identify patterns and associations (McEvoy & Richards, 2006) across far larger sample sizes than qualitative methods often allow. From a critical realist's perspective, quantitative methods can assist in teasing out new and unexpected causal mechanisms (McEvoy & Richards, 2006) and assist researchers in understanding how these mechanisms operate under particular sets of conditions (Mingers, 2004).

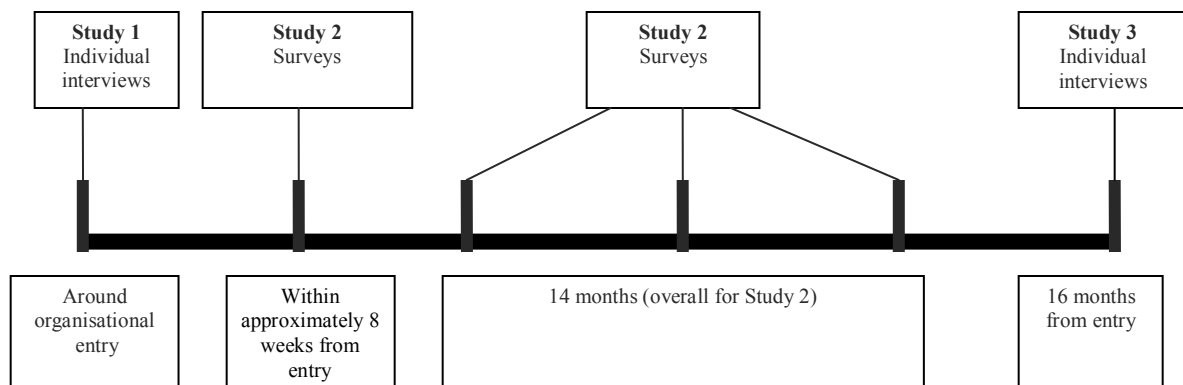
Interview-based qualitative methods afford the opportunity to confirm, or otherwise, the overall survey findings and further explore individual, nuanced cases of contract change identified through the quantitative method. This can assist in illuminating complex concepts and relationships that are unlikely to be captured by pre-determined response categories or standardised quantitative measures (McEvoy & Richards, 2006). From a critical realist's perspective, the overarching advantage of qualitative methods is that they are open-ended, thus allowing themes to emerge during the course of inquiry that may not have been anticipated in advance (McEvoy & Richards, 2006). The unit of analysis across both approaches in this study is the individual. This is because the key constructs under investigation (the psychological contract, corporate reputation, LMX, affect, hardiness and

breach and violation) are posited to be perceptual and individually constructed and the focus of the study is intra-individual change.

3.3.2 Decision point 2 - the number and type of strands utilised

Second, the number of strands, or phases, to be utilised in the research design must be identified. For this thesis, the overall study involves three strands labelled and described as Studies 1-3, with the overall design illustrated in Figure 3.1. The three strands include a dominant quantitative study which is ‘book-ended’ by two less-dominant qualitative studies. Creswell’s (2003) dominant-less dominant terminology is used here to identify the weighting, or priority, given to each study and, thus, each method. The focus upon the quantitative study is principally due to: the relatively large scale of the data collection for this phase (a longitudinal, four-wave survey); the degree of sophistication of the technique used to analyse the data (individual growth modelling); and the sampling for the final qualitative study, in particular, hinging upon the results of the quantitative study. Notwithstanding this rationale, it is important to note that the three studies, and their results, are in many ways interdependent and it is when their results are *taken together* that they serve to shed the most empirical light on the process of psychological contract change.

Figure 3.1: Overall research design and data collection process



Study 1 (a qualitative method) focuses upon understanding the content of individuals’ reciprocal contract beliefs around the time of organisational entry, the factors that contributed to the development of these beliefs and the degree of mutuality with their

managers' reciprocal contract beliefs. Semi-structured interviews are used because they allow for the exploration of individuals' front-of-mind contract beliefs. Further, the flexibility of a semi-structured process, including the ability to access techniques such as probing and para-phrasing throughout the interviews, is viewed as particularly important because organisational newcomers may not be overly clear on their employment expectations at this early stage of their tenure (Rousseau, 2001).

Study 2 (a quantitative method) focuses upon understanding contract changes over time and whether four of the five posited predictor variables explain this variability. The fifth posited variable, contract breach and violation, is investigated via Study 3 (see rationale below). The longitudinal, four-wave survey approach (over 14 months) is used here because the focus is on understanding the patterns of change in individuals' psychological contracts over the period of time under study. A quantitative method allows for the analysis of: average levels of contract change across the sample; the degree of individual variability 'around' this average; and whether the theorised predictors are tapping into the underlying structures and mechanisms of interest to explain a portion of the average or individual-level contract variability. Survey responses will be tracked through a coding system to identify individuals who experienced varying levels of change over the time period, thus allowing for the exploration of why this occurred in Study 3.

Study 3 (a qualitative method) focuses upon gaining a richer understanding of why participants' psychological contracts changed, or otherwise, over the time period under study, through the use of semi-structured individual interviews. This final study offers the opportunity to fully exploit the advantages of a mixed methods approach. This is because individuals' Study 2 survey responses will be tracked, meaning that respondents who exhibit minimal, moderate or high levels of change along the spectrum of the contract scale can be sampled for interviews. Here, individual interviews allow for a focus on understanding, in participants' own words, the antecedents, experience and consequences of change in their psychological contracts.

In particular, the roles of contract breach and violation in driving change are explored through Study 3 because, as identified in the Literature Review (Chapter 2), emerging

qualitative research on these phenomena has shown how this method offers a more comprehensive way of exploring how breach and violation processes unfold, beyond the largely dichotomous, quantitative measures that are available (Rousseau & Tijoriwala, 1998). Further, although the roles of breach and violation are theorised to be important in understanding why contract change occurs, they are not theorised to be the *sole* reasons why individuals' contracts change. Thus, their exploration through the Study 3 qualitative method also offers the flexibility for other potential contract change drivers to emerge and be explored. As such, in this design strand particularly, the highly controlled nature of quantitative methods is largely unable to provide the richness of data sought.

3.3.3 Decision point 3 - the implementation of the research design

The third decision point relates to the type of implementation process utilised, for example either parallel, sequential or multilevel. In this thesis, a sequential implementation of the three studies is employed. To use Morse's (1991) notational system, this involves a: qual (Study 1) -> QUANT (Study 2) -> qual (Study 3) sequence over a 16 month period. A sequential implementation is undertaken because the thesis focuses on capturing the process of change, which a concurrent implementation could not achieve. Further, each study provides a foundation for the subsequent studies and this interdependence necessitates a sequential implementation.

3.3.4 Decision point 4 – the integration of the research strands

The final decision point relates to the integration of approaches. In this study, the 'mixing' of approaches only occurs in the interpretation, or inference development, stage. That is, the data collection and analytical procedures for each study are separate, but the results from each study will be drawn together to provide for 'methodological triangulation' (McEvoy & Richards, 2006, p. 71) and, through the process of retroduction, to develop an overall 'picture' of the phenomena under study. Following the separate analysis of each study's data set, the inferential 'mixing' of the methods will occur through a joint discussion of the qualitative and quantitative results and, in particular, a discussion of how the findings from each study, and thus each method, triangulate across the full research program (see Chapter 8 – Overall Discussion and Conclusions). For example, the results from Study 1 will be contrasted with the first wave of survey results from Study 2. This process provides a

‘greater sense of balance and perspective’ (McEvoy & Richards, 2006, p. 72) and a more complete picture of the phenomena of interest than the three studies would do individually.

3.4 Overarching data collection strategy

To situate the overarching data collection process (see Figure 3.1), the decisions regarding the overall timing of the studies and the overall sampling frame under study, including determining organisational participation and sectoral orientation, are now outlined and justified. An overall comparison of the sample characteristics for each study is also provided and explained.

3.4.1 Study timing

The timing of the overall research program (16 months in total) and the number of survey waves conducted (four) is due to both theoretical and practical reasons. Theoretically, the psychological contract literature does not provide clear and universal guidance on timeframes for investigating change (Robinson et al., 1994). What is agreed is that contract beliefs may well adjust quite quickly following organisational commencement (Rousseau, 1995). The socialisation literature provides some timing guidance, suggesting that three, six and 12 months are meaningful intervals in the socialisation process (De Vos et al., 2003), which may then coincide with appropriate timeframes for studying contract change.

Within the contract field, the longitudinal studies undertaken range between 12-36 months (e.g. Robinson, 1996; De Vos, 2005). As such, 16 months was considered an appropriate overall timeframe to capture some degree of change in the contract. The timing of the four surveys (Study 2) broadly followed the entry-to-12 month timeframe, highlighted above from the socialisation literature. However, as will be described in the Study 2 Results and Discussion chapter (Chapter 5), the survey schedule did offer flexibility around these timeframes, which was preferable for the analytic technique used for this data. Practically, in terms of the number of survey waves collected, it was determined that a balance needed to be struck between the impost upon organisational participants and maintaining a robust methodology. It was decided that further interview or survey waves over a longer period of time, whilst perhaps methodologically ideal (see Lenzenweger, Johnson & Willett, 2004),

would constitute conditions which may be seen as too onerous by many organisations, hence the current design was chosen.

3.4.2 Overall study sampling frame

The overall research program sampling frame consists of approximately 320 organisational newcomers participating in graduate programs within a range of private sector organisations. An industry sector breakdown of the overall study sampling frame is provided in Table 3.1. Methodologically as well as theoretically, new organisational members are especially desirable to study because they are new to the organisation and the relationships within it (Dienesch & Liden, 1986). In studying psychological contract change, the use of this type of sample is particularly important as it has been shown that it is during times such as entry into new organisational relationships where contract change is most likely to occur (Rousseau, 1995; Robinson et al., 1994; De Vos et al., 2003). Further, it has also been suggested that the process of contract change is likely to be most pronounced for individuals who are new, in general, to employment relationships (Rousseau, 2001). The use of this sample is also important for this study as contract belief development at the time of organisational entry is to be investigated through the first set of research questions. While there are limitations to the use of this type of sample, such as increasing the likelihood of excluding more organisationally-experienced and age-diverse employees, the previously outlined benefits of focusing upon newly-graduated, organisational newcomers make this an appropriate sample to utilise.

However, although the overarching intent was to focus solely upon individuals who had just entered their organisation, as the data collection process occurred some individuals (approximately five) were included who did enter their firms as graduates, but who had extended tenure at the time that the overall study began (generally about 12 months of added tenure). As will be shown in Study 3, these individuals with longer tenure proved to be an interesting group to retain in the overall sample, as they offered some different insights into the process of psychological contracting over time.

The decision to focus upon a single sector, the private sector, was taken as the concept of corporate reputation continues to be largely applied to this sector and the instruments for

measuring it were originally developed for use in the for-profit sector (Luoma-aho, 2008). Further, there is still debate on how, and even whether, the reputation concept is applicable, at least in its current form, to the public sector (Luoma-aho, 2007).

Table 3.1: Participating organisations and overall study sampling frame

Industry sector	Number of participating organisations	Number of graduates
Accounting	4	75
Business consulting	1	59
Financial services	2	114
Engineering/technical	3	52
Law	1	14
Transport/logistics	1	8
TOTAL	12	322

Organisational recruitment to the overall study was undertaken by the researcher firstly identifying those organisations with graduate programs, across a range of different firm sizes and industry sectors. This identification was done through a combination of general internet searches and utilising the researcher's graduate program networks to identify contact points across organisations. Approximately 20 organisations in total were identified for potential inclusion in the study. Each identified organisation was then approached by the researcher, through their respective graduate program coordinators, with the research proposal and to invite participation. The proposal outlined the benefits of participation and the expectations and requirements for access to staff for data collection over the 16 month study.

Approximately half of the organisations contacted by the researcher agreed to participate. Where reasons were provided for non-participation, these generally included: a lack of organisational resources to ensure the researcher had a contact point in the company and, thus, access to staff; existing comprehensive intra-organisational evaluations of graduate programs and staff satisfaction levels and thus a reluctance to over-burden staff with more surveys and interviews; and amendments or ongoing adjustments to internal graduate programs were occurring and thus there was an unwillingness to provide a third party with access to staff while these changes were ongoing. The selection of the final 12 organisations for inclusion was largely based upon practical considerations, including ensuring an adequate overall sample size for the multiple surveys and that a range of industry sectors

were represented. From this overall study sampling frame, a brief discussion of the comparability of the samples across each of the three studies is now outlined.

3.4.3 Sample comparability across the three studies

Although details of the specific sampling strategies and resultant sample characteristics are discussed in the respective results chapters for each study, it is instructive to provide a brief overview of how the characteristics of each sample align. Tables 3.2-3.4 provide an overview of the demographic characteristics for the two qualitative studies (Tables 3.2 and 3.4) and the quantitative study (Table 3.3). These tables show that, broadly, each sample has similar characteristics. Specifically, the age ranges (21-36 years), gender split (generally a 60/40 split favouring males), employment status (the majority were in permanent, full-time roles) and the level of education (all participants held at least an undergraduate qualification) are all consistent across the samples of the three studies.

Table 3.2: Study 1 graduate interviewees – sample characteristics

No. of respondents	Age - range and average	Gender	Location	Length of time with employer – range and average	Employment status	First professional role?
15	Range: 21-36 years Avg: 24 years	Male – 53% Female – 47%	Queensland, Victoria, Australian Capital Territory, New Zealand	Range: One week prior to entry – 4 months Avg: 8.4 weeks	Permanent, full-time – 94% Temporary, full-time – 6%	Yes – 73% No – 27%

Table 3.3: Study 2 sample characteristics – for those individuals who completed three or four surveys in total (at some combination of time points)

Characteristic	Time 1	Time 2	Time 3	Time 4
No. of respondents	96	101	97	77
Gender	Female – 36.8% Male – 63.2%	Female – 34.7% Male – 65.3%	Female – 35.1% Male – 64.9%	Female – 36.4% Male – 63.6%
Age (years)				
20-28	91.6%	91.1%	91.8%	87%
29-39	7.4%	7.9%	7.2%	10%
40 or over	1%	1%	1%	13%
Highest level of education	Undergraduate – 73.7% Postgraduate – 26.3%	Undergraduate – 71.3% Postgraduate – 28.7%	Undergraduate – 68% Postgraduate – 32%	Undergraduate – 71.4% Postgraduate – 28.6%

Employment status^a	Perm FT – 92.6% Perm PT – 0% Temp FT – 7.4% Temp PT – 0%	Perm FT – 92.1% Perm PT – 1% Temp FT – 6.9% Temp PT – 0%	Perm FT – 92.8% Perm PT – 0% Temp FT – 7.2% Temp PT – 0%	Perm FT – 93.5% Perm PT – 0% Temp FT – 6.5% Temp PT – 0%
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^a Perm = permanent; Temp = temporary; FT = full-time; PT = part-time

Table 3.4: Study 3 graduate interviewees – sample characteristics

No. of respondents	Age - range and average	Gender	Location	Length of time with employer – range and average	Employment status
26	Range: 22-35 years Avg: 24 years	Male – 60% Female – 40%	Queensland, Victoria, Australian Capital Territory, New South Wales, New Zealand	Range: 1 year - 2.5 years Avg: 1.6 years ^a	Permanent, full-time – 100%

^a This average was calculated including four cases of individuals with about 2.5 years of tenure (see section 3.4.2).

3.5 Ethical considerations

Ethical clearance was approved for all stages of this study through the relevant processes within the Queensland University of Technology. The overall study was classified as ‘low risk’ due to: the non-invasive nature of the data collection; participants offering informed consent for their involvement in the study and being able to withdraw at any time; and no individuals or organisations being identifiable from any reporting of the data collected.

3.6 Summary

This chapter outlined the philosophical basis and research design for this thesis. Underpinned by a critical realist philosophy, a longitudinal and sequential, mixed methods study is utilised to focus on identifying the content of individuals’ reciprocal contract beliefs at entry, the sources of information relevant to belief development and the degree of mutuality with managers’ contract beliefs (Study 1 - qualitative phase). Building on this context, the change in individuals’ contract content over time will be explored, including the roles of corporate reputation and LMX (representing organisational- and dyadic-level contract-relevant cues respectively) and affect and hardiness (representing individual difference variables) as drivers of contract change (Study 2 - quantitative phase). Finally, an in-depth exploration of why contract changes occurred will be undertaken, by sampling

participants with various levels of change as identified through Study 2. In particular, the roles of breach and violation in driving these changes will be explored (Study 3 – qualitative phase). The next chapter describes the overall objectives of Study 1 and the implementation of the data collection procedures and analytical technique used. The results of the qualitative study are then presented, including a discussion of the theoretical implications of the findings.

Chapter 4: Study 1 – Results and Discussion

The previous chapter described the three-study, longitudinal, mixed methods approach to be employed in order to address the research questions of interest within this thesis. This chapter begins by outlining the overall objectives of Study 1 and the research questions to be answered (section 4.1). The study's sampling strategy is then described and justified and the subsequent sample characteristics are detailed (section 4.2). The implementation of the data collection procedure and the interview protocols is explained (section 4.3) and the coding frameworks used to analyse the data are then outlined (section 4.4). Finally, the results of the interviews with both graduate employees (section 4.5) and the graduates' operational managers are presented (section 4.6), including a discussion of the theoretical implications of the findings (section 4.7).

4.1 Objectives

The objectives of Study 1 are to understand the content of the expectations that graduate newcomers and their managers have of each other upon graduate entry into the organisation, how these beliefs developed (for graduates) and whether there is 'fit' or mutuality between these sets of beliefs. Specifically, the aim is to answer research question 1 and its components:

- (1) What is the content of the psychological contract beliefs of new entrants to the organisation?
 - (a) How did individuals develop these psychological contract beliefs? and
 - (b) What is the degree of mutuality between individuals' beliefs and their managers' beliefs about the employment exchange?

4.2 Sampling strategy and sample characteristics

When undertaking a qualitative approach, it is ideal to let the data determine the sample size (Ticehurst & Veal, 1999) and, theoretically, the process of interviewing should continue until saturation point (King, 1998). Within this study, practical considerations made it difficult to strictly follow this process, particularly as the researcher was required to gain access to staff through designated organisational representatives. As such, to identify the Study 1 sample, an adaptation of convergent interviewing (Dick, 1990) was used in order to

understand both the consensus and rich diversity of perceptions (Ticehurst & Veal, 1999) regarding contract beliefs. The sampling strategy involved graduate program coordinators from each organisation nominating two graduates for interviews, such that nominee one was representative of their group and nominee two was also representative whilst being as different to the first person as possible. This identification was mostly left implicit and for the individual graduate coordinator to determine, a process which Dick (1990) has previously found to be successful. As the Study 1 research questions also relate to understanding the mutuality of graduates' and their managers' expectations, the operational managers of the graduates sampled for interviews were also contacted to participate in a separate interview (with organisational permission).

To directly access the Study 1 sample, organisational representatives made initial contact with potential interviewees (both graduates and their respective managers) to invite their participation (which was voluntary), followed by comprehensive information being supplied by the researcher (specifically Participant Information and Consent documents). The researcher's contact details were also provided to participants if they wished to clarify any aspect of the study. Once confirmation of participation was obtained, the researcher contacted each participant and arranged a mutually agreeable time to conduct the interview. While attempts were made to separately interview graduates and their operational managers in order to pair the data, due to managers' time constraints or non-response to the invitation to participate, this was not always possible and in a number of cases only a graduate's interview data was obtained, without the concomitant data from their manager (see Table 4.1).

Table 4.1: Industry breakdown of Study 1 interview participants

Industry sector	Graduates	Managers
Accounting	4	1
Business consulting	1	-
Financial services	2	2
Engineering/technical	2	2
Law	1	1
Transport	5	2
TOTAL - 25	15	8

The interviews took place, generally, around 1-2 months from graduates' organisational entry (see Table 4.2). Interviewees were located in different centres across Australia and New Zealand and, as such, interviews were conducted either face-to-face or via phone and this was negotiated with participants. All participating organisations were aware of this component of the study and provided facilities (e.g. a meeting room) to undertake the interviews if required. The interviews lasted between 30-45 minutes. A total of 23 interviews were undertaken (15 with graduates; 8 with managers) and all were audio-recorded and transcribed verbatim.

Overall, there was a reasonable spread of graduate and manager interviewees across the industry sectors of the participating organisations (Table 4.1). The graduate interviewees' sample characteristics (Table 4.2) were reflective of the overall study population (see Chapter 3 - Methodology), with most in their early-mid twenties, entering their first professional full-time role and with an average tenure of about 8 weeks at the time of the interview. The manager interviewees' sample characteristics (Table 4.3) offered a wider spread across ages, organisational tenure and graduate management experience, although it was not expected that this sample group would be as homogenous, in terms of general characteristics, as the graduate sample group.

Table 4.2: Study 1 graduate interviewees – sample characteristics

No. of respondents	Age - range and average	Gender	Location	Length of time with employer – range and average	Employment status	First professional role?
15	Range: 21-36 years Avg: 24 years	Male – 53% Female – 47%	Queensland, Victoria, Australian Capital Territory, New Zealand	Range: One week prior to entry – 4 months Avg: 8.4 weeks	Permanent, full-time – 94% Temporary, full-time – 6%	Yes – 73% No – 27%

Table 4.3: Study 1 manager interviewees – sample characteristics^a

No. of respondents	Age - range and average	Gender	Location	Length of time with employer – range and average	Length of time managing graduates – range and average
8	Range: 29-46 years Avg: 36.5 years	Male – 75% Female – 25%	Queensland, Victoria, New Zealand	Range: 1.5 years – 13 years Avg: 6 years	Range: 4 months – 10 years Avg: 4 years

^a Two interviewees did not provide their age and one of these interviewees also did not provide the length of tenure with their current organisation. As such, these figures could not be included in the respective range and average calculations.

4.3 Data collection tool – interview protocols and procedure

Semi-structured interviews were used in Study 1 for two reasons. First, this process allows for some structured questioning focusing upon individuals' psychological contract content, aligned with the theorised contract types and dimensions used in this thesis, and how these beliefs developed. Second, the semi-structured nature of the interviews offers the flexibility to explore nuances in how individuals speak about and describe their contract beliefs, the degree of specificity in these expectations and the degree of importance placed upon various sources of information in constructing these beliefs. This type of interview also allows for probing, which was particularly important given that some interviewees could not easily elucidate their expectations.

The protocol for the graduates' interviews was structured around four areas (see Appendix 4.1). The first two areas of inquiry were attraction to the organisation and role and graduates' expectations of their organisation and also of their manager (interview questions 2 and 3). While the latter question specifically targeted graduates' expectations of the organisation (research question 1), the former question regarding attraction was used as a secondary way to elicit these expectations (research question 1). The third area focused upon what graduates believed the organisation expected of them (interview question 4) (research question 1). The fourth area explored the salient sources of information for individuals in constructing these psychological contract beliefs (interview question 5) (research question 1(a)). The protocol for the managers' interviews focused on two key areas addressing research question 1(b). The first area related to managers' expectations of graduates entering the organisation (interview question 2) and the second area focused upon what managers believed the

graduates expected of them and the organisation (interview question 3). The full interview schedule for Study 1 is provided in Appendix 4.1.

4.4 Data analysis

The Study 1 data was analysed through content analysis, undertaken manually. Content analysis assumes a coding frame based on a set of pre-conceived categories for which evidence is sought in the data (Parzefall & Coyle-Shapiro, 2011). However, some flexibility was built into this process. New or emergent codes were developed from the data and added to the coding framework: (1) when responses could not be unambiguously ascribed to the existing codes; and (2) where the theoretically-derived, higher-order codes were fairly broad, lower-order codes were then derived more explicitly from the data. The latter was particularly utilised for the responses relating to research question 1(a) (contract belief development) and when coding responses to the broader issue of organisational attraction (the secondary set of questions to supplement explicit questioning for research question 1).

Coding for the psychological contract. To categorise contract content, for the purposes of addressing research questions 1 and 1(b), Rousseau's (2000) contract typology was used. This typology (relational, balanced and transactional contract types) and its dimensions (such as loyalty and stability relational contract dimensions) provided the higher-order (contract types) and lower-order (contract dimensions) coding framework across both graduate and manager interviews (interview questions 3 and 4 for graduates and interview questions 2 and 3 for managers). Because Rousseau's (2000) categorisation is utilised throughout this chapter, the contract types and dimensions are described here. *Relational contracts* are open-ended collaborations with only loosely specified performance terms, high affective commitment and strong member-organisation integration (Dabos & Rousseau, 2004). Relational contracts are constituted by two dimensions: (1) mutual *loyalty*; and (2) long-term *stability*, often in the form of job security (Dabos & Rousseau, 2004). For example, employees believe they are obligated to remain with the firm and be good organisational citizens by demonstrating commitment to the organisation's needs and interests and they believe the employer is obligated to provide stable wages and long-term employment and to support the well-being and interests of employees (Rousseau, 2000).

Transactional contracts refer to collaborations of limited duration with well-specified performance terms that can be characterised as easy-to-exit agreements with relatively high turnover, low levels of organisational commitment and weak integration into the organisation (Dabos & Rousseau, 2004). Transactional contracts are constituted by two dimensions: (1) *narrow* involvement in the organisation, limited to a few well-specified performance terms; and (2) being of *short-term* duration (Dabos & Rousseau, 2004). For example, employees believe they are obligated to perform only a fixed or limited set of duties and have no obligations to remain with the organisation and they believe the employer has committed to offering only limited involvement in the organisation, with minimal employee development and employment for only a specific or limited time (Rousseau, 2000).

Balanced contracts blend features of both relational and transactional arrangements by maintaining the involvement and long-term time horizon that characterises relational exchanges while at the same time allowing for greater flexibility and changing contract requirements as projects evolve and circumstances change (Dabos & Rousseau, 2004). Balanced contracts are constituted by three dimensions: (1) offering support for meeting increasing and changeable performance requirements (*performance support*); (2) engaging in employee *development* activities and offering career development within the organisation; and (3) support for developing *externally marketable* job skills. For example, employees believe they are obligated to successfully meet new and more demanding performance goals, to help the firm become and remain competitive and to develop skills valued by their employer as well as broader, externally marketable skills (Rousseau, 2000). In return, employees will believe that their employer has committed to providing: continuous learning to assist them in successfully executing escalating performance requirements; a range of development activities; and opportunities to enhance employability both within and outside the organisation (Rousseau, 2000). These contract dimensions and types are not necessarily mutually exclusive, however individuals will likely have one particular type of contract in predominant operation (Rousseau, 2004), although this can change. For example, a worker may hold a principally balanced contract, which may also contain some relational or even transactional elements.

Two forms of coding took place regarding contract content: direct coding from interview items to the theoretically-derived coding framework (outlined above); and development of emergent codes where item-level responses could not be easily ascribed to existing codes. Because the interview questions explicitly asked interviewees to assess contract content through identifying employee and organisational expectations, the item-level responses provided to these questions could be directly coded, firstly, into the pre-determined contract dimension categories and subsequently to the related contract type. To illustrate, where a graduate was asked ‘what are your expectations of the organisation that you are entering?’ an exemplar response was ‘for me ... my work life is about development opportunity ... that’s the main crux of the employment relationship’. This type of response was coded into the development dimension (of the balanced contract) for employer obligations. Further, where a graduate was asked ‘what do you think the organisation expects of you?’ an exemplar response was ‘I think what they expect of me is to learn as much as I can’. This type of response was coded into the development dimension (of the balanced contract) for employee obligations. In terms of manager interviewee responses to questions of contract content, an example was where a manager was asked ‘what expectations do you have of graduates?’ and an exemplar response was ‘as they’re there longer it’s more about aptitude ... not making the same mistakes again and again and taking on the more challenging work’. This type of response was coded into the performance support dimension (of the balanced contract) for employee obligations. Further, where a manager was asked ‘what do you think the graduate expects from the organisation?’ an exemplar response was ‘I would expect that they are expecting to get good quality training that is relevant to what they do’. This type of response was coded into the development dimension (of the balanced contract) for employer obligations.

A permutation occurred where some graduates’ responses cut across more than one contract dimension within the one statement and were thus categorised accordingly as expectations across two dimensions. To illustrate, when a graduate was asked about his or her organisational expectations, an exemplar response was ‘... I do expect them to provide me with a lot of technical support especially and not only that but also support in the sense of if I am confused about something they are there to help me - so personal support and

professional support’. This type of response was coded into both the performance support dimension (of the balanced contract) due to the focus upon professional support, but also the loyalty dimension (of the relational contract) due to the focus also placed upon the organisation being responsive to the personal concerns of the individual and providing more socio-emotional support.

One emergent, higher-order code for contract content was derived from graduates’ responses to questioning regarding contract belief development and, to a lesser extent, organisational attraction. This code was termed ‘relational contract (broader issues)’. For example, when speaking of contract-relevant cues from certain organisational communications which served to develop their contract beliefs, graduates often referred to ‘getting a feel for the company’ and referred to general firm attributes such as being ‘personable’ or ‘warm’. These attendant responses suggest that relational contract components are being referred to here, but which are broader than the theorised dimensions under this contract type. Hence, this broader and emergent code was created. To illustrate, when graduates spoke of using, particularly, intra-organisational sources of information to construct their understanding of potential employment relationships and the attractiveness of them, an exemplar comment was ‘a lot of it (employer attraction) was the culture of the organisation, it was a very friendly place to be ... when I came for the interviews and (other selection activities) it was always a very warm culture’. This type of response was coded as relational contract (broader issues) as the firm attributes were spoken about in terms of how individuals believed they would then be treated by their employer upon entry.

Coding for organisational attraction. The set of questions assessing individuals’ attraction to their particular organisation and role (graduates, interview question 2) were coded by using the higher-order, contract type and lower-order contract dimension codes used for the explicit contract content questions and responses. These codes were used because this set of questions constituted a secondary line of questioning to elicit graduates’ organisational expectations, related to research question 1, and hence using a similar coding framework assisted in assessing whether there was alignment between the responses. These codes were used in a more general sense, however, because individuals were not being questioned on, or explicitly speaking about, organisational expectations. To illustrate, where a graduate was

asked ‘what attracted you to this graduate opportunity and this organisation?’ an exemplar response was ‘it was the opportunities they offered - great career development options and a lot of flexibility (in the) choice of rotations’. This type of response was coded, broadly, into the development dimension (of the balanced contract).

Three emergent, higher-order codes were also derived from the data as a result of the interview responses and then supplemented with a theory-driven, lower-order code (taken from Rousseau’s (2000) typology). The first data-derived, higher-order code was termed ‘reputation (market position)’ and was supplemented by the lower-order code of ‘balanced contract’. To illustrate, when responding to the broader question of organisational attraction, an exemplar quote relating to this code was ‘the way they (the organisation) were positioned in the market ... it looked like there was probably more opportunity there’. Although referencing development opportunities again (hence the lower-order, ‘balanced contract’ code), the attendant reference to an aspect of the organisation’s reputation as a cue to potential development opportunities (and contract content) differentiated these responses enough to warrant a separate code. The other two emergent, higher-order codes were termed ‘firm size’ and ‘sector (public or private)’ and each also had the attendant lower-order code of ‘balanced contract’. This lower-order code was utilised because when interviewees spoke about organisational attributes such as firm size and sector type, these were often spoken about in terms of what individuals perceived the organisation could then provide to them in the employment exchange (relating to contract content) and this was specifically related to balanced contract content. To illustrate the ‘firm size’ (balanced contract) coding, an exemplar quote was ‘I consciously looked for a large organisation ... there are lots of different opportunities and areas to move around in’. To illustrate the ‘sector (public or private)’ (balanced contract) coding, an exemplar quote was ‘I think there is definitely the mentality in the public sector (that) you can easily get in there and do not very much and being somewhere (like the private sector) where they are driven will help you increase your capacities and abilities’. Therefore, these attraction factors appeared to cue individuals to what they could expect from the organisation regarding balanced contract content.

Coding for sources of contract belief development. Finally, the coding relating to graduates’ responses to interview question 5 (for research question 1(a) (contract belief development))

utilised broad, higher-order codes derived from theory and allowed for lower-order codes to be largely derived from the data. Researchers cite a plethora of possible sources for contract belief development, from broad social and cultural norms (e.g. Westwood et al., 2001) to more specific, organisationally-controlled messages through recruitment and selection practices (e.g. Rousseau, 2001). As such, developing a priori coding for this set of questions could have been quite extensive. As a result, broad, higher-order codes were pre-determined and termed ‘extra-organisational sources’ and ‘intra-organisational sources’ and the lower-order codes were generated from the data and included ‘social networks’ (an example of an extra-organisational source) and ‘employer marketing’ (an example of an intra-organisational source). To illustrate, when graduates were asked ‘how have these (previously described) expectations formed?’ an exemplar response was ‘I suppose mainly talking to my brothers’. This type of response was coded as ‘extra-organisational sources (social networks)’.

4.5 The results – graduate interview findings

This set of findings is structured to present the results for research questions 1 and 1(a). Respectively, these questions relate to the content of the expectations that graduates have of their particular organisation and manager (section 4.5.1), the content of what they believe the organisation expects of them (section 4.5.2) and how these beliefs developed (section 4.5.3). Each of these respective results sections includes a table (Tables 4.4 - 4.8) which provides a description of the themes evident from the interview data, the number of interviewees citing the theme and example quotes. It should be noted that, within these tables, even if an interviewee cited a theme more than once in the interview, the theme is still only counted as being cited once by the interviewee.

4.5.1 Graduates’ expectations of their organisations

Overall, the majority of interviewed graduates articulated a few key, albeit quite broad, expectations, but they did not articulate an extensive or highly specific ‘wish list’. Many graduates found it difficult to specifically outline what they expected from their organisation and manager and vice versa, with some commenting that they don’t necessarily have specific expectations because they are still very ‘new’ to the organisation. Further, many graduates stated that they were entering the organisation with an open mind and will ‘see what

happens’ regarding the unfolding employment relationship. To use schema terminology, the interviewees are describing quite broad, not overly complex, employment-related schemas (akin to mental models of how employment relationships should be enacted), which is not unusual for organisational newcomers with little workplace experience (see Rousseau, 2001).

However, it was identified that graduates’ expectations of their organisations clustered around three areas - the development and performance support dimensions of the balanced contract and the loyalty dimension of the relational contract. Table 4.4 provides descriptions of the key themes that emerged as interviewees were questioned about their expectations of their employing organisations.

Table 4.4: Details of interview themes identified: graduates’ expectations of their organisations^a

Theme	No. (%) of interviewees citing the theme	Theme description	Example quotes
Development dimension (balanced contract) ^b	15 (100%)	Employees refer to expecting their own employer to provide a range of learning and development activities and opportunities.	‘I think probably the major area of expectation is the training’
Performance support dimension (balanced contract) ^b	15 (100%)	Employees refer to expecting their own employer to provide support for meeting increasing and changeable performance requirements.	‘Feedback is a big one – you want to make sure you’re doing the right job’
Loyalty dimension (relational contract) ^b	9 (60%)	Employees refer to expecting their own employer to provide support for the well-being and interests of employees.	‘... if you’re having a bad day you’ve got someone to speak to ... to give you kind of a pep talk and if there is a day that you need it it’s good to know you have someone you can go and sit down with and spend a couple of minutes with’

^a n = 15 graduate employee respondents

^b Theory-derived theme

The key expectations cited by graduates related to the development dimension of the balanced contract. Graduates were clear that they expected the organisation to provide them with diverse and meaningful work, opportunities to see different parts of the business

through rotations in order to develop and utilise different skill sets and to be offered structured training and development.

‘I want to get in there and actually contribute, the chance for me to actually get involved in meaningful work, which I expect them to allow me to do’

Graduates’ organisational expectations also related to the performance support dimension of the balanced contract type. Specifically, graduates sought a supportive environment and an understanding from their managers and team members that they are ‘still learning’. There was an expectation of role-specific support, such as being offered regular feedback from their manager and team members and being comfortable to ask questions when they were uncertain about how to undertake their work. This was viewed as particularly important in this early career stage in order to know what they were doing right, what they could be doing better and to offer a gauge of their overall level of performance. The expectation of performance-related support extended to graduates expecting to see a career path and opportunities for advancement emerging and to be given guidance and support, either through the graduate program or their managers, to achieve progress along this path.

‘You need people above you who know about your ability and things like that so they can help you, direct you and guide your career direction’

‘I definitely want advancement – but I can’t expect it yet. It depends on how I perform and what opportunities are available. I do expect it fairly quickly and if I’m not getting that, I’ll ask questions about why and how I can improve to get that advancement’

Graduates also cited expectations relating to the loyalty dimension of the relational contract. While again related to a type of support, the focus was more upon socio-emotional support through a personable, friendly and social work environment and atmosphere which referred, generally, to working with ‘good people in a good team’. One graduate stated that ‘if everyone in the team was leaving, that would make me think twice about staying there’.

'You know ... you've got that kind of ... if you're having a bad day you've got someone to speak to ... to give you kind of a pep talk and if there is a day that you need it it's good to know you have someone you can go and sit down with and spend a couple of minutes with'

4.5.1.1 Graduates' expectations of their managers

As outlined in section 4.3, the questioning regarding interviewees' organisational expectations also included questions regarding specific expectations of their respective managers. The psychological contract literature, both theoretically and empirically, positions the manager as a key organisational agent who enacts the contract on a day-to-day basis. As a result, interviewees were specifically asked to reflect upon their expectations of their respective managers. The responses demonstrated that individuals do indeed expect their particular manager to be enacting their broader organisational expectations, as outlined in the previous section. As such, the themes here are broadly reflective of those outlined in Table 4.4. As shown in Table 4.5, the manager-specific expectations particularly focused upon the performance support dimension of the balanced contract. For example, graduates expected their managers to be available to answer questions, provide ongoing feedback, 'show them the ropes' and to develop them in their role and career. Relatedly, graduates' expectations also focused upon the development dimension of the balanced contract. For example, it was expected that managers would ensure that meaningful, and enough, work is provided and that they (graduates) are 'involved in the business' and not just 'being used' for a period of time.

Managerial expectations also related to the loyalty dimension of the relational contract. These focused upon expecting managers to be understanding and willing to offer more general and socio-emotional support as graduates 'find their feet' in the organisation and begin developing their careers. This latter type of expectation can be related to the LMX construct, which is also utilised in this thesis. The operationalisation of LMX measures the effectiveness and quality of a manager-subordinate relationship. Graduates' comments regarding the loyalty dimension of the relational contract also suggest an expectation of a high-quality supervisory relationship, which is perhaps not surprising given employees are unlikely to seek a poor quality relationship with their manager. However, this appears to be more salient for this cohort of employees as their inexperience precipitates placing greater

reliance upon their managers for the provision of not only role-specific, but also more general, guidance and support.

‘I think the mentoring and the feedback are definitely things that you’d kind of expect from someone (the manager) who’s meant to be guiding your development and they’re not just your boss or your manager for the next four months, they are there to help push you beyond what your limits are, they are there to grow you, not just use you for four months then push you off’

Table 4.5: Details of interview themes identified: graduates’ expectations of their managers^a

Theme	No. (%) of interviewees citing the theme	Theme description	Example quotes
Development dimension (balanced contract) ^b	4 (26.7%)	Employees refer to expecting their own manager to provide a range of learning and development activities and opportunities, particularly meaningful work.	‘Most of it is just about providing opportunities for me to develop and reach my full potential’
Performance support dimension (balanced contract) ^b	12 (80%)	Employees refer to expecting their own manager to provide support for meeting increasing and changeable performance requirements.	‘Probably more feedback, feedback is a big one ... it is because you want to make sure you are doing the right job’
Loyalty dimension (relational contract) ^b	4 (26.7%)	Employees refer to expecting their own manager to provide support for the well-being and interests of employees.	‘Yeah just making you feel welcome when you do have to talk to them ... and probably be professional about it, like not talking to other people about it in the office’

^a n = 15 graduate employee respondents

^b Theory-derived theme

4.5.1.2 Attraction to an organisation

As identified in section 4.3, a broader set of questions regarding organisational attraction were also used as a secondary way to elicit an understanding of individuals’ organisational expectations (research question 1). The majority of these findings clearly aligned with the results from the explicit questioning regarding organisational expectations and were thus folded into that discussion (section 4.5.1). However, when graduates were questioned about their attraction to particular organisations, several new aspects emerged and these are

outlined in Table 4.6 and discussed further in this section. For clarity's sake, Table 4.6 separately identifies the specific themes that emerged and the concomitant contract types related to each theme (the higher- and lower-order codes respectively). Specifically, the themes indicate that individuals utilise specific organisational attributes, such as firm size, which they view as attractive, as cues to what they can expect to be provided with in the employment exchange by specific types of firms.

Table 4.6: Details of interview themes identified: graduates' organisational attraction^a

Theme	Related contract type (and dimension)	No. (%) of interviewees citing the theme	Theme description	Example quotes
Specific development opportunities ^b	Balanced contract (development dimension)	10 (66.7%)	Employees highlighted that what attracted them to an organisation was related to the perceived level of development opportunities available there.	'It was the opportunities they offered - great career development options and a lot of flexibility (in the) choice of rotations'
Reputation (market position) ^c	Balanced contract (development dimension)	5 (33.3%)	Employees spoke of whether an organisation appeared to be growing and/or was in a growth market position, which acted as a cue to potential development opportunities.	'... the way they (the organisation) were positioned in the market ... it looked like there was probably more opportunity there'
Firm size ^c	Balanced contract (development dimension)	9 (60%)	Employees spoke of different firm sizes which offered cues to the provision of balanced contract content, such as more opportunities for development in firms of a certain size.	'I consciously looked for a large organisation. There is lots more you can do when you're not sure of what you want and there are lots of different opportunities and areas to move around in'
Firm sector (public or private) ^c	Balanced contract (development dimension)	11 (73.3%)	Employees spoke of the private sector as a more attractive employer because, when compared to the public sector, this sector could better fulfil beliefs regarding balanced contract content. For example, by offering a greater depth and breadth of experience.	'I wanted to start in the private sector because you get an idea of how business really works, because they're driven by shareholders. You need this as a basis before doing other things'

^a n = 15 graduate employee respondents

^b Theory-derived theme

^c A combination of a data- and theory-derived theme

Graduates described being attracted to organisations which they perceived were in strong positions in their respective markets and had the potential for future growth. These particular organisational attributes are akin to assessments of corporate reputation, particularly related to a firm's market position.

'They (the organisation) were in a position where they were growing ... the way they were positioned in the market ... it looked like there was probably more opportunity there than what there was in the others'

These particular attributes align to what Fombrun et al. (2001) would term the 'rational appeal' component of a corporation's reputation (p. 254). In terms of the operationalisation of corporate reputation used in this thesis, these cited attributes align to the 'financial performance' and 'vision and leadership' dimensions of the overall reputation construct. However, individuals appear to utilise these attributes as cues to understanding the 'workplace environment' (another reputation dimension) and, more specifically, link these attributes to their organisational expectations - which predominantly relate to balanced contract content. In particular, individuals linked these attributes to the development dimension of the balanced contract, through perceptions that a greater number and variety of current and future work opportunities, in terms of broader skill and career development, were available in these types of firms. This corporate reputation-psychological contract interaction was also evident through the questioning of interviewees regarding their perceptions of both firm size and sector.

The graduates interviewed came from organisations of differing sizes, broadly categorised as: small to mid-sized (around 100-500 people) and large (>500 people). Some interviewed graduates applied for organisations of various sizes, but the majority focused upon a particular firm size, based upon differing perceptions of what each size of organisation could offer in the employment exchange. For example, firm size appeared to particularly offer cues regarding the development dimension of the balanced contract. That is, graduates who applied for larger organisations viewed them as providing more opportunities for development, a greater diversity of work and more opportunity for lateral movement. Within this cohort, the perception was that smaller organisations could not fulfil these development

dimension beliefs, as it was seen as unlikely that they could provide a diversity of work and ‘you’re working with the same people all the time’. Conversely, graduates applying for smaller and mid-sized firms believed that it was these types of employers that offered the potential for greater fulfilment of the development dimension of the balanced contract. It was perceived that smaller and mid-sized firms provided the opportunity to work on projects from ‘beginning to end’, while still having sufficient resources to offer training and development activities.

‘I consciously looked for a large organisation. There is lots more you can do when you’re not sure of what you want and there are lots of different opportunities and areas to move around in’

‘I know (with bigger companies) ... what you could do is very small and very limited. But (in a smaller company) you have (a) bigger responsibility and you could do a job from the very beginning to the end ... you could get a much broader experience and you could take more responsibilities very early’

Finally, there was also a relatively even split between graduates who applied for both public and private sector roles and those applying only within the private sector. Among the graduates interviewed, private sector firms were viewed as more attractive employers because, when compared to the public sector, they were seen as better able to fulfil contract beliefs again relating to the development dimension of the balanced contract. There was a perception that a greater depth and breadth of experience could be gained in the private sector, with more challenging work and greater learning opportunities available, and this resulted in the perception that you could ‘get further early on’. Also, many graduates were seeking to ‘work hard while I’m young’ and work in an organisation that’s ‘driven’ and these types of organisations were perceived to be in the private sector. Overall, the public sector was viewed as bureaucratic and you ‘won’t necessarily do much’; however, a number of the interviewed graduates stated that they may look to work within the public sector at a later stage in their careers.

'I wanted to start in the private sector because you get an idea of how business really works, because they're driven by shareholders. You need this as a basis before doing other things'

These findings suggest that individuals were attracted to employers that could fulfil their organisational expectations, particularly, in terms of the development dimension of the balanced contract. In terms of making claims about the direction of causality here, interviewees appeared to have an understanding of what they expected from an employment relationship at this early career stage, particularly relating to opportunities for development and support. As such, the findings offer evidence that individuals utilise some aspects of an organisation's reputation, here identified as market position, firm size and sector, as cues to the specific types of employment expectations they can construct for a given organisation and whether these salient expectations are likely to be fulfilled.

4.5.2 Graduates' beliefs about what the organisation expects of them

There is agreement in the literature that the psychological contract is rooted in the idea of social exchange and reciprocity (Coyle-Shapiro & Kessler, 2002). Therefore, it is important to understand not only what individuals expect from their organisations, but what they believe they should, in turn, be providing to the organisation in the employment exchange (research question 1). The results for this line of questioning demonstrated that 'newness' to the organisation meant that many graduates did not believe that they had sufficient information about what the organisation expects of them.

'Oh, I think it's difficult to tell at this point (about organisational expectations). I think their expectation of the level of work, there is none at the moment, that's because you are so new.

I think their expectation is by listening and asking the right questions ... I guess the expectation is doing what you can to learn and understand'

Where graduates' schemas regarding their expectations of their organisations were deemed to be fairly broad and relatively simple, this was more clearly the case regarding perceptions of employers' expectations of them. The beliefs cited here largely focused upon the development and performance support dimensions of the balanced contract and these themes are outlined in Table 4.7. Individuals highlighted the need to: have a base level of skills to

build upon by absorbing information and learning; expediently up-skill to become productive organisational members; ask questions, take the initiative and generally work hard; and embrace development opportunities.

‘At the moment it is all about absorbing information’

‘Yeah I don’t know as far as expectations from them. There was a little bit of talk (at the induction) about what they expect from us as far as development and we need to push ourselves to put our claws out there to experience different things and to kind of make our networks, it’s not just going to be handed to us on a plate, they expect us to work hard’

Table 4.7: Details of interview themes identified: graduates’ beliefs about what the organisation expects of them^a

Theme	No. (%) of interviewees citing the theme	Theme description	Example quotes
Development dimension (balanced contract) ^b	13 (86.7%)	Employees refer to their organisations expecting them to develop intra-organisationally valuable skills.	‘We need to push ourselves to put our claws out there to experience different things and to kind of make our networks, it’s not just going to be handed to us on a plate, they expect us to work hard’
Performance support dimension (balanced contract) ^b	15 (100%)	Employees refer to their organisations expecting them to successfully meet new and more demanding performance goals and more challenging work.	‘Just to ... get on top of things as quickly as possible’

^a $n = 15$ graduate employee respondents

^b Theory-derived theme

Therefore, the main exchange pattern, from graduate employees’ perspectives, relates to two dimensions of the balanced contract - development and performance support. Employees expect the organisation to provide learning and development opportunities and expose them to meaningful work and, in turn, they will build organisational-specific skills, seek to learn quickly and look to expediently increase their value to the organisation. With respect to performance support, employees clearly expected their organisation and its agents, such as managers, to offer guidance and role-specific support in taking on higher-level work over

time and there was a concomitant recognition from employees that they needed to respond positively to expectations of higher-level performance and work output. These can be termed ‘like-for-like’ exchanges, as the reciprocal beliefs are based upon the same balanced contract type and dimensions. However, it is also clear that individuals’ beliefs were quite broad, generic and non-organisational specific. For example, meaningful work, training and development and support from managers could occur and be enacted in the workplace in a number of different ways and across varying timeframes. This lack of specificity and detail could plausibly be attributed to interviewees’ general lack of professional work experience, although it is worth noting as a feature of their contract beliefs around organisational entry.

4.5.3 How graduates developed their expectations of their organisations

In the questioning regarding how interviewees developed their organisational expectations (research question 1(a)), graduates identified two main sources of information and the themes which emerged are outlined in Table 4.8. The first information source was largely outside of the organisation’s control (extra-organisational) and involved accessing social networks, particularly talking to family and friends, and hearing their experiences of the workplace and specific employers. These messages appeared to offer a fairly general insight into the world of work and what to expect from a workplace. As the majority of interviewed graduates did not have previous work experience, these trusted social referents offered broad guidance in constructing their employment exchange beliefs.

‘I had a few friends that were involved in (the employing organisation). I spoke to someone I used to work with and he used to work (in the industry) and he knew the firm really well. So having good discussions with people I think was really helpful. And I guess ... because I hadn’t had any experience there previously it really was finding out from other people what they thought and what I had read on the organisation’

‘I think the majority of it (expectation formation) was probably talking to other people at university and hearing what they had experienced in the workplace’

Table 4.8: Details of interview themes identified: graduates' contract belief development^a

Theme	No. (%) of interviewees citing the theme	Theme description	Example quotes
Extra-organisational sources (social networks) ^b	13 (86.7%)	Employees spoke of talking to family and friends to gain a general insight into what to expect from a workplace.	'My cousin works for (a related employer), he's pretty switched on and he had a big talk to me (about what should be expected)'
Intra-organisational sources (employer marketing) ^b	11 (73.3%)	Employees spoke of face-to-face communications with employer representatives at employer nights and careers fairs, as well as the use of marketing material, such as brochures, to develop their employment expectations (particularly related to relational contract content).	'I went and talked to the (organisation's) people at the careers fairs, you get a feel for what sort of organisation they are. It's a feel thing, it's hard to explain'
Intra-organisational sources (recruitment and selection processes) ^b	9 (60%)	Employees spoke of the interactions with employer representatives during the final stages of the recruitment and selection process, such as through interviews and assessment centres, to develop their employment expectations (particularly related to relational contract content).	'It (expectation formation) was mostly when I was chatting to the managers at my interview. It was really laid back and they were clear about what the organisation stands for and where it's going'
Relational contract (broader issues) ^b	9 (60%)	Beliefs about broader relational contract content emerged in discussions regarding broader belief development and, thus, the theme is included here. Through, largely, interactions with organisational agents, employees came to ascribe general attributes to their employers, such as being 'personable', 'honest', or 'friendly'. These attributes were spoken about in terms of how individuals then believed they would be treated by their employers upon entry.	'... the culture of the organisation, it (seemed) a very friendly place to be ... (it's) a very warm culture and they wanted to bring out the best in you'

^a $n = 15$ graduate employee respondents

^b A combination of a data- and theory-derived theme

The second main information source for constructing employment expectations was through organisationally-controlled messages (intra-organisational), in particular via employer marketing and recruitment and selection processes. These messages served to provide graduates with more detail and specificity in constructing their expectations and were utilised, particularly, as cues to understanding the potential fulfilment of broader, relational contract-type beliefs. The employer marketing messages were conveyed to graduates via speaking with employer representatives at careers fairs and organisation-specific 'employer

nights'. By hearing directly about the organisation and what it is like to work there, individuals spoke of being able to get a 'feel' for where they could be working and whether it seemed 'friendly', 'honest', 'laid back' and 'welcoming'.

'I went and talked to the (organisation's) people at the careers fairs, you get a feel for what sort of organisation they are. It's a feel thing, it's hard to explain'

'Their (the organisation's) whole campaign to do with their advertising ... they've got the booklet, they've got their website and that's all very positive and very aimed towards our generation - what we want and what we expect. So that whole advertising campaign was very important ... little things down to how they word things, the pictures, it just seemed very friendly and very welcoming. Seeing that little brochure really attracted me'

Expectation formation also then occurred throughout the final stages of the selection process, specifically via speaking directly to people in the organisation, including future managers and work colleagues. Again, this information provided cues to individuals regarding the potential fulfilment of broader, relational contract-type components. Many graduates stated that they preferred a selection process that was 'personable' and where they had the opportunity to speak with people in the organisation about the work, environment and culture and which involved the opportunity for a two-way conversation. This allowed them, again, to 'get a feel for the organisation'.

'Basically the people were really friendly (gleaned following work experience at the employing organisation), they were always ready to help and it seemed ... (like) they have the closeness - you are a person rather than a number sort of thing'

'Yeah I think that appealed to me as well. (The employer representative) was very honest about what it was like to work there and I think some people were quite shocked, (but) that appealed to me because I'm an honest person'

Through both the employer marketing and recruitment and selection processes, it appeared that graduates were seeking to make assessments of the 'emotional appeal' aspects of an

organisation's reputation (Fombrun et al., 2000, p. 254). These aspects refer to 'having a good feeling' about a company and 'trusting' and 'respecting' a company (Fombrun et al., 2000, p. 253). Through this process, individuals were then able to assess whether they would be entering a 'personable' organisation and so could construct more specific beliefs about broader relational contract content and draw conclusions about the likelihood of the fulfilment of these beliefs.

However, the use of intra- and extra-organisational information sources was not necessarily mutually exclusive. A number of graduates spoke of utilising both sources to develop their initial expectations of their employers, and vice versa.

'I suppose mainly talking to my brothers. They are both (in the same industry) and did similar things with other companies. So that was the main one I guess (in terms of building workplace expectations). But also in the interviews and things, talking to the HR people, which was good to get a basic idea. And also (the organisation) got in touch with me through my manager, he gave me a call before I started to explain what I would be doing and stuff like that. So that all helped to get an idea'

These results indicate that employees utilised both extra-organisational information sources (social networks) to guide broad employment exchange belief development and also intra-organisational information sources (employer marketing and recruitment and selection processes) to add more detail and specificity to the construction of their psychological contract beliefs. These findings can also be linked to those from the organisational attraction set of interview questions. There, it was identified that aspects of an organisation's reputation (market position, firm size and sector) cued individuals to what they could subsequently expect their organisations to provide to them in the employment exchange, particularly relating to the development dimension of the balanced contract. The findings regarding belief development further suggest that the face-to-face, intra-organisational sources of information, in particular, served to cue individuals to what they could expect from their organisation regarding broader, relational aspects of the psychological contract. That is, 'getting a feel' for the organisation and what it would be like to actually work there, largely sourced via hearing from organisational agents. Overall, this shows that individuals

utilise both the ‘rational appeal’ aspects of an organisation’s reputation as cues to the provision of, mostly, balanced contract components, and also the ‘emotional appeal’ aspects of an organisation’s reputation as cues to the provision of broader, relational contract content.

4.6 The results – manager interview findings

This section is structured to present the results related to research question 1(b) which, overall, aims to assess the degree of mutuality between employees’ and their managers’ contract beliefs. This involves, firstly, presenting the data from the interviews with the operational managers of the interviewed graduates regarding their perceptions of reciprocal expectations. That is, the managers’ expectations of graduates (section 4.6.1) and what they believe graduates expect of them and the organisation (section 4.6.2). As with the graduate interview findings, each of these respective results sections includes a table (Tables 4.9 - 4.10) which provides a description of the themes evident from the interview data, the number of interviewees citing the theme and example quotes.

4.6.1 Managers’ expectations of graduates

Many managers stated that they ‘didn’t expect much initially’, referring to the fact that graduates were still learning and finding their way in the organisation. However, of the expectations cited, managers primarily focused upon both the development and performance support dimensions of the balanced contract. The details of these themes are outlined in Table 4.9.

Table 4.9: Details of interview themes identified: managers’ expectations of graduates^a

Theme	No. (%) of respondents citing theme	Theme description	Example quotes
Development dimension (balanced contract) ^b	8 (100%)	Managers refer to expecting graduates to develop intra-organisationally valuable skills.	‘It’s just a matter of being keen to do (the work) and learning how it all happens (in this organisation)’
Performance support dimension (balanced contract) ^b	8 (100%)	Managers refer to expecting graduates to successfully meet new and more demanding performance goals and undertake more challenging work.	‘As they’re there longer it’s more about aptitude ... not making the same mistakes again and again and taking on the more challenging work’

^a $n = 8$ operational manager respondents

^b Theory-derived theme

The majority of managers expected graduates to have a range of attitudinal attributes, rather than specific technical aptitudes or capabilities, and these included: eagerness, a willingness to learn, an open mind and the ability to ask questions; a willingness to be proactive and to take the initiative in developing skills; be enthusiastic and driven; and, in general, to have ‘a good attitude’. In terms of more technical capabilities, managers expected graduates to bring to the organisation both technical, related to university studies, and soft, related to communication, teamwork and client-work, skills. Over time, managers also identified the expectation that the quality and quantity of work output from graduates would increase and, concomitantly, that graduates would advance in the organisation by taking up the progression opportunities provided.

‘I’m looking for enthusiastic, driven and ambitious grads who are going to be proactive’

However, many managers did comment that, from their experiences, managing graduates’ expectations can be a challenging task, as there can be a gap between what the graduate expects and what the organisation can provide. Specifically, realistically matching graduates’ capabilities to roles (particularly higher-level roles) could be difficult.

‘The types of roles they see themselves in at the end of the program don’t always align with their skills and competencies or their maturity levels at the end of the program. So it’s about managing that. That would be the biggest challenge’

The manager-cited expectations of graduates broadly align with graduates’ own perceived expectations of what they should be providing to the organisation. That is, there is a focus upon balanced contract components, specifically related to the need to up-skill, learn relatively quickly, take the initiative, engage in development activities that are offered and be looking to take on higher-level work as skills are developed. Both managers and graduates also focused upon broader attitudinal requirements, such as being ‘proactive’ and ‘taking the initiative’. However, managers were able to provide more specific details regarding the types of technical and soft skills that they expected graduates to have and the type of work that graduates would likely be doing.

4.6.2 Managers’ beliefs about what graduates expect from them and the organisation

Overall, the managers interviewed believed that what graduates expect from an organisation will vary from individual to individual. As such, interviewees stated that they were taking ‘educated guesses’ about what graduates expect of them and the organisation. However, as shown in Table 4.10, in terms of graduates’ expectations, managers did identify, predominantly, both development and performance support dimensions of the balanced contract. Managers believed that graduates expected: training and development opportunities, particularly in relation to technical, organisation-specific skill development; interesting and challenging work; the ability to rotate to different work areas; opportunities for promotion; and general support, guidance and direction at this early career stage.

‘They (graduates) expect a company that’s going to allow them to progress’

However, a number of managers tempered their responses regarding the provision of interesting and challenging work, along the following lines:

‘A lot of grads want to get straight to the sexy work. Everyone wants to do the more exciting stuff. But there is a timeframe when new people need to learn the trade first and get a feel for how things are done. Sometimes there’s an expectation gap’

‘On the down side (of managing graduates) sometimes you just have to keep the reins on them, graduates being graduates have a tendency to want to rule the world straight away so it’s a matter of really just harnessing them’

Table 4.10: Details of interview themes identified: managers’ beliefs about what graduates expect from them and the organisation^a

Theme	No. (%) of respondents citing theme	Theme description	Example quotes
Development dimension (balanced contract) ^b	8 (100%)	Managers refer to providing a range of learning and development activities and opportunities to graduates.	‘I think they expect to be exposed to interesting work. I think they expect to be trained in such a way (that) they can develop satisfaction in what they do’

Performance support dimension (balanced contract) ^b	6 (75%)	Managers refer to providing support to graduates in order to meet increasing and changeable performance requirements.	'The most important thing that I can provide for them is ongoing feedback and support'
Loyalty dimension (relational contract) ^b	5 (62.5%)	Managers refer to providing support for the well-being and interests of graduates.	'I think they also want to be valued ... they want to contribute to an organisation that values them'

^a $n = 8$ operational manager respondents

^b Theory-derived theme

On a more day-to-day basis, managers continued to cite components of the balanced contract, as well as the loyalty dimension of the relational contract, regarding what they believed graduates expect from them. This related to offering: developmental guidance, such as feedback on performance; sharing their experiences and showing what the organisation can offer; and ensuring a positive working relationship by providing general support and developing a good rapport. Overall, managers believed they should be playing a broad mentoring role for graduates.

'I think they expect feedback and I set realistic goals with them in the first place and opportunities to grow into (the role), exposure to new initiatives and bringing them into meetings, etc. That stuff's invaluable in the first few years'

'It comes down to how their manager is in the end – to make sure they're looked after and have a mentor fairly early on to give them guidance in their careers'

More broadly, most of the managers interviewed also believed that the organisation needed to be realistic about retention and that the long-term tenure of employees was no longer something that could be expected, which relates to the stability dimension of the relational contract. Many managers recognised the difficulties in retaining graduates within the organisation and instead sought to focus upon providing them with a positive workplace experience, with a view to encouraging their return later if they did exit the organisation.

The manager-cited expectations of what they, and the organisation, should be providing to graduates broadly aligns with graduates' perceived organisational expectations. That is, there is a focus upon the development and performance support dimensions of the balanced

contract, as well as the loyalty dimension of the relational contract. These findings also align with graduates' expectations of a high-quality (high-LMX) relationship, with managers articulating the importance of providing graduates with both general, and role-specific, guidance and support. Where there was divergence, it related to managers providing caveats around the provision of interesting and challenging work, particularly related to graduates' skill and maturity levels and operational requirements. However, as was found with the graduates more broadly, managers did to a degree lack specificity and detail regarding what they believed graduates expected of them and the organisation.

4.7 Discussion of Study 1 findings

The purpose of Study 1 was to identify the content of the expectations that graduates (research question 1) and managers (research question 1(b)) have of each other upon graduate entry into the organisation, the information sources which assisted graduates in developing these contract beliefs (research question 1(a)) and whether there is 'fit' or mutuality between these sets of beliefs (research question 1(b)).

4.7.1 What is the content of the psychological contract beliefs of new entrants to the organisation (research question 1)

The findings for research question 1 confirm and extend the understanding of newcomers' psychological contracts by qualitatively exploring the content of graduates' psychological contracts, including reciprocal expectation perceptions, and utilising Rousseau's (2000) contract typology to categorise this content. Much of the empirical work on the contract focuses solely on employees' perceptions of their particular organisation's obligations to them, with a number of authors lamenting the dearth of studies exploring reciprocal beliefs (Tekleab & Taylor, 2003). Relatedly, these findings also offer some tentative evidence of the broadness of the employment schemas this cohort of employees (largely without prior work experience) hold in the early stages of their organisational tenure. While a number of authors reference the role of schemas as part of the psychological contract (De Vos et al., 2003; Shore & Tetrick, 1994), and there have been theoretical propositions about the structure of 'novice' compared to 'expert' employee schemas (Rousseau, 2001, p. 520), little empirical work has sought to shed light on these issues.

Drawing upon the contract typology used in this thesis, individuals' contract content can be characterised as containing predominantly balanced contract components, specifically the development and performance support dimensions. In terms of organisational expectations, individuals focused upon beliefs about receiving skill development and learning opportunities, challenging and meaningful work and support to take on higher-level work over time. There was also a focus upon relational contract elements, particularly the loyalty dimension, such as receiving general support and guidance and having a personable and friendly work environment. Beliefs which could be described as transactional contract components were not at the forefront of interviewees' minds at this stage of their employment and, generally, were not mentioned. These initial beliefs about what the employer owes the individual confirms what other authors have found to be the salient expectations for this particular cohort of employees (graduates) around organisational entry (De Hauw & De Vos, 2010; Sturges & Guest, 1999; Arnold, Schalk, Bosley & Van Overbeek, 2002). In terms of what interviewees perceived that the organisation expects of them, these beliefs again focused almost solely upon the development and performance support dimensions of the balanced contract. In particular, these beliefs related to working hard, learning and up-skilling quickly and taking the initiative to seek out and participate in development opportunities.

Overall, while interviewees were able to articulate a few key expectations of their employers and themselves, these were quite broad and sometimes elicited through prompting. For individuals who are new to an organisation, and to employment relationships more broadly, it is likely to be difficult to specifically articulate beliefs about the employment exchange. This accords with Rousseau's (1995; 2001, p. 520) assertions that organisational 'novices' are likely to have fairly basic and less complex employment schemas than organisational 'experts', or those with prior work experience. Schemas are akin to mental models of how employment relationships should be enacted. Through qualitatively exploring how individuals describe their employment exchange beliefs, there is some evidence that these organisational 'novices' do indeed hold a few quite broad, generic and non-organisational specific beliefs within their employment-related schemas and that these schemas are driving what individuals perceive to be the most important contract beliefs at this point in their organisational tenure. Further, given the generality of this schematic mental model, the

content appears to be driven more by general societal perceptions of what constitutes ‘a good and meaningful job’ and ‘a good workplace’ and also what is generally expected by individuals at such an early career stage. Nonetheless, while the beliefs cited were general and few in number, the focus upon them appeared to be quite strong, in particular the focus upon the balanced contract dimensions of development and performance support. These qualitative findings extend our understanding of the specificity with which individuals discuss their contract beliefs at this stage of employment.

4.7.2 How do individuals develop their initial psychological contract beliefs? (research question 1(a))

The Study 1 interviews also explicitly questioned individuals about how they came to develop their psychological contract beliefs, but questioning on organisational attraction also offered answers to this research question. These findings for research question 1(a) extend the current contract literature by demonstrating a link between corporate reputation perceptions and the subsequent psychological contract beliefs of organisational newcomers. Specifically, the findings show how the different aspects of an organisation’s reputation, and the different sources of information used to construct perceptions of reputation, offer different cues to individuals for constructing different aspects of their contract content. Although a range of intra-individual (DelCampo, 2007), intra-organisational (Rousseau, 2001) and extra-organisational (Westwood et al., 2001) factors have been theoretically posited as potential sources of information for individuals in constructing their psychological contract beliefs, there is much less empirical work, particularly qualitatively, to identify what the most salient of these sources are for various cohorts of employees (De Vos et al., 2005).

The main finding is that individuals develop their psychological contract beliefs by drawing upon: (1) information from their social networks; and (2) explicit perceptions of various aspects of an organisation’s reputation. These information sources can be either, or both, within (intra-organisational - information originating from the firm itself (Fombrun & Shanley, 1990)) or without (extra-organisational - information originating from the media or other monitors (Fombrun & Shanley, 1990)) the organisation’s control. First, the use of social network information consisted of the word-of-mouth organisational perceptions and workplace experiences of trusted social referents, namely friends and family. These referents

were cited as assisting in shaping individuals' employment exchange expectations, but appeared to do so in a broad manner. Here, individuals spoke of 'hearing what (others) had experienced in the workplace' and speaking to individuals in similar industries or roles, but not necessarily their employing organisations. Therefore, while these referents could provide general guidance on workplace experiences, these were generally not organisation- or role-specific. Therefore, it is not possible to link this information to specific psychological contract dimensions. The role of social referents, through the use of social network theory, has been explored in the contract literature by Ho and colleagues (Ho & Levesque, 2005; Ho et al., 2006), however this has focused upon referents' role in individuals' post-entry evaluations of psychological contract fulfilment. These interview findings offer evidence that social networks are also relevant in understanding the development of individuals' contract beliefs around the time of organisational entry.

Drawing upon social network theory (Ho & Levesque, 2005), rather than solely utilising cohesive ties (i.e. friends) or structurally equivalent ties (i.e. those who are positionally similar in the informal social structure), interviewees mostly relied upon multiplex network ties (i.e. cohesive *and* structurally equivalent ties, specifically friends with similar organisational and role experience) for contract-relevant information. The ease with which an individual can obtain information is likely to increase with tie multiplexity, given that the relationship spans more settings and thus provides more opportunities for information-seeking (Ho & Levesque, 2005). The high levels of contact and trust, and the norms of self-disclosure common among friends, result in candid and copious information exchange, leading individuals to direct information acquisition and the relational security to expose their knowledge deficiencies (Shah, 1998). While claims about the accuracy of this network tie information cannot be made from this study, the findings at least point to the weight which individuals clearly give this information and that it does appear to shape, at least in part and at this stage of their employment, their psychological contract beliefs.

The second source of contract-relevant information related to the use of explicit perceptions of various aspects of an organisation's reputation. Here, individuals focused upon contract-relevant cues derived from inferences about a firm's market position, size and sector (the 'rational appeal' aspect of reputation), as well as more organisationally-controlled

information sources including employer marketing material, recruitment and selection processes and, particularly, interactions with organisational agents through employer presentations and the formal interview process (the ‘emotional appeal’ aspect of reputation) (Fombrun et al., 2000). Whereas the social referent information offered more general guidance on the employment relationship, these sources of information appeared to add more detail and specificity to the construction of individuals’ psychological contract beliefs and could be linked as influences on specific contract content dimensions. The findings showed that individuals utilised the ‘rational appeal’ aspects of an organisation’s reputation as cues to the provision of, mostly, balanced contract (development dimension) components and also the ‘emotional appeal’ aspects of an organisation’s reputation as cues to the provision of broader, relational contract content. Individuals’ use of organisationally-controlled information conveyed through the wording and imagery of job advertisements and statements made by recruiters have been theorised to send cues to individuals about what they can expect from their organisation in the employment exchange (Rousseau, 1995, 2001; Conway & Briner, 2009), and this has been empirically confirmed through these findings.

Drawing upon signalling theory offers one potential explanatory mechanism for this corporate reputation-initial psychological contract content link. Following Turban and Cable’s (2003) work on corporate reputation and job attractiveness, signalling theory suggests that because applicants do not have complete information about an organisation, they interpret available information as signals about the organisation’s working conditions (Rynes, 1991). As such, particularly for individuals new to both their current organisations and employment relationships generally, drawing upon available information about an organisation, through its broader reputation, offers them cues as to what both they and their particular organisation will exchange in the employment relationship. These findings offer preliminary evidence for the workings of such a mechanism.

4.7.3 The degree of mutuality between graduates’ and their managers’ contract beliefs (research question 1(b))

The findings for research question 1(b) extend the literature on the psychological contract by qualitatively exploring the organisation’s side, and understanding of, the contract’s terms (via managerial agents). Little theoretical or empirical work currently exists to capture the

employer's side of the bargain and thus illuminate how the process of social exchange develops (Tekleab & Taylor, 2003; Conway & Briner, 2009; Rousseau, 2010). Specifically, these findings extend the understanding of the degree of mutuality or agreement in newcomers' and managers' contracts by: exploring the content of managers' perceptions of the reciprocal exchange agreement, including perceptions of their own *and* their employees' obligations, and utilising Rousseau's (2000) contract typology to categorise this content; and offering some insight into the complexity of the mutuality concept and how agreement is actually enacted. Because the data collection did not allow for an explicit pairing of graduates' and their managers' data, general conclusions about the degree of mutuality are drawn here.

Broadly, the type of psychological contract content identified by managers mirrors that from the graduates' findings. That is, managers focused upon balanced (development and performance support dimensions) and relational (loyalty dimension) components of the contract. Specifically, in terms of what managers perceived that they, and the organisation, should be providing to graduates, skill development, interesting and challenging work and opportunities for upward movement over time (balanced contract, development dimension) were all cited, as well as offering general support and guidance in graduates' everyday work and broader career (balanced contract, performance support dimension and relational contract, loyalty dimension). In terms of what graduates should be providing to the organisation, managers again focused upon balanced contract elements in expecting 'a willingness to learn', 'a good attitude', the ability to increase work output relatively quickly and a reasonable level of technical and soft skills (performance support and development dimensions).

Given this, *prima facie*, there appears to be a fairly high degree of mutuality and congruence between graduates' and managers' expectations of what each ought to be exchanging in the employment relationship. Mutuality refers to the shared nature of psychological contract beliefs and the degree of agreement between the parties to the contract. However, drawing inferences from interviewees' comments suggests that the concept of mutuality is far more complex and difficult to capture. Overall, both graduates' and managers' responses generally lacked specificity and certainty, to a degree. Neither graduates nor managers were

particularly clear on the expectations that they had of each other and many commented that they had not necessarily thought about it and often found them difficult to articulate. Possibly as a result of this, some discrepancies did emerge relating to one of the most important expectations identified - the provision of challenging and meaningful work. As Rousseau (2010) points out, it is what individuals understand terms like ‘challenging work’ to mean which is a key aspect of reaching agreement on contract terms (p. 197). While managers explicitly identified constraints to meeting this expectation, such as operational requirements and graduates’ skill levels, graduates offered little explicit recognition that challenging work may not always be available due to organisational constraints. The broad nature of the expectations cited by each party (such as providing challenging and meaningful work) suggests that while there may be the outward appearance of agreement and mutuality, the actual understanding, enactment and meeting of these beliefs will be more complex. As social exchange theory would suggest, both parties are at the stage of establishing their exchange relations and are slowly making investments which signal commitments to, and a willingness to trust, the other party (Blau, 1964). The recognition of this, and potential re-negotiations of the contract, will not likely be enacted until later on in the employment relationship when the specific nature of the graduates’ work and their clearer understanding of the workings of their particular organisation become apparent.

4.8 Summary

The findings relating to the Study 1 research questions extend the understanding of the content of newcomers’, and their managers’, psychological contract beliefs using Rousseau’s (2000) contract typology. Despite the fairly broad, generic and non-organisational specific employment-related schemas that appeared to be driving graduates’ contract content, there exists an initially high degree of mutuality between the beliefs of each party, although the lack of specificity, from both graduates and managers, offers some insight into the potential difficulty in actually reaching agreement on contract terms. Further, the findings extend our understanding of how individuals develop their contract beliefs, through a mix of social network information (regarding broader employment expectations) and perceptions of various elements of an organisation’s reputation (for more firm-specific expectations), with the latter clearly operating as cues to the development of, in particular, individuals’ balanced

and relational contract content. In setting the ‘baseline’ for individuals’ contract beliefs at organisational entry, the focus of Study 2 is on understanding how these beliefs change over time. The following chapter describes the overall objectives of Study 2 and the data collection procedures and analytical technique used. The results from the four-wave, quantitative surveys are then presented, including a discussion of the theoretical implications of the findings.

Chapter 5: Study 2 – Results and Discussion

The previous chapter presented the results of the semi-structured interviews undertaken in Study 1, including a discussion of the theoretical implications of the findings. These results offered, in particular, an understanding of the ‘starting point’ of individuals’ contract beliefs around the time of organisational entry. The role of Study 2 is to explore, through a longitudinal quantitative method, how these beliefs then change over time and the role of a range of variables, operating at different levels, in predicting the change. This chapter begins by outlining the overall objectives of Study 2 and the research questions to be answered (section 5.1). The study’s sampling strategy is then described and justified and the subsequent sample characteristics are detailed (section 5.2). The implementation of the data collection procedure is then outlined (section 5.3), with the quantitative measures utilised also being described and their validity and reliability assessed (section 5.4). The use of individual growth modelling as the analytical procedure is then described in some detail given the number, and complexity, of models analysed (section 5.5). The results of this quantitative study are then presented (section 5.6), including a discussion of the theoretical implications of the findings (section 5.7).

5.1 Objectives

This study builds upon the Study 1 findings in order to understand the patterns, or ‘shape’, of the change in individuals’ psychological contracts over a period of time and the roles of corporate reputation and LMX perceptions (organisational- and dyadic- levels cues respectively) and positive and negative affect and hardiness (individual difference variables) in predicting these changes. Specifically, the aim of Study 2 is to answer the following research questions:

2. How does an individual’s psychological contract change, across perceived employee and employer obligations, over time? Specifically:
 - (a) How do corporate reputation perceptions impact upon perceived employee and employer obligations?
 - (b) How does the quality of the manager-employee relationship impact upon perceived employee and employer obligations?

- (c) How do the individual difference variables of affect and hardiness impact upon perceived employee and employer obligations?

5.2 Sampling strategy and sample characteristics

The Study 2 sample was identified as the full sampling frame for the research program. As such, the surveys were made available to the 322 graduates from the 12 participating organisations at each of the four time points. This was done to encourage high response rates, particularly as the surveys were over four time points and it was likely, as is the case with many longitudinal studies, that either attrition or non-participation at some time points would lower the overall response rates. To directly access the sample, the researcher emailed a link to the online survey to all possible respondents (see section 5.3 for details of the survey procedure). Table 5.1 shows the overall response rates across all four survey waves.

Table 5.1: Study 2 - overall response rates for all four surveys

	Survey 1	Survey 2	Survey 3	Survey 4
Total responses	176	154	125	99
% of possible respondents (322)	54.7%	47.8%	38.8%	30.8%

The full, initial data set for Study 2 included individuals who had completed the survey once, twice or three times (at any time point) or on all four occasions. However, initial analysis of the data, through the individual growth model-building process and which incorporated the entire data set, resulted in some models, particularly the more complex ones, suffering from estimation problems. As such, this raised the concern that these outcomes were occurring because the full data set being used included individuals who had only completed the survey once or twice. Table 5.2 provides an overview of the overall survey completion rates over time and shows that 131 people (of a total of 238 individuals who completed surveys over the course of the study) completed the survey only once or twice.

Table 5.2: Study 2 – the number of individuals who completed one, two, three (at some combination of time points) or all four surveys

Only one survey completed	Only two surveys completed	Only three surveys completed	All four surveys completed
78	53	57	50

Given the nature of the modelling technique to be used to analyse this data, it was determined that some sample adjustment was required and that individuals who completed the survey only once or twice be removed from the final data set for analysis. Appendix 5.1 provides a more detailed justification for this sample adjustment in light of the analytic technique used for the Study 2 data. Further, an independent samples t-test was conducted to compare the types of psychological contracts and independent variable responses (corporate reputation, LMX, positive and negative affect and hardiness) of the one or two time survey respondents and the three or four time survey respondents. The results indicated no significant differences on any of the variables between the samples (see Appendix 5.2 for the results table), except for the employer relational obligations component of the contract which was only marginally significant ($p = 0.05$) when unadjusted for Type I error inflation due to multiple comparisons. Also, Appendix 5.3 highlights the characteristics for the entire, full sample and the sample of individuals who completed the survey only once or twice. Through visual inspection, in conjunction with Table 5.3 (showing the reduced sample's demographic characteristics), it was assessed that there were no obvious, significant differences between the groups. As such, the final sample for Study 2 consists only of individuals who completed the survey either three or four times.

Table 5.3 highlights the final sample's demographic and other characteristics. Overall, 107 individuals completed the survey 3 or 4 times (at Time 1 (96), Time 2 (101), Time 3 (97) and Time 4 (77)). The sample characteristics for Study 2, as in the Study 1 sample, are reflective of individuals entering organisational graduate programs. As in Study 1, the majority of participants were under 30 years of age, were in permanent, full-time roles and, from the Time 1 surveys, about 70% of respondents identified as being in their first professional role. Further, all participants held at least an undergraduate qualification and had a range of degree backgrounds, including commerce/accounting/economics,

engineering, business, information technology and science and/or a double degree consisting of some combination of these. At each time point, the majority of participants were male (about two-thirds) compared to females (about one-third), which is comparable to the gender split in the Study 1 sample.

Table 5.3: Study 2 sample characteristics – for those individuals who completed three (at some combination of time points) or four surveys in total

Characteristic	Time 1	Time 2	Time 3	Time 4
No. of respondents	96	101	97	77
Gender	Female – 36.8% Male – 63.2%	Female – 34.7% Male – 65.3%	Female – 35.1% Male – 64.9%	Female – 36.4% Male – 63.6%
Age (years)				
20-28	91.6%	91.1%	91.8%	87%
29-39	7.4%	7.9%	7.2%	10%
40 or over	1%	1%	1%	13%
Highest level of education	Undergraduate – 73.7% Postgraduate – 26.3%	Undergraduate – 71.3% Postgraduate – 28.7%	Undergraduate – 68% Postgraduate – 32%	Undergraduate – 71.4% Postgraduate – 28.6%
Employment status^a	Perm FT – 92.6% Perm PT – 0% Temp FT – 7.4% Temp PT – 0%	Perm FT – 92.1% Perm PT – 1% Temp FT – 6.9% Temp PT – 0%	Perm FT – 92.8% Perm PT – 0% Temp FT – 7.2% Temp PT – 0%	Perm FT – 93.5% Perm PT – 0% Temp FT – 6.5% Temp PT – 0%

^a Perm = permanent; Temp = temporary; FT = full-time; PT = part-time

5.3 Data collection procedure

A quantitative, longitudinal and multi-wave data collection approach was undertaken for Study 2. The surveys were web-based and administered by individually emailing each participant with information on the research, the researcher’s contact details and a link to the survey. Access to the details of participants (to coordinate survey distribution) was through each participating organisation’s graduate program coordinator. When the researcher directly emailed each participant with the survey link, they were also assigned a unique ‘identifier code’ to allow the tracking of responses over time and the identification of individuals to assist in the interview sampling process for Study 3. The identifier code was an alpha-numeric construction. Only the researcher had access to these codes for individual identification (see Chapter 3 – Methodology, section 3.5 ‘Ethical considerations’).

The surveys were distributed at four time points in a multi-wave data collection approach. The first survey was made available within one month of entry (February/March 2008) and then made available three more times over the 14 month period of Study 2 (at approximately July 2008, December 2008 and March 2009). Although attempts were made to align the actual data collection with these timeframes, in reality there was some staggering of the survey distribution. For some organisations, this could be around a month from the timeframes outlined. This was often due to requiring organisational permission to send the surveys to participants at each time point and distribution delays sometimes occurring, for example, to avoid periods of high staff workload. While this staggered approach allowed for data to be captured at closer intervals, meaning there weren't large gaps between one survey round and the next, it means that the original data collection design wasn't strictly adhered to. This issue is discussed in more detail in section 5.4.6, where the measurement of the 'time' variable is outlined. The survey was made available to the overall sampling frame of 322 graduates from the 12 participating organisations at each of the four time points.

5.4 Measures

The survey items consisted of psychological contract, corporate reputation, LMX, positive and negative affect and hardiness measures taken from the extant literatures. The survey also included measures of demographic variables. A description of each of these measures, including their validity and reliability, is provided below (the full survey is provided in Appendix 5.4). For the confirmatory factor analyses undertaken for each measure, the full samples of survey respondents at each time point are utilised.

5.4.1 Psychological contract content

The Psychological Contract Inventory (PCI, Rousseau, 2000) is the theoretically developed scale to measure Rousseau's conceptualisation of relational, balanced and transactional psychological contracts (Freese & Schalk, 2008). This includes assessing the sub-dimensions of each contract type: the two sub-dimensions of relational contracts (loyalty and stability), the two sub-dimensions of transactional contracts (narrow and short-term) and the three sub-dimensions of balanced contracts (performance support, development and external marketability) (Rousseau & Tijoriwala, 1998). The inventory comprises 56 items assessing employees' beliefs regarding reciprocal employment obligations.

The first set of questions relates to the commitments/obligations respondents believe that *they* have made to their particular employer (28 items), referred to as ‘employee obligations’ (EEO). The second set of questions relates to the commitments/obligations respondents believe that their particular *employer* has made to them (28 items), referred to as ‘employer obligations’ (ERO). The measurement of each sub-dimension includes four items, with the overall relational contract type measured through eight items, the balanced contract type through 12 items and the transactional contract type through eight items. It is important to note that although Rousseau’s (1989) initial theoretical conceptualisation of the contract focuses upon perceived promises, this scale does not include the terminology of promises and instead uses the broader lexicon of obligations and commitments. This is consistent with the conceptualisation of the psychological contract in this thesis (see Chapter 2 – Literature Review). Each survey item is rated on a scale from 1 (‘Not at all’) to 5 (‘Agree to a Great Extent’). To ascertain perceived employee obligations, respondents are asked ‘to what extent have you made the following commitments or obligations to your employer?’ Conversely, to identify perceived employer obligations, respondents are asked to ‘consider your relationship with your current employer - to what extent has your employer made the following commitments or obligations to you?’ A brief description of the contract types, their sub-dimensions and example survey items for each are now provided.

Relational contracts are open-ended collaborations (Dabos & Rousseau, 2004) and are constituted by two dimensions: (1) mutual *loyalty*; and (2) long-term *stability*, often in the form of job security (Dabos & Rousseau, 2004). Example survey items regarding perceived employee obligations along the loyalty and stability dimensions are, respectively: ‘make personal sacrifices for this organisation’; and ‘make no plans to work anywhere else’. Example items regarding perceived employer obligations along the loyalty and stability dimensions are, respectively: ‘be responsive to my personal concerns and well-being’; and ‘steady employment’.

Transactional contracts refer to collaborations of limited duration that can be characterised as easy-to-exit agreements with relatively high turnover and low levels of organisational commitment (Dabos & Rousseau, 2004). Transactional contracts are constituted by two

dimensions: (1) *narrow* involvement in the organisation, limited to a few well-specified performance terms; and (2) being of *short-term* duration (Dabos & Rousseau, 2004). Example survey items regarding perceived employee obligations along the narrow and short-term dimensions are, respectively: ‘fulfil a limited number of responsibilities’; and ‘leave at any time I choose’. Example items regarding perceived employer obligations along the narrow and short-term dimensions are, respectively: ‘require me to perform only a limited set of duties’; and ‘a job only as long as this employer needs me’.

Balanced contracts blend features of both relational and transactional arrangements (Dabos & Rousseau, 2004) and are constituted by three dimensions: (1) offering support for meeting increasing and changeable performance requirements (*performance support*); (2) engaging in employee *development* activities and offering career development within the organisation; and (3) support for developing *externally marketable* job skills. Example survey items regarding perceived employee obligations along the performance support, development and external marketability dimensions are, respectively: ‘accept new and different performance demands’; ‘build skills to increase my value to this organisation’; and ‘build contacts outside this firm that enhance my career potential’. Example items regarding perceived employer obligations along the performance support, development and external marketability dimensions are, respectively: ‘support me in meeting increasingly higher goals’; ‘opportunity for career development within this firm’; and ‘help me develop externally marketable skills’.

The PCI has been used in a number of studies (e.g. Irving & Bobocel, 2002; Dabos & Rousseau, 2004; Hui et al., 2004; Wang et al., 2007), including in the United States, Taiwanese, Singaporean, Chinese and Latin American cultural contexts. All known studies to have utilised this scale use the aggregated, factor-level measures for analysis; that is, by contract type of relational, balanced and transactional. However, the confirmatory factor analyses (CFA) for this study suggest that these higher-order factors are not the best fit to the data due to low correlations among some of the contract type sub-dimensions (these analyses are presented later in this section). Whilst other studies have offered evidence of PCI scale reliability and validity at the higher-order factor-level (that is, contract types rather than sub-dimensions), there is also evidence for alternative factor structures.

First, in Rousseau's (2000) initial development of the scale, item-level factor analyses offered evidence of a structure aligned to the posited contract sub-dimensions, with a five-factor solution for employer obligations (albeit with some balanced and relational sub-dimension cross-loading and a transactional sub-dimension not included) and a six factor solution for employee obligations (but with some cross-loading of the balanced sub-dimensions and a relational sub-dimension not included). Second, despite these findings from the initial scale development, researchers subsequently using the scale have generally only tested two- and three-factor solutions at the level of contract types (e.g. Dabos & Rousseau, 2004; Hui et al., 2004), which limits the understanding of whether maintaining dimension-level factors would indeed improve model fit (via the CFA). Third, the impetus for testing dimension-level factors in this study was the very low inter-factor correlation between the employee transactional contract sub-dimensions ($r = 0.05$). While Rousseau (2000) similarly found a relatively low correlation between these sub-dimensions ($r = 0.28$), no other research could be found which assessed the correlations between contract sub-dimensions - as analysis is usually at the contract type-level. Further, Hui et al.'s (2004) comparatively low Cronbach α estimates for the transactional contract type ($\alpha = 0.63$ across two samples) also offers some evidence that the underlying sub-dimensions of this contract type, particularly, may warrant being analysed separately. As such, there is support for maintaining, or at least investigating, dimension-level factors in analyses utilising the PCI.

To confirm the factor structure of the PCI scale as used in this study, four competing confirmatory factor models were tested for employee and employer obligations separately. The first model (Model 1) tested an oblique, seven-factor congeneric model representing the seven contract sub-dimensions, as hypothesised by Rousseau's (2000) model, with all seven factors allowed to co-vary. The second model (Model 2) replaced the factor covariances with three higher-order factors representing the relational, balanced and transactional contract types. These three higher-order factors were allowed to co-vary with each other. The third model (Model 3) included the three contract-type factors only, without the intervening seven sub-dimensions explicitly modelled. Again, the three factors were allowed to co-vary. A fourth model (Model 4) was tested which involved: the two transactional contract sub-

dimensions being modelled without a transactional contract higher-order factor; and the relational and balanced contract factors remaining as higher-order factors and with their respective sub-dimensions. This model was tested because, as identified earlier, the initial CFAs indicated a relatively low inter-factor correlation ($r = 0.05$ at Time 1) between the two employee transactional contract sub-dimensions (narrow and short-term), leading to the higher-order latent factor not being empirically identified. Assessments of model fit follow Hu and Bentler's (1999) and Meyers, Gamst and Guarino's (2006) acceptance criteria⁵ and the results from the CFAs are outlined in Table 5.4 (for employee obligations) and Table 5.5 (for employer obligations).

Overall, model fit for all models failed to reach conventional levels, and degraded somewhat from time points 1 to 4, and some models exhibited other estimation problems such as negative variances. One likely reason for these estimation problems and model degradation is due to the small sample sizes at later time points. All results should therefore be viewed with some caution. Reassuringly, however, standardised loadings maintained reasonable stability across all models.

With respect to the best model fits, for employee obligations, the best-fitting model was Model 1, which maintained the seven inter-correlated contract sub-dimensions, without the higher-order contract-type factors (see Table 5.4). This result supports the use of a seven-factor model in preference to either a three- or four-factor model (although it is again highlighted that these models must be treated with caution as none meet conventional levels of model fit). For employer obligations, Model 1 exhibited a statistically significant better fit than Model 2 (see Table 5.5). While the difference between Model 1 and Model 4 was statistically significant for the Time 2 and Time 3 data, it was not statistically significant for the Time 1 and Time 4 data (see Table 5.5). This pattern suggests that either a seven-factor or a four-factor model could be used for employer obligations. However, to maintain

⁵ A non-significant chi-square (χ^2) is desired (Meyers et al., 2006). For the CMIN/DF ('relative chi-square' (Wheaton, Muthen, Alwin & Summers, 1977)), Wheaton et al. (1977) suggest a cut-off of 3.0. For the RMSEA, Hu and Bentler (1999) suggest a cut-off close to 0.06. For the SRMR, Hu and Bentler (1999) suggest a cut-off of 0.08. The Comparative Fit Index (CFI) and Tucker-Lewis Index (TLI) were used and generally, for both measures, a cut-off of over 0.90 is considered acceptable (Meyers et al., 2006).

Table 5.4: Results from the psychological contract scale confirmatory factor analyses - employee obligations

Model	Time	χ^2 (df)	χ^2 (df) test ^b	CMIN/DF	RMSEA	SRMR	CFI	TLI
Model 1: Seven sub-dimensions only	Time 1	508.962 (329)	n/a	1.547	0.056	0.072	0.883	0.866
Model 2: Seven sub-dimensions plus the three higher-order contract-type factors	Time 1	547.642 (340) ^a	38.680 (11), $p < 0.005$	1.611	0.059	0.089	0.865	0.850
Model 3: Three contract-type factors only	Time 1	870.469 (347)	361.507 (18), $p < 0.005$	2.509	0.093	0.120	0.661	0.630
Model 4: Transactional contract sub-dimensions kept separate and relational and balanced higher-order contract-type factors maintained	Time 1	542.317 (339) ^a	33.355 (10), $p < 0.005$	1.600	0.059	0.086	0.868	0.853
Model 1: Seven sub-dimensions only	Time 2	572.605 (329)	n/a	1.740	0.069	0.0785	0.850	0.828
Model 2: Seven sub-dimensions plus the three higher-order contract-type factors	Time 2	604.944 (340) ^a	32.339 (11), $p < 0.005$	1.779	0.071	0.093	0.837	0.819
Model 3: Three contract-type factors only	Time 2	909.195 (347)	336.59 (18), $p < 0.005$	2.620	0.103	0.120	0.654	0.623
Model 4: Transactional contract sub-dimensions kept separate and relational and balanced higher-order contract-type factors maintained	Time 2	604.338 (339) ^a	31.733 (10), $p < 0.005$	1.783	0.071	0.092	0.837	0.818
Model 1: Seven sub-dimensions only	Time 3	639.518 (329)	n/a	1.944	0.086	0.097	0.769	0.735
Model 2: Seven sub-dimensions plus the three higher-order contract-type factors	Time 3	676.888 (340) ^a	37.370 (11), $p < 0.005$	1.991	0.088	0.115	0.749	0.721
Model 3: Three contract-type factors only	Time 3	971.190 (347)	331.672 (18), $p < 0.005$	2.799	0.119	0.141	0.536	0.494
Model 4: Transactional contract sub-dimensions kept separate and relational and balanced higher-order contract-type factors maintained	Time 3	668.726 (339) ^a	29.208 (10), $p < 0.005$	1.973	0.088	0.109	0.755	0.727
Model 1: Seven sub-dimensions only	Time 4	593.823 (329)	n/a	1.805	0.088	0.089	0.804	0.774
Model 2: Seven sub-dimensions plus the three higher-order contract-type factors	Time 4	640.000 (340) ^a	46.177 (11), $p < 0.005$	1.882	0.930	-	0.777	0.753
Model 3: Three contract-type factors only	Time 4	987.042 (347)	393.219 (18),	2.845	0.134	0.162	0.525	0.483

			$p < 0.005$					
Model 4: Transactional contract sub-dimensions kept separate and relational and balanced higher-order contract-type factors maintained	Time 4	629.454 (339) ^a	35.631 (10), $p < 0.005$	1.857	0.091	0.117	0.785	0.760

^a Solution not admissible and estimates not generated / negative variances and covariance matrix not positive definite

^b Model 1 is tested against Models 2-4 for the purposes of evaluating model fit, as this is the most restricted model (least number of parameters estimated)

- Model did not run for this statistic and estimates not generated

Table 5.5: Results from the psychological contract scale confirmatory factor analyses - employer obligations

Model	Time	χ^2 (df)	χ^2 (df) test ^b	CMIN/DF	RMSEA	SRMR	CFI	TLI
Model 1: Seven sub-dimensions only	Time 1	564.082 (329)	n/a	1.715	0.064	0.080	0.884	0.867
Model 2: Seven sub-dimensions plus the three higher-order contract-type factors	Time 1	586.039 (340)	21.957 (11), $p < 0.05$	1.724	0.064	0.085	0.878	0.865
Model 3: Three contract-type factors only	Time 1	837.720 (347)	273.638 (18), $p < 0.005$	2.414	0.090	0.092	0.758	0.736
Model 4: Transactional contract sub-dimensions kept separate and relational and balanced higher-order contract-type factors maintained	Time 1	580.439 (339) ^a	16.357 (10), $p > 0.05$	1.712	0.064	0.082	0.881	0.867
Model 1: Seven sub-dimensions only	Time 2	587.958 (329)	n/a	1.787	0.071	0.082	0.899	0.883
Model 2: Seven sub-dimensions plus the three higher-order contract-type factors	Time 2	629.799 (340)	41.841 (11), $p < 0.005$	0.871	0.074	0.096	0.886	0.874
Model 3: Three contract-type factors only	Time 2	825.515 (347)	237.557 (18), $p < 0.005$	2.379	0.095	0.086	0.813	0.796
Model 4: Transactional contract sub-dimensions kept separate and relational and balanced higher-order contract-type factors maintained	Time 2	614.774 (339) ^a	26.816 (10), $p < 0.005$	1.813	0.073	0.087	0.892	0.880
Model 1: Seven sub-dimensions only	Time 3	588.814 (329)	n/a	1.790	0.079	0.082	0.847	0.824
Model 2: Seven sub-dimensions plus the three higher-order contract-type factors	Time 3	632.585 (340)	43.771 (11), $p < 0.005$	1.861	0.082	0.090	0.828	0.808
Model 3: Three contract-type factors only	Time 3	859.524 (347)	270.710 (18),	2.477	0.108	0.101	0.698	0.671

			$p < 0.005$					
Model 4: Transactional contract sub-dimensions kept separate and relational and balanced higher-order contract-type factors maintained	Time 3	617.808 (339) ^a	28.994 (10), $p < 0.005$	1.822	0.080	0.086	0.836	0.817
Model 1: Seven sub-dimensions only	Time 4	492.542 (329)	n/a	1.497	0.069	0.899	0.878	0.860
Model 2: Seven sub-dimensions plus the three higher-order contract-type factors	Time 4	522.380 (340)	29.838 (11), $p < 0.005$	1.536	0.072	0.114	0.864	0.848
Model 3: Three contract-type factors only	Time 4	815.162 (347)	322.620 (18), $p < 0.005$	2.349	0.114	0.115	0.650	0.619
Model 4: Transactional contract sub-dimensions kept separate and relational and balanced higher-order contract-type factors maintained	Time 4	504.078 (339) ^a	11.536 (10), $p > 0.05$	1.487	0.069	0.095	0.877	0.862

^a Solution not admissible and estimates not generated / negative variances and covariance matrix not positive definite

^b Model 1 is tested against Models 2-4 for the purposes of evaluating model fit, as this is the most restricted model (least number of parameters estimated)

consistency with the employee obligations' factor structure, a seven-factor model was also used for employer obligations.

Overall, the CFA evidence from this study found that the significantly better-fitting models for both sets of obligations (employee and employer) were those which allowed the seven latent factors (the contract sub-dimensions) to inter-correlate and which did not employ the higher-order factors (at the contract-type level). The inter-factor correlations for each of the employee and employer obligation sub-dimension factors are outlined in Table 5.6.

Table 5.6: Inter-factor correlations for each of the employee and employer obligation sub-dimensions

Sub-dimension factors	Time	Correlations (<i>r</i> -values)
Employee obligations		
Relational contract sub-dimensions	Time 1	0.73
Balanced contract sub-dimensions	Time 1	0.30 - 0.81
Transactional contract sub-dimensions	Time 1	0.03
Time 2		
Relational contract sub-dimensions	Time 2	0.71
Balanced contract sub-dimensions	Time 2	0.33 – 0.88
Transactional contract sub-dimensions	Time 2	-0.01
Time 3		
Relational contract sub-dimensions	Time 3	0.70
Balanced contract sub-dimensions	Time 3	0.22 – 0.85
Transactional contract sub-dimensions	Time 3	0.05
Time 4		
Relational contract sub-dimensions	Time 4	0.64
Balanced contract sub-dimensions	Time 4	0.12 – 0.86
Transactional contract sub-dimensions	Time 4	0.28
Employer obligations		
Relational contract sub-dimensions	Time 1	0.70
Balanced contract sub-dimensions	Time 1	0.49 - 0.87
Transactional contract sub-dimensions	Time 1	0.57
Time 2		
Relational contract sub-dimensions	Time 2	0.70
Balanced contract sub-dimensions	Time 2	0.74 – 0.93
Transactional contract sub-dimensions	Time 2	0.62
Time 3		
Relational contract sub-dimensions	Time 3	0.62
Balanced contract sub-dimensions	Time 3	0.54 – 0.78
Transactional contract sub-dimensions	Time 3	0.60
Time 4		
Relational contract sub-dimensions	Time 4	0.35
Balanced contract sub-dimensions	Time 4	0.41 – 0.74
Transactional contract sub-dimensions	Time 4	0.54

To assess scale reliability, composite reliability and average variance extracted measures (Fornell & Larcker, 1981) were computed (see Table 5.7). Composite reliability (CR) estimates for all employee and employer obligation sub-dimensions were above the 0.60 threshold and, from the Time 1 data, ranged from 0.61-0.88 with a mean of 0.75. For the average variance extracted (AVE) estimates, some variables demonstrated AVE measures consistently exceeding the 0.50 threshold over time (the employee stability dimension and employer loyalty, performance support and development dimensions). Other dimensions dipped below this at, at least, one time point (the employee performance support, external marketability, narrow and short-term dimensions and the employer stability, external marketability and short-term dimensions). Only three variables did not reach the 0.50 threshold at any time point (the employee loyalty and development dimensions and the employer narrow dimension). However, as Fornell and Larcker (1981) note, the AVE is a more conservative measure than the composite reliability estimates and the authors suggest that on the basis of the latter alone, the researcher may conclude that the convergent validity of the construct is adequate, even though more than 50% of the variance is due to error. This reasoning, along with ensuring scale comparability with the existing literature, meant that all items for each dimension were retained for subsequent analyses.

Overall, as a result of these analyses, 14 dependent variables, representing the lower-level contract-type sub-dimensions, were used in subsequent analyses in Study 2. These refer to employees' perceived obligations to their particular employer (labelled 'employee obligations loyalty, stability, narrow, short-term, performance support, development and external marketability') and employees' perceptions of their particular employer's obligations to them (labelled 'employer obligations loyalty, stability, narrow, short-term, performance support, development and external marketability'). All scale items for each of the contract sub-dimensions were retained in order to facilitate comparisons with other studies.

Table 5.7: Average Variance Extracted (AVE) and Composite Reliability (CR) results for all dependent and independent variables

Dependent/independent variable scale	Time 1		Time 2		Time 3		Time 4	
Psychological contract scale								
Employee obligations	CR	AVE	CR	AVE	CR	AVE	CR	AVE
EEO_loyalty	0.70	0.38	0.69	0.37	0.68	0.37	0.67	0.34
EEO_stability	0.83	0.56	0.82	0.54	0.82	0.53	0.83	0.56
EEO_performance support	0.79	0.49	0.82	0.53	0.72	0.41	0.84	0.57
EEO_development	0.73	0.41	0.77	0.46	0.77	0.46	0.75	0.44
EEO_external marketability	0.70	0.38	0.77	0.46	0.76	0.45	0.83	0.56
EEO_narrow	0.70	0.39	0.71	0.39	0.72	0.40	0.80	0.50
EEO_short-term	0.68	0.36	0.70	0.38	0.72	0.42	0.80	0.51
Employer obligations	CR	AVE	CR	AVE	CR	AVE	CR	AVE
ERO_loyalty	0.83	0.54	0.86	0.61	0.84	0.57	0.82	0.54
ERO_stability	0.79	0.50	0.76	0.47	0.76	0.48	0.79	0.53
ERO_performance support	0.83	0.56	0.88	0.64	0.84	0.57	0.86	0.61
ERO_development	0.88	0.64	0.92	0.75	0.87	0.63	0.91	0.71
ERO_external marketability	0.80	0.52	0.75	0.45	0.72	0.40	0.70	0.38
ERO_narrow	0.61	0.30	0.77	0.46	0.73	0.41	0.71	0.39
ERO_short-term	0.64	0.35	0.81	0.52	0.80	0.51	0.79	0.49
Corporate reputation scale								
	CR	AVE	CR	AVE	CR	AVE	CR	AVE
CR_emotional	0.90	0.57	0.92	0.63	0.88	0.52	0.90	0.57
CR_rational	0.82	0.44	0.86	0.51	0.87	0.52	0.88	0.56
Leader-member exchange scale								
	CR	AVE	CR	AVE	CR	AVE	CR	AVE
LMX	n/a	n/a	0.91	0.58	0.87	0.49	0.89	0.54
Positive and negative affect scale								
	CR	AVE	CR	AVE	CR	AVE	CR	AVE
Positive affect	n/a	n/a	0.85	0.37	0.85	0.38	0.90	0.47
Negative affect	n/a	n/a	0.85	0.37	0.85	0.38	0.90	0.47
Hardiness scale								
	CR	AVE	CR	AVE	CR	AVE	CR	AVE
Hardiness	n/a	n/a	0.74	0.33	0.75	0.36	0.79	0.39

5.4.2 Corporate reputation

The Reputation Quotient (RQ, Fombrun et al., 2000) instrument is comprised of 20 items to assess the six posited sub-dimensions of reputation: emotional appeal (three items); products and services (four items); vision and leadership (three items); workplace environment (three

items); social and environmental responsibility (three items); and financial performance (four items). Respondents score their own organisation on 20 reputation attributes on a scale of 1 ('Does not describe my perception') to 7 ('Describes my perception very well'), after being asked 'how would you describe your current organisation, based on the items below?' Although the scale items were developed to reflect the six sub-dimensions of reputation, factor analyses generally demonstrate the presence of two overarching factors focused upon 'emotional appeal' and 'rational appeal' (Fombrun et al., 2000; Ou et al., 2006; Porritt, 2005).

In this study, exploratory factor analyses (EFAs) were conducted on the RQ scale at each of the four time points and it was determined that a two-factor solution offered the most robust factor structure over time. The finalised two factors were labelled 'CR_emotional' (seven items) and 'CR_rational' (six items), which somewhat mirror Porritt's (2005) results and broadly align with Fombrun et al.'s (2000) underlying theorised factor structure. Appendix 5.5 details the scale items retained on each factor. Specifically the 'CR_emotional' factor focuses upon feelings of trust and respect for the organisation (an example item is 'I have a good feeling about the organisation'). The 'CR_rational' factor focuses upon perceptions of the organisation's financial capabilities, products and services and future growth prospects (an example item is 'it tends to outperform its competitors'). While some scale items were removed due to low communalities or consistent cross-loading over time points in the EFAs, others were dropped because their content did not align with what the two factors are theorised to capture. For example, the item 'it offers products and services that are good value for money' loaded onto the 'emotional appeal' factor, even though this more clearly aligns with the 'rational appeal' factor. Other items were removed because they loaded ambiguously across time points. For example, items relating to 'excellent leadership' and the organisation being 'well-managed' did not cleanly load onto either of the two factors across all time points. Porritt (2005) also found these particular items to be ambiguous. Overall, the items retained were done so because they were both robust over time in the EFAs and their content clearly reflected what the 'emotional' and 'rational' appeal factors of reputation are theorised to capture (Fombrun et al., 2000).

A CFA further demonstrated the suitability of the two-factor structure over a possible aggregated, one-factor structure (see Table 5.8 for these results), with the two factors being quite highly correlated ($r = 0.53$). The fit indices for the Time 1 data met conventional thresholds (except for the RMSEA measure which was higher than 0.06): χ^2 147.182 (64 df); CMIN/DF (2.30); RMSEA (0.086); SRMR (0.065); CFI (0.926); TLI (0.910). The composite reliability estimates for each scale exceeded 0.80 and all AVE measures exceeded 0.50 over time, except for the CR_rational factor at Time 1 at 0.44 (see Table 5.7). Overall, this two-factor structure comprising 13 items in total was retained for subsequent analyses.

Table 5.8: Results from the corporate reputation scale confirmatory factor analyses

Models	Time	χ^2 (df) ^a	CMIN/DF	RMSEA	SRMR	CFI	TLI
Two-factor structure (as determined through EFAs)	Time 1	147.182 (64)	2.300	0.086	0.065	0.926	0.910
One-factor structure	Time 1	457.684 (170)	2.692	0.098	0.069	0.845	0.827
Two-factor structure (as determined through EFAs)	Time 2	201.256 (64)	3.145	0.118	0.073	0.894	0.870
One-factor structure	Time 2	619.203 (170)	3.642	0.131	0.074	0.801	0.777
Two-factor structure (as determined through EFAs)	Time 3	138.95 (64)	2.171	0.096	0.077	0.909	0.889
One-factor structure	Time 3	515.002 (170)	3.029	0.126	0.088	0.773	0.747
Two-factor structure (as determined through EFAs)	Time 4	220.991 (64)	3.453	0.154	0.086	0.826	0.788
One-factor structure	Time 4	494.775 (170)	2.910	0.136	0.078	0.795	0.770

^a a χ^2 (df) test was not conducted here, as scale items were removed between the two models.

5.4.3 Leader-member exchange

The Leader-Member Exchange-7 (LMX-7) is a well-established uni-dimensional scale, first reported in detail by Scandura and Graen (1984). The scale focuses on capturing respondents' perceptions of the quality of the relationship with their own supervisor/manager. Given that the original LMX-7 utilised by Scandura and Graen (1984) used different scale anchors for the differently worded items, this study instead uses Paglis and Green's (2002) amended version of the LMX-7, which facilitates the use of consistent agreement-type anchors. The instrument is comprised of seven items and respondents are

asked to consider their working relationship with their supervisor and respond to each item on a scale from 1 ('Strongly Disagree') to 5 ('Strongly Agree'). Example items are: 'my supervisor understands my job problems and needs'; 'I would characterise my working relationship with my supervisor as extremely effective'; and 'regardless of how much formal authority he/she has built into their position, my supervisor would use his/her power to help me solve problems in my work'.

The reliability and validity of the scale has been demonstrated across a number of studies (Liden, Wayne & Stilwell, 1993; Green, Anderson & Shivers, 1996; Paglis & Green, 2002) and it has become the most commonly-used measure for LMX operationalisation (Schreischeim et al., 1999). In this study, a CFA on the Time 2 data (when the scale was first used) indicated good model fit (except for the RMSEA which was higher than 0.06): χ^2 31.808 (14 df); CMIN/DF (2.272); RMSEA (0.091); SRMR (0.039); CFI (0.971); TLI (0.957). Table 5.9 provides the CFA results over time. All composite reliability measures exceeded 0.85 and all AVE measures reached at least 0.50 (except for Time 3 which is marginally below 0.50). For these results see Table 5.7. The LMX-7 scale items were retained in full for subsequent analyses.

Table 5.9: Results from the leader-member exchange scale confirmatory factor analyses

Time	χ^2 (df)	CMIN/DF	RMSEA	SRMR	CFI	TLI
Time 2	31.808 (14)	2.272	0.091	0.039	0.971	0.957
Time 3	36.324 (14)	2.595	0.112	0.058	0.939	0.908
Time 4	48.106 (14)	3.44	0.154	0.066	0.908	0.862

5.4.4 Positive-negative affect

The Positive and Negative Affect Schedule (PANAS) was developed by Watson, Clark and Tellegen (1988) and focuses on mood and generally how respondents view the world. The instrument is comprised of 20 items and respondents are presented with mood-relevant adjectives - 10 indicating positive and 10 indicating negative mood states (Cropanzano et al., 1993). Respondents are asked to indicate 'how much you generally have the feelings listed

below’ by responding on a scale ranging from 1 (‘Not at all’) to 5 (‘Extremely’). Example items are: ‘distressed’, ‘hostile’ and ‘irritable’ (all negative affect items); and ‘excited’, ‘strong’ and ‘enthusiastic’ (all positive affect items). For example, a high score on positive affect and a low score on negative affect indicates that a respondent views the world very positively. Positive and negative affect were considered separately in this study’s analyses, as various studies have determined that they are representative of different dimensions of affect (Watson & Tellegen, 1985; Crawford & Henry, 2004; Watson et al., 1988) and other studies have also considered them as separate variables (Singh & Jha, 2008; Mroczek & Kolarz, 1998). There has been ample quantitative support provided for the reliability, validity and two-factor structure of the PANAS (Watson et al., 1988; Crawford & Henry, 2004; Egloff, 1998; Vollrath & Torgersen, 2000; Cropanzano et al., 1993).

In this study, an EFA on the Time 2 data (when the construct was first measured) did not provide a clean, two-factor structure as per previous studies. While the majority of items did load onto their appropriate factor (positive affect or negative affect), some items did load onto another two factors. A CFA on the two-factor structure was conducted and Table 5.10 provides the results over time. Both affect measures did exhibit composite reliability scores above 0.80 over time, although the AVE measures remained below the 0.50 threshold (see Table 5.7). Although not always meeting conventional thresholds here, because these scales have been rigorously developed, are utilised in their complete form in other studies and in order to allow comparisons between this study and others in the literature, the positive and negative affect scales were maintained in their full and original forms for subsequent analyses.

Table 5.10: Results from the positive-negative affect scale confirmatory factor analyses

Time	χ^2 (df)	CMIN/DF	RMSEA	SRMR	CFI	TLI
Time 2	384.308 (169)	2.274	0.091	0.082	0.804	0.780
Time 3	328.458 (169)	1.944	0.086	0.092	0.823	0.801
Time 4	364.048 (169)	2.154	0.106	0.093	0.818	0.795

5.4.5 Hardiness

Hardiness scales seek to capture a psychological style associated with resilience, good health and performance under a range of stressful conditions (Bartone et al., 2008). In this study, given the number of measures already being used, Cole et al.'s (2006) condensed version of the hardiness scale is utilised. The instrument is comprised of six items (with two items per hardiness facet) and respondents are presented with a series of statements and are asked to indicate 'how you feel about each one and how much you think each one is true in general'. Responses are recorded on a scale ranging from 1 ('Never') to 5 ('Always'). Example items are: 'despite setbacks, I remain committed to accomplishing job tasks' (commitment facet); 'I am in control of most things that happen to me at work' (control facet); and 'I enjoy facing new challenges at work' (challenge facet). Cole et al. (2006) found reasonable scale reliability (Cronbach's $\alpha = 0.76$) and as per other studies they utilised a total score approach. No exploratory or confirmatory factor analyses were reported for this measure in their study. In this study, a CFA on the Time 2 data (when the construct was first measured) indicated good model fit, with all thresholds met (except for the RMSEA measure being marginally above 0.06): χ^2 14.65 (9 d.f.); CMIN/DF (1.63); RMSEA (0.064); SRMR (0.05); CFI (0.965); TLI (0.941). Table 5.11 provides the CFA results over time. All composite reliability measures exceeded 0.70, although all AVE measures remained under 0.50 (see Table 5.7). This hardiness scale was retained in full for subsequent analyses.

Table 5.11: Results from the hardiness scale confirmatory factor analyses

Time	χ^2 (df)	CMIN/DF	RMSEA	SRMR	CFI	TLI
Time 2	14.653 (9)	1.628	0.064	0.047	0.965	0.941
Time 3	16.160 (9)	1.796	0.079	0.055	0.956	0.927
Time 4	27.093 (9)	3.010	0.140	0.065	0.884	0.807

Overall, following all of the factor analyses undertaken on this study's substantive predictors of interest, there are six independent variables to be included in the Study 2 analyses. These are: corporate reputation (emotional factor); corporate reputation (rational factor); LMX; positive affect; negative affect; and hardiness.

5.4.6 Time

As a longitudinal study of change, the metric used to clock the variable of ‘time’ is important. In this study, although the data collection design was conceptualised as occurring in four phases, in actuality there was considerable variability in when respondents completed the surveys in relation to their start date with their organisation. For example, some individuals completed the Time 1 survey at say, two weeks from organisational entry (as anticipated in the data collection schedule), but others completed it at, say, three months from organisational entry (which does not cleanly align with the planned schedule). Therefore, the metric of time used was the length of time that had elapsed from organisational entry. To measure this, each survey instrument required individuals to identify the length of time that had elapsed from their organisational entry. This item was free-text and enabled the calculation of time as ‘weeks from organisational entry’ and resulted in a variably-spaced measurement design and time-unstructured temporal predictor. Some consistency checking was undertaken with a random selection of individuals’ responses to this repeated measurement, to ensure accurate responses across time points, and no obvious errors were identified.

The approach used in this study is consistent with the advice of Singer and Willett (2003), who have demonstrated that the use of a time-unstructured temporal predictor can lead to a superior model when compared with using a time-structured predictor. Overall, Singer and Willett (2003) counsel researchers to never ‘force’ an unstructured data set to be structured (p. 146). Therefore, in this study the variably-spaced time metric of ‘weeks from organisational entry’ is used as it: provides more precise information about the individual; overcomes the, somewhat inevitable, lack of data collection at precise measurement occasions; and offers a meaningful way of measuring change in order to respond to this study’s research questions.

5.4.7 Demographic information

A range of demographic data were also collected to provide general descriptions of the characteristics of the individuals completing the surveys. For ease of analysis, these measures were dummy-coded as follows. *Gender* was coded into the dichotomous categories of 0 = male and 1 = female. *Age* data were collected in the survey instruments through nine

categories, however for analysis purposes it was coded as 0 = 20-25 years of age and 1 = 26 years of age and above. The question of whether the current role was an individual's *first professional role* was dichotomously coded as 0 = No and 1 = Yes. Annual *income* data were collected in the survey instruments through seven categories, although given the use of a smaller number of these categories by respondents they were collapsed into two codes of 0 = \$30,001 - \$40,000 and 1 = \$40,001 and above. Finally, *employment status* information was collected in the surveys via four categories of permanent full- and part-time and temporary full- and part-time status. However, as all respondents were employed on a full-time basis the codes were collapsed to represent 0 = a permanent role and 1 = a temporary role.

5.5 Data analysis – overview of analytical procedure

5.5.1 Overview of individual growth modelling

The use of individual growth modelling (IGM), also called multilevel modelling (the terms will be used interchangeably), in this study was undertaken for conceptual and statistical reasons. Conceptually, IGM provides an avenue for answering the two kinds of questions that form the core of every study about change (including this study): (1) how does an outcome change over time?; and (2) can we predict differences in these changes? (Singer & Willet, 2003). The first question is descriptive and focuses on characterising each person's pattern of change over time and the second question is relational and examines the association between predictors and the patterns of change (Singer & Willet, 2003). In the context of this study, these questions relate to: (1) how does the content of an individual's psychological contract change over time (specifically, a 14 month period) (research question 2 overall)?; and (2) how does an individual's perception of his or her organisation's reputation, the quality of the manager-employee relationship and an individual's affective disposition and hardiness impact upon contract content change over time (research questions 2(a-c))?

To answer these questions, IGM is premised upon a two-stage, hierarchical model (Bryk & Raudenbush, 1987) and the analytical steps in this modelling process are presented in detail in section 5.5.4. IGM allows the researcher to consider change as a continuous process, as this study does, in line with extant theorising on the nature of contract change. IGM

facilitates this by focusing the investigation of change on the description of the individual growth trajectories that reflect that process, not simply the amount of change taking place between arbitrary time points during the unfolding of that process (Francis, Fletcher, Stuebing, Davidson & Thompson, 1991). IGM also has the flexibility to explore non-linear, such as quadratic, patterns of change. This is particularly useful in this study because, as identified in the Literature Review (Chapter 2), psychological contract change is theorised to be potentially quite complex and ongoing, suggesting that curvilinear change patterns may indeed better represent this process. As such, the IGM approach is conceptually appealing when dealing with questions of change, as it makes individual differences in growth the explicit focus of the study (Francis et al., 1991) and it also offers the researcher the flexibility to explore different types of change patterns.

In this study, relatively small samples, over time, have been generated (at Time 1 (96), Time 2 (101), Time 3 (97) and Time 4 (77)). In terms of the minimum sample size required in order to utilise this type of analytical procedure, generally only broad guidelines exist. As Singer and Willett (2003) summarise, some authors recommend a minimum of 100 individuals (e.g. Long, 1997), others consider a sample size of 30 or more to be large enough (Snijders & Bosker, 1999) and Maas and Hox (2005) found that when they explicitly tested various sample sizes, the estimates of the regression coefficients, the variance components and the standard errors were unbiased and accurate when sample sizes of 50 or more were utilised. Therefore, the samples used in this study generally meet the required minimum specifications for utilising IGM. Further, as Singer and Willett (2003) advise in small sample studies, the *p*-values and confidence intervals generated are used circumspectly. That is, significance levels of 0.05 are adhered to and Restricted Maximum Likelihood (REML) estimation is used to produce the model estimates, as it is the preferred method when sample sizes are smaller (Heck, Thomas & Tabata, 2010) (see sections 5.5.4 and 5.5.4.4 for further details of the use of REML in this study).

5.5.2 Data analysis software and data preparation

The SPSS program (Linear Mixed Models procedure) was used to conduct the analyses in this study. The unstructured linear time variable ('weeks from organisational entry') was created and the structured linear time variable (wave) was also created for the four data

collection points and was coded 0-3. A quadratic time variable was computed from each of these linear time variables as per Heck et al. (2010) (time variable x time variable). All predictor variables, except time, were grand-mean centered as per Heck et al. (2010). This involved subtracting each predictor's sample mean from each observed value of the variable (Singer & Willett, 2003). Centering yields an interpretable value for the intercept (which is required here, as zero is not a valid value for any predictor in this study) and is important as the intercept is treated as an outcome in the multilevel model (Heck et al., 2010). For example, when predictors are grand-mean centered, the intercept can be interpreted as the expected value of *Y* when all the predictors are at their mean values (0) (Heck et al., 2010). This has the effect of creating a metric for determining how a one standard deviation increase in a predictor changes the dependent variable (Heck et al., 2010). As suggested by Singer and Willett (2003), a 'sensible starting point' which is 'inherently meaningful for the process under study' was chosen to center the unstructured time variable (p. 181). Time was centered on 'Week 1', meaning that the intercept can be interpreted as the expected value of *Y* when individuals are in Week 1 of their organisational tenure.

5.5.3 Individual growth model assumptions and covariance structures employed

The individual growth model assumes a simple residual structure from occasion to occasion and person to person, with each error independently and normally distributed, a mean of zero and constant variance (Heck et al., 2010). However, restrictions around the residuals can be relaxed and more complex error structures, such as auto-correlated or unstructured error matrices, can be considered where there are many measurements per subject, such as in longitudinal data sets (Heck et al., 2010).

These assumptions have been relaxed in this study by altering the residual error structures for each analysis. Firstly, a diagonal covariance structure is used to describe the Level-1 (within-person) residual error structure⁶. This allows the within-person residual variances to be different from each other on each occasion, rather than be forced to have a constant variance (Heck et al., 2010). In the full tables of results (see Appendix 5.6), it is clear that these variances are indeed heteroscedastic. Secondly, an unstructured covariance matrix was

⁶ Adjusting both the Level-1 and Level-2 residual error structures was done via the /REPEATED and /RANDOM syntax sub-commands, respectively, in SPSS.

used to describe the Level-2 (between-person) residual error structure, as it is more suitable for data with unequally spaced intervals, as this study has, than are more structured matrices (Mroczek & Spiro, 2003). For some dependent variables, alternative residual error structures were employed as the structure just described resulted in either non-convergence in the SPSS analysis or did not provide adequate model fit. Where these alternative error structures are used, they are described for the appropriate dependent variables in the full tables of results in Appendix 5.6.

5.5.4 The individual growth model-building stages

Before outlining the modelling stages, it is important to note that in undertaking the multilevel analysis in SPSS, either Full Maximum Likelihood (FML) or Restricted Maximum Likelihood (REML) estimation can be used. REML estimation was used here because, as there is a relatively small sample in this study, it can lead to better estimates when there are small numbers of groups in the study (Heck et al., 2010). In smaller group samples the difference in estimation, when using FML compared to REML, results in a downward bias in the variance components estimated (Heck et al., 2010; Singer & Willett, 2003). Consequently, REML is used to develop the variance component estimates in this study's analyses⁷.

Multilevel, or individual growth, models are generally built sequentially (McCoach, 2010). In this study, there are two stages to the modelling process for each dependent variable: (1) unconditional means and growth models are estimated to assess the fit of both linear and quadratic Level-1 growth curves, allowing individuals to vary from the average in their intercepts and slopes; and (2) for the best-fitting of the previous models, a subsequent series of models are estimated which add the six independent variables of interest to assess their ability to explain the variability (identified in the first stage) in individuals' intercepts and/or slopes. These two modelling stages, and their constituent steps, are now detailed.

5.5.4.1 'Stage 1' modelling – determining a suitable Level-1 growth curve

The IGM process begins by exploring various Level-1 sub-models. The best-fitting of these models represent the individual change, which is hypothesised to occur over the period

⁷ However, as will be outlined in section 5.5.4.4, FML estimation is used to calculate the goodness-of-fit indices that will be used to compare successive models.

under study, in each of the 14 dependent variables. Models 1-3 as described below aim to: (1) establish whether there is systematic variation in the outcome, Y , which is worth exploring through a growth modelling process; (2) identify where this variation resides (within (Level-1) or between (Level-2) people); and (3) explore models with higher-order polynomial growth curves (for example, quadratic curves) to determine the best-fitting Level-1 sub-model.

Model 1 is the unconditional means model, or the ‘null’ or ‘no predictors’ model. Singer and Willett (2003) suggest beginning the Level-1 model building process with this model as it partitions and quantifies the outcome variation of the dependent variable both within (Level-1 variation) and across (Level-2 variation) people. Here the variance is being partitioned without regard to time, meaning that only the outcome variation at the starting point (the intercept) is being described (Singer & Willett, 2003). As such, in Model 1 the change trajectory (slope) for all individuals is flat, because no slope parameter is being incorporated. In the results sections for each dependent variable, the intra-class correlation coefficient (ρ) is calculated for each of the unconditional means models. This statistic quantifies the relative magnitude of the within-person and between-person variance components (Singer & Willett, 2003). Equation 1 describes Model 1:

$$\begin{array}{ll} \text{(Level-1 sub-model)} & Y_{ij} = \pi_{0i} + \varepsilon_{ij} \\ \text{(Level-2 sub-model)} & \text{where } \pi_{0i} = \gamma_{00} + \zeta_{0i} \end{array} \quad (1)$$

I = the i_{th} individual

j = the j_{th} measurement occasion

Because Model 1 does not include any slope parameters, the main interest is in mean values. That is, the true mean value of Y for individual I is π_{0i} (the person-specific mean or intercept here) plus some error and the true mean value of Y across *everyone* in the population is γ_{00} (the grand mean or the population average intercept here) plus some error.

Model 2 is the unconditional growth model and includes the addition of the time predictor (‘weeks from organisational entry’ in this study) into the Level-1 sub-model. Model 2 models a linear change trajectory only. Adding the time predictor changes the model at

Level-1 and Level-2 and so the corresponding equation will be briefly described. Equation 2 describes Model 2:

$$Y_{ij} = \pi_{0i} + \pi_{1i}(\text{weeks_tenure}) + \varepsilon_{ij} \quad (2)$$

$$\text{where } \pi_{0i} = \gamma_{00} + \zeta_{0i}$$

$$\pi_{1i} = \gamma_{10} + \zeta_{1i}$$

The first two terms of the equation are termed the ‘structural’ part of the Level-1 sub-model, which estimates the shape of each person’s true trajectory of change over time (Singer & Willett, 2003, p. 51). In Model 1 only the mean (or intercept) was estimated. In Model 2 both of the individual growth parameters ($\pi_{0i} + \pi_{1i}$) are estimated and characterise the shape of the growth trajectory for person I on occasion j , via the person-specific intercept (π_{0i} - an individual’s true initial status on the dependent variable) and person-specific slope (π_{1i} - the rate at which an individual changes over time on the dependent variable). The final error term (ε_{ij}) of the equation (or Level-1 residual as more broadly defined by Singer & Willett (2003)) is labelled the ‘stochastic’ part of the Level-1 sub-model (Singer & Willett, 2003, p. 51). This residual reflects the difference between each person’s *true* and *observed* change trajectory and is the result of unmeasured causes (sampling and measurement error), but it may be reduced by adding time-varying predictors. In Model 2, instead of only focusing upon means (or intercepts) as in Model 1, it is postulated that for person I on occasion j , Y_{ij} deviates by ε_{ij} (the error term) from that person’s own *true linear change trajectory* ($\pi_{0i} + \pi_{1i}$), which deviates from the average *true population change trajectory* ($\gamma_{00} + \gamma_{10}$) (plus some error). The Level-2 sub-model also allows for a possible association between individual initial status and individual rates of change.

Model 3 somewhat mirrors Model 2, but it involves the introduction of a 2nd-order polynomial growth function. Model 3 thus allows for a quadratic change trajectory. Here, two time parameters and three growth parameters are included. Equation 3 describes Model 3:

$$Y_{ij} = \pi_{0i} + \pi_{1i}(\text{weeks_tenure}) + \pi_{2i}(\text{weeks_tenure}^2) + \varepsilon_{ij} \quad (3)$$

$$\text{where } \pi_{0i} = \gamma_{00} + \zeta_{0i} \quad \pi_{2i} = \gamma_{20} + \zeta_{2i}$$

$$\pi_{1i} = \gamma_{10} + \zeta_{1i}$$

The quadratic component of the model can be interpreted as a ‘change’ in the rate of change, or as the level of acceleration or deceleration in change over time (Heck et al., 2010, p. 162). Quadratic trajectories can be either concave (with a negative curvature parameter) or convex (with a positive curvature parameter) to the time axis. Either way, a quadratic trajectory has a single ‘stationary point’ (either a ‘peak’ or ‘trough’) when the slope momentarily goes to zero before reversing direction (Singer & Willett, 2003, p. 216). The first two parameters have similar interpretations to those in Model 2 and the third parameter for quadratic change is obviously new. In Model 3, it is now postulated that, for person I on occasion j , Y_{ij} deviates by ε_{ij} (the error term) from that person’s own *true quadratic change trajectory* ($\pi_{0i} + \pi_{1i} + \pi_{2i}$), which deviates from the average true population quadratic change trajectory ($\gamma_{00} + \gamma_{10} + \gamma_{20}$) (plus some error). The Level-2 sub-model again allows for population covariances (σ_{01} and σ_{02}), which summarise the association between true individual intercepts, instantaneous rates of change (the linear slope parameter in Model 2) and curvature (the added quadratic term in Model 3).

These first three models (Models 1-3) were estimated for each of the 14 dependent variables within this study. After ‘finalising’ a Level-1 sub-model that best fits the data and determining the extent of variability in individuals’ intercepts and/or slopes from the average population trajectory, the aim is then to explain this variability by adding covariates (independent variables) to the model in the ‘Stage 2’ process.

5.5.4.2 ‘Stage 2’ modelling – adding predictors to the identified growth model

All predictor variables used in the analyses for each dependent variable are time-varying. This means that each predictor’s values on each occasion vary, as opposed to time-invariant predictors which have values that remain constant on each measurement occasion (Singer & Willett, 2003). Because these predictors vary over time, they are entered into the Level-1 sub-model, not the Level-2 sub-model (Singer & Willett, 2003). Time-varying predictors can affect not only within-person variation, but also variation between-persons, unlike time-invariant predictors which usually only influence the latter (Singer & Willett, 2003).

The ‘Stage 2’ models are built sequentially to assess the ability of each independent variable to explain the variation in intercepts and/or slopes (as identified in the ‘Stage 1’ models). The organisationally-related predictors of interest, corporate reputation (two factors) and LMX, were entered initially, first as predictors of variability in intercepts and then as predictors of rates of change (Models 4 and 5 below). The same process was then undertaken for the individual difference predictors, positive and negative affect and hardiness (Models 6 and 7 below). Although all predictors were theorised to exert an effect on the psychological contract dependent variables and all were included in the ‘final’ model, they were entered into the model in this ‘two-step’ process in order to make some initial assessments of the predictive role of the organisationally-related variables and the degree of variation left to predict, before including the individual difference variables. Given the relatively small sample sizes, this process also assisted in identifying whether the addition of further variables to the model resulted in any estimation problems. The final step in the ‘Stage 2’ modelling process composes a ‘final’ model with all predictor variables included to explain variability in individuals’ intercepts and/or slopes. If no interaction terms (to predict slope variability) were significant, the final model did not include these. The following equations represent each of the ‘Stage 2’ models.

Model 4 adds the two corporate reputation variables and LMX variable as covariates to explain variation in individuals’ intercepts. If the dependent variable demonstrated only linear growth, then the quadratic term is removed from the equation. If there was significant individual variation around either the linear or quadratic curve, then these slope parameters had a random effect added in the equations. If the variation was only around the intercept, then this random effect was removed from the equation. Equation 4 describes Model 4:

$$Y_{ij} = \pi_{0i} + \pi_{1i}(\text{weeks_tenure}_{ij}) + \pi_{2i}(\text{weeks_tenure}_{ij}^2) + \pi_{3i}(\text{CR_emotional}_{ij}) + \pi_{4i}(\text{CR_rational}_{ij}) + \pi_{5i}(\text{LMX}_{ij}) + \varepsilon_{ij} \quad (4)$$

$$\text{where } \pi_{0i} = \gamma_{00} + \zeta_{0i} \quad \pi_{5i} = \gamma_{50}$$

$$\pi_{1i} = \gamma_{10} (+\zeta_{1i})$$

$$\pi_{2i} = \gamma_{20} (+\zeta_{2i})$$

$$\pi_{3i} = \gamma_{30}$$

$$\pi_{4i} = \gamma_{40}$$

Model 5 utilises three interaction terms, between the corporate reputation variables and LMX variable and either the quadratic time term or linear time term (depending upon which Level-1 sub-model was determined). The interaction terms allow the independent variables to now also explain variation in either individuals' quadratic or linear rates of change. If the dependent variable demonstrated no significant slope variation in the 'Stage 1' process, this model becomes redundant and was not run. Equation 5 describes Model 5:

$$\begin{aligned}
 Y_{ij} = & \pi_{0i} + \pi_{1i}(\text{weeks_tenure}_{ij}) + \pi_{2i}(\text{weeks_tenure}_{ij}^2) \\
 & + \pi_{3i}(\text{CR_emotional}_{ij}) + \pi_{4i}(\text{CR_rational}_{ij}) + \pi_{5i}(\text{LMX}_{ij}) \\
 & + \pi_{9i}(\text{CR_emotional}_{ij} * \text{weeks_tenure}_{ij}^{(2)}) \\
 & + \pi_{10i}(\text{CR_rational}_{ij} * \text{weeks_tenure}_{ij}^{(2)}) \\
 & + \pi_{11i}(\text{LMX}_{ij} * \text{weeks_tenure}_{ij}^{(2)}) + \varepsilon_{ij}
 \end{aligned} \tag{5}$$

$$\begin{aligned}
 \text{where } \pi_{0i} &= \gamma_{00} + \zeta_{0i} & \pi_{5i} &= \gamma_{50} \\
 \pi_{1i} &= \gamma_{10} + \zeta_{1i} & \pi_{9i} &= \gamma_{90} \\
 \pi_{2i} &= \gamma_{20} + \zeta_{2i} & \pi_{10i} &= \gamma_{10} \\
 \pi_{3i} &= \gamma_{30} & \pi_{11i} &= \gamma_{11} \\
 \pi_{4i} &= \gamma_{40}
 \end{aligned}$$

Model 6 adds positive affect, negative affect and hardiness, in conjunction with the two corporate reputation variables and LMX, as independent variables to explain variation in individuals' intercepts. As in Model 4, the exact nature of the equation depended upon whether the dependent variable exhibited a linear or quadratic Level-1 growth model and whether there was significant slope variability around these curves. This determined whether random effects were added to the slope parameters. Equation 6 describes Model 6:

$$\begin{aligned}
 Y_{ij} = & \pi_{0i} + \pi_{1i}(\text{weeks_tenure}_{ij}) + \pi_{2i}(\text{weeks_tenure}_{ij}^2) \\
 & + \pi_{3i}(\text{CR_emotional}_{ij}) + \pi_{4i}(\text{CR_rational}_{ij}) + \pi_{5i}(\text{LMX}_{ij}) \\
 & + \pi_{6i}(\text{POSITIVE_AFFECT}_{ij}) + \pi_{7i}(\text{NEGATIVE_AFFECT}_{ij}) \\
 & + \pi_{8i}(\text{HARDINESS}_{ij}) + \varepsilon_{ij}
 \end{aligned} \tag{6}$$

$$\begin{aligned}
 \text{where } \pi_{0i} &= \gamma_{00} + \zeta_{0i} & \pi_{4i} &= \gamma_{40} & \pi_{8i} &= \gamma_{80} \\
 \pi_{1i} &= \gamma_{10} (+\zeta_{1i}) & \pi_{5i} &= \gamma_{50} \\
 \pi_{2i} &= \gamma_{20} (+\zeta_{2i}) & \pi_{6i} &= \gamma_{60} \\
 \pi_{3i} &= \gamma_{30} & \pi_{7i} &= \gamma_{70}
 \end{aligned}$$

Model 7 mirrors Model 6 but also adds six interaction terms, between the corporate reputation variables, LMX, positive affect, negative affect and hardiness and either the quadratic time term or linear time term, as covariates to explain variation in either individuals' quadratic or linear rates of change. As with Model 5, if the dependent variable demonstrated no significant slope variation in the 'Stage 1' process, this model becomes redundant and was not run. Equation 7 describes Model 7:

$$\begin{aligned}
 Y_{ij} = & \pi_{0i} + \pi_{1i}(\text{weeks_tenure}_{ij}) + \pi_{2i}(\text{weeks_tenure}_{ij}^2) \\
 & + \pi_{3i}(\text{CR_emotional}_{ij}) + \pi_{4i}(\text{CR_rational}_{ij}) + \pi_{5i}(\text{LMX}_{ij}) \\
 & + \pi_{6i}(\text{POSITIVE_AFFECT}_{ij}) + \pi_{7i}(\text{NEGATIVE_AFFECT}_{ij}) \\
 & + \pi_{8i}(\text{HARDINESS}_{ij}) + \pi_{9i}(\text{CR_emotional}_{ij} * \text{weeks_tenure}_{ij}^{(2)}) \\
 & + \pi_{10i}(\text{CR_rational}_{ij} * \text{weeks_tenure}_{ij}^{(2)}) + \pi_{11i}(\text{LMX}_{ij} * \text{weeks_tenure}_{ij}^{(2)}) \\
 & + \pi_{12i}(\text{POSITIVE_AFFECT}_{ij} * \text{weeks_tenure}_{ij}^{(2)}) \\
 & + \pi_{13i}(\text{NEGATIVE_AFFECT}_{ij} * \text{weeks_tenure}_{ij}^{(2)}) \\
 & + \pi_{14i}(\text{HARDINESS}_{ij} * \text{weeks_tenure}_{ij}^{(2)}) + \varepsilon_{ij}
 \end{aligned} \tag{7}$$

$$\begin{array}{ll}
 \text{where } \pi_{0i} = \gamma_{00} + \zeta_{0i} & \pi_{7i} = \gamma_{70} \\
 \pi_{1i} = \gamma_{10} + \zeta_{1i} & \pi_{8i} = \gamma_{80} \\
 \pi_{2i} = \gamma_{20} + \zeta_{2i} & \pi_{9i} = \gamma_{90} \\
 \pi_{3i} = \gamma_{30} & \pi_{10i} = \gamma_{100} \\
 \pi_{4i} = \gamma_{40} & \pi_{11i} = \gamma_{110} \\
 \pi_{5i} = \gamma_{50} & \pi_{12i} = \gamma_{120} \\
 \pi_{6i} = \gamma_{60} & \pi_{13i} = \gamma_{130} \\
 & \pi_{14i} = \gamma_{140}
 \end{array}$$

'Final' model: From Model 7, any non-significant interaction terms were removed from the model. The 'final model' thus comprises all predictor variables (whether significant or not) and any significant interaction terms. Non-significant predictor variables were retained because they were hypothesised to be having some effect. Therefore, to demonstrate the estimates from the 'full' hypothesised model, any non-significant predictors were retained.

5.5.4.3 Summary – sequential model-building process

The two stages of the model building process can be summarised as follows. The Stage 1 modelling firstly determines the best-fitting 'shape' of the change trajectory for each dependent variable (i.e. a linear or quadratic growth curve) and, secondly, determines whether there is significant individual variation in intercepts and/or slopes (whether linear or

quadratic slopes) which can then be predicted by the independent variables of interest. The Stage 2 modelling then adds these independent variables to the model and assesses whether they are significantly predicting the identified variability in individuals' intercepts and/or slopes on the dependent variable.

5.5.4.4 Assessing model fit for successive models

Because individual growth modelling involves the development of successive models, various methods are employed for assessing successive model 'fit'. As per Singer and Willett (2003), sequential inspection and comparison of estimated fixed effects and variance components and their associated tests were undertaken in order to: (1) ascertain whether, and how, the variability in initial status and rates of change are gradually 'explained'; and (2) identify which predictors explain what variation (p. 107). Tests on fixed effects help identify which predictors to retain and tests on the variance components help to assess whether there is additional outcome variation left to predict (Singer & Willett, 2003).

While estimates and their associated significance tests assist in interpreting fixed effects, a range of methods can be employed to assess the effect of predictors on the model's variance components. Tests for variance components 'evaluate whether there is any remaining residual outcome variation that could potentially be explained by other predictors' (Singer & Willett, 2003, p. 73). In this study, both the single parameter approach and deviance statistic were used to assess model fit. The single parameter test provides a z -statistic and p -value to assess the null hypothesis that the parameter's population value is 0 (Singer & Willett, 2003). The deviance statistic compares the fit of successive models and under FML estimation can be used to compare the fit of an entire model (fixed effects and random effects) and under REML estimation can be used to compare the fit of only the stochastic portion (random effects) of the model (Singer & Willett, 2003). Put another way, the deviance statistic produced by the REML method can be used in deviance tests only if the two models compared have the same fixed parts and differ only in their random parts (Snijders & Bosker, 1999). Because the model-building process in this study involves both fixed and random effects differing from model to model, while the REML method will be used to produce the model estimates, the FML method will be utilised to produce the deviance statistics and other goodness-of-fit statistics for model comparison. The difference in

deviance statistics between a full and reduced model is compared to the critical chi-square value for the difference in the number of degrees of freedom for the models (equal to the number of independent constraints imposed when moving from the reduced to the full model) (Snijders & Bosker, 1999). The null hypothesis, that the added parameters are simultaneously 0, is rejected when the test statistic is significant (Snijders & Bosker, 1999).

Residual variation, or that portion of the outcome variation unexplained by a model's predictors, provides another criterion for model comparison (Singer & Willett, 2003). When fitting a series of models useful additional predictors further account for previously unexplained outcome variation, causing residual variation to decline and the magnitude of this decline quantifies the improvement in fit (Singer & Willett, 2003). In this study, to assess these declines on a common scale, the proportional reduction in residual variance (pseudo- R^2) was computed as predictors were added. That is, how much outcome variation is 'explained' by a growth model's predictors is quantified (Singer & Willett, 2003). Each unconditional model also yields residual variances 'that serve as yardsticks for comparison', with the unconditional means model providing a baseline estimate of within-person residual variance and the unconditional growth models (both linear and quadratic) providing baseline estimates of between-person residual intercept and slope variance and each leads to its own pseudo- R^2 statistic (Singer & Willett, 2003, p. 103). Therefore, reductions in within- and between-person residual variances between the unconditional means and growth models can be calculated and assessed.

However when adding time-varying predictors to the model, although a decrease in the magnitude of the Level-1 variance components can be interpreted to assist in assessing model fit, changes in Level-2 variance components may not be meaningful (Singer & Willett, 2003). This is because the introduction of the time predictor/s into the model changes the interpretation of the Level-2 variance components (Singer & Willett, 2003). As such, it is necessary to rely on changes in the time-varying predictors' fixed effects, and associated goodness-of-fit statistics, and the Level-1 pseudo- R^2 statistics when deciding whether or not to retain a time-varying predictor in the model. Therefore, given the aforementioned constraint on the ability to calculate percentage reductions in Level-2 variance components once Level-1 predictors other than time are entered into the model, only pseudo- R^2 statistics

to assess the reduction in Level-1 residual variances for successive models in the ‘Stage 2’ process will be calculated in this study.

5.6 Results

Following the presentation of the descriptive statistics, the individual growth modelling results are grouped into employees’ perceived employee and (separately) employer obligations and their constituent contract types and sub-dimensions. Both groups of obligations have two summary tables of results, the first showing the final results for the Stage 1 modelling (determining the best-fitting growth curve) and then the Stage 2 modelling (determining the effects of the hypothesised predictors) for each contract sub-dimension (the dependent variables). These summary tables are provided because, due to the volume of dependent variables to be analysed (14), including the full tables of results for each dependent variable within this chapter would make it too unwieldy and unnecessarily lengthy. The summary tables provide the information pertinent to understanding the analyses and the conclusions drawn, with the full tables of results provided in Appendix 5.6.

The summary tables for both modelling stages show the fixed effects (in the top half) and the random effects, or variance components, (in the bottom half). The fixed effects section shows the unstandardised estimates and significance levels for each main effect. The variance components section includes Wald Z-statistics and significance levels for variances in intercepts, slopes and their covariance (for a linear growth curve) and variances in intercepts, slopes, curvature and the covariances between them (for a quadratic growth curve) (all at Level-2). The tables for both Stage 1 and 2 modelling also show three goodness-of-fit statistics, the deviance statistic (or -2 restricted log likelihood), AIC and BIC, at the bottom of each table. In the Stage 1 modelling tables only, the intra-class correlation coefficient is also shown at the bottom of the tables, beneath the three goodness-of-fit statistics. The written results for each contract sub-dimension also include a curve estimation plot to visually illustrate the shape of the curve trajectory. For the full model-building tables of results for each dependent variable, including a detailed results write-up for the first dependent variable (employer loyalty obligations), see Appendix 5.6.

It is important to note that in a longitudinal analysis such as this, time is obviously a critical variable. What has occurred in this study for most dependent variables is that the effect of time (whether linear or quadratic) has become non-significant once the independent variables of interest have been added to the models. While the effects of the predictors can still be interpreted, what this likely means is that the time-varying, psychological mechanisms that constitute the six covariates are accounting for the previously significant effect of time when they are entered into the model. Put another way, the effect of time is now likely ‘working through’ these covariates in the model and hence becoming non-significant in its own right. It should also be noted that given the complexity of the modelling and the relatively small sample size, the majority of dependent variables only have intercept variation to predict. This is because in order to achieve model convergence and estimates, the linear and/or quadratic time effects often had to be fixed as constant across the sample. This still enabled the investigation of significant fixed effects and how the independent variables predicted the various dependent variables, but it did restrict the assessment of any slope variation.

5.6.1 Descriptive statistics

Table 5.12 presents the means and standard deviations for the dependent and independent variables across the four time points. Table 5.13 contains the correlations between each of the 14 dependent variables, six independent variables and five control variables⁸. Correlations between the 14 psychological contract dependent variables are in the expected directions, largely as found in Rousseau’s (2000) original development of the scale. Within the employee obligation sub-dimensions: the stability and loyalty relational contract dimensions have a strong and significant positive correlation; there are moderate-strong positive and significant correlations between two of the three balanced contract dimensions; and there is a non-significant positive relationship between the transactional contract dimensions.

⁸ The correlation matrix was generated from the Time 3 (Wave 2) data as this was the first time point when all variables of interest (including control variables) were simultaneously measured.

Table 5.12: Means and standard deviations for dependent and independent variables across the four survey time points

Dependent variables (psychological contract)	Time 1 (Wave 0)		Time 2 (Wave 1)		Time 3 (Wave 2)		Time 4 (Wave 3)	
	M	SD	M	SD	M	SD	M	SD
Employee obligations								
EEO_loyalty	3.58	0.65	3.58	0.78	3.55	0.71	3.57	0.67
EEO_stability	3.15	0.92	3.09	0.91	3.05	0.89	3.14	0.90
EEO_performance support	4.18	0.57	4.06	0.63	4.15	0.51	4.22	0.56
EEO_development	4.37	0.54	4.26	0.63	4.22	0.61	4.30	0.48
EEO_external marketability	3.07	0.91	3.08	0.91	3.12	0.89	3.21	0.88
EEO_narrow	2.05	0.73	2.10	0.76	2.01	0.68	1.97	0.76
EEO_short-term	2.28	0.71	2.49	0.83	2.48	0.85	2.46	0.91
Employer obligations	M	SD	M	SD	M	SD	M	SD
ERO_loyalty	3.88	0.71	3.68	0.83	3.40	0.79	3.44	0.74
ERO_stability	3.87	0.63	3.70	0.66	3.53	0.73	3.55	0.73
ERO_performance support	4.02	0.72	3.86	0.76	3.68	0.68	3.82	0.63
ERO_development	4.16	0.78	3.94	0.84	3.80	0.79	3.78	0.74
ERO_external marketability	3.06	0.83	3.04	0.79	2.88	0.71	2.85	0.69
ERO_narrow	1.96	0.71	1.98	0.75	2.17	0.75	2.15	0.70
ERO_short-term	1.54	0.55	1.68	0.73	1.81	0.74	1.90	0.73
Independent variables	M	SD	M	SD	M	SD	M	SD
Corporate reputation_emotional	6.06	0.71	5.72	0.85	5.53	0.80	5.50	0.79
Corporate reputation_rational	5.97	0.61	5.72	0.70	5.60	0.77	5.46	0.83
Leader-member exchange	-	-	3.85	0.67	3.76	0.62	3.80	0.64
Positive affect	-	-	3.65	0.56	3.53	0.56	3.56	0.58
Negative affect	-	-	1.67	0.53	1.66	0.56	1.62	0.63
Hardiness	-	-	4.21	0.42	4.16	0.42	4.17	0.47

n = 96 (Wave 0); n = 101 (Wave 1); n = 97 (Wave 2); n = 77 (Wave 3)

- = measure not captured at this time point

Table 5.13: Correlations between dependent and independent variables

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1. EEO_loyal																									
2. EEO_stab	0.57**																								
3. EEO_perfsupport	0.41**	0.20*																							
4. EEO_develop	0.31**	0.19	0.62**																						
5. EEO_extmarket	0.00	-0.30**	0.19	0.29**																					
6. EEO_nar	0.09	0.22*	-0.16	-0.29**	-0.15																				
7. EEO_s-t	-0.33**	-0.39**	-0.14	-0.14	0.29**	0.07																			
8. ERO_loyal	0.28**	0.39**	0.15	0.34**	-0.12	0.11	-0.14																		
9. ERO_stab	-0.02	0.18	0.05	0.10	-0.25*	0.07	-0.06	0.45**																	
10. ERO_perfsupport	0.19	0.23*	0.26**	0.46**	0.00	0.00	-0.05	0.67**	0.41**																
11. ERO_develop	0.07	0.19	0.16	0.34**	-0.10	-0.12	-0.07	0.42**	0.34**	0.66**															
12. ERO_extmarket	0.03	0.02	-0.02	0.15	0.47**	0.02	0.22*	0.25*	0.15	0.44**	0.35**														
13. ERO_nar	-0.03	0.09	-0.12	-0.27**	-0.11	0.40**	0.18	-0.14	-0.02	-0.30**	-0.24*	-0.13													
14. ERO_s-t	-0.02	-0.14	-0.01	-0.13	0.22*	0.01	0.16	-0.37**	-0.50**	-0.36**	-0.33**	-0.12	0.39**												
15. CR_emotional	0.33**	0.39**	0.23*	0.27**	-0.27**	-0.01	-0.24*	0.47**	0.58**	0.51**	0.46**	0.15	-0.13	-0.45**											
16. CR_rational	-0.05	0.10	0.13	0.01	-0.24*	-0.04	-0.01	0.08	0.33**	0.16	0.26**	0.02	0.01	-0.34**	0.53**										
17. LMX	0.30**	0.30**	0.26**	0.39**	-0.07	0.03	-0.29**	0.51**	0.36**	0.49**	0.37**	0.19	-0.19	-0.38**	0.51**	0.17									
18. Pos aff	0.29**	0.31**	0.38**	0.50**	0.16	-0.07	-0.13	0.51**	0.28**	0.56**	0.31**	0.30**	-0.20	-0.19	0.51**	0.15	0.45**								
19. Neg aff	0.07	-0.12	-0.28**	-0.15	0.10	0.10	-0.02	-0.25*	-0.17	-0.20*	-0.18	0.05	0.13	0.22*	-0.36**	-0.46**	-0.14	-0.31**							
20. HRD	0.14	0.15	0.41**	0.45**	0.04	-0.08	0.02	0.26**	0.16	0.34**	0.22*	0.12	-0.05	-0.19	0.36**	0.29**	0.26*	0.45**	-0.47**						
21. Gender ⁹	0.08	-0.05	0.02	0.09	0.04	-0.18	-0.09	-0.02	0.06	0.08	0.04	0.07	-0.21*	-0.11	0.00	-0.03	0.12	-0.02	0.05	-0.04					
22. Age ¹⁰	0.14	-0.09	0.20	0.12	0.01	0.12	-0.12	-0.08	-0.12	0.07	-0.01	-0.11	-0.05	0.14	0.03	-0.07	0.06	0.18	-0.08	0.00	0.02				
23. First prof role? ¹¹	-0.04	-0.09	-0.07	-0.09	0.03	0.05	0.03	-0.10	-0.01	-0.04	-0.04	-0.07	0.06	0.03	-0.03	0.08	0.05	-0.08	0.02	-0.14	0.13	-0.22*			
24. Income ¹²	-0.21*	-0.14	-0.12	-0.08	0.03	-0.15	0.19	-0.04	0.10	-0.06	0.13	0.19	-0.01	0.02	-0.04	0.13	-0.17	-0.10	0.09	0.04	0.05	-0.03	-0.14		
25. Emp status ¹³	0.06	0.09	-0.10	-0.17	-0.02	-0.03	0.07	-0.00	0.00	-0.02	-0.10	0.10	-0.11	0.18	0.06	0.01	-0.03	0.07	-0.05	-0.08	0.05	-0.04	-0.07	0.06	

* $p < 0.05$; ** $p < 0.01$ ⁹ Men were coded as 0; women were coded as 1¹⁰ 20-25 years of age was coded as 0; 26 years of age and above was coded as 1¹¹ Whether this was the first professional role was coded as 0 = No and 1 = Yes¹² Income was coded as 0 = \$30,001 - \$40,000 and 1 = \$40,001 and above¹³ A permanent role was coded as 0 and a temporary role was coded as 1

Within the employer obligation sub-dimensions: there is a moderate and significant correlation between the relational contract dimensions; there are moderate-strong, positive and significant correlations between the balanced contract dimensions; and there is a moderate, positive and significant relationship between the transactional contract dimensions. Across employee and employer sub-dimensions, except for the stability and short-term items, corresponding dimensions (for example, employee and employer loyalty dimensions) were significantly and positively correlated. The transactional contract items were also largely inversely correlated with the relational and balanced contract dimensions, as would be expected (Rousseau, 2000). The six independent variables all also exhibited some moderate-strong and significant correlations with the dependent variables. To examine the potential influence of control variables, five were added to the correlation matrix. Only income and gender had low, negative and significant correlations with two dependent variables – employee loyalty and employer narrow obligations respectively.

The descriptive statistics for the Study 2 Time 1 data, which provided quantitative assessment of contract content shortly after organisational entry, also offers confirmation of the qualitative contract content findings from Study 1. The quantitative findings show that individuals' beliefs about organisational obligations (on a 1-5 scale) focused on the development and performance support dimensions of the balanced contract (with means above 4.0), with the next highest focus being on the loyalty dimension of the relational contract (mean = 3.88). Similarly, individuals' beliefs about their own obligations to their employers again focused upon the performance support and development dimensions of the balanced contract, being the only dimensions with means above 4.0. The Time 1 survey results also confirm that transactional contract dimensions were not at the forefront of employees' minds at this stage, with these dimensions having the lowest means of all dimensions for both perceived employer and employee obligations (means around 2.0).

5.6.2 Individual growth models - employer obligations

Overall, for all employer obligation dependent variable scores there was substantial and significant within-person (50%-61%) and between-person (39%-54%) variation (see Table 5.14 – Row 'ICC'). This indicates a growth modelling approach is reasonable. In terms of the general fixed slope shape (see Table 5.14 – Row 'Fixed effects, TIME (linear) and

Table 5.14: Employer (ERO) obligations – Stage 1 modelling summary – best-fitting growth curves

		Relational contract dimensions		Balanced contract dimensions			Transactional contract dimensions		
		Parameter	Loyalty	Stability	Performance Support	Development	External Marketability	Narrow	Short-term
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	3.97*** (0.08)	3.89*** (0.07)	4.06*** (0.08)	4.23*** (0.09)	3.09*** (0.09)	1.86*** (0.08)	1.50*** (0.06)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	-0.02*** (0.003)	-0.007*** (0.002)	-0.01*** (0.003)	-0.01*** (0.003)	-0.003* (0.002)	0.009** (0.003)	0.007*** (0.001)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	9.49E-5** (3.14E-5)	n/a	9.64E-5** (2.93E-5)	0.0001** (3.35E-5)	n/a	-6.11E-5* (2.98E-5)	n/a
Variance components									
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.36*** (0.06)	0.34*** (0.08)	0.28*** (0.05)	0.32*** (0.06)	0.42*** (0.11)	0.26*** (0.05)	0.27*** (0.06)
<i>Linear term</i>									
	variance (ζ_{1i})	σ_1^2	n/a	0.0001** (4.21E-5)	n/a	n/a	6.94E-5* (3.42E-5)	n/a	0.0001*** (2.94E-5)
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.004** (0.002)	n/a	n/a	-0.003~ [0.063] (0.002)	n/a	-0.002* (0.001)
<i>Quadratic term</i>									
	variance (ζ_{2i})	σ_2^2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Goodness-of-fit									
	Deviance statistic (-2RLL)		753.51	689.85	687.37	793.58	758.21	724.96	620.68
	AIC		769.51	707.85	703.37	809.58	776.21	740.96	638.68
	BIC		800.84	743.10	734.70	840.91	811.45	772.29	673.93
ICC^a	WPV;BPV [^] (ρ)		52;48	61;39	50;50	55;45	55;45	53;47	45;54

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

^a ICC = intra-class correlation coefficient; WPV = within-person variation; BPV = between-person variation

Table 5.15: Employer (ERO) obligations – Stage 2 modelling summary – ‘final’ models with effects of hypothesised predictors

		Relational contract dimensions		Balanced contract dimensions			Transactional contract dimensions		
		Parameter	Loyalty	Stability	Performance Support	Development	External Marketability	Narrow	Short-term
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	3.68*** (0.12)	3.71*** (0.08)	3.83*** (0.11)	3.96*** (0.13)	3.09*** (0.10)	1.80*** (0.13)	1.62*** (0.09)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	-0.004 (0.005)	-0.002 (0.002)	-0.002 (0.004)	-0.003 (0.005)	-0.003 (0.002)	0.01* (0.005)	0.003~ [0.084] (0.002)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	1.53E-5 (3.93E-5)	n/a	2.29E-5 (3.30E-5)	2.55E-5 (4.24E-5)	n/a	-7.32E-5~ [0.070] (4.01E-5)	n/a
CR_emotional		γ_{30}	0.41*** (0.07)	0.45*** (0.07)	0.32*** (0.06)	0.34*** (0.08)	0.06 (0.08)	-0.15~ [0.057] (0.08)	-0.31*** (0.07)
CR_rational		γ_{40}	-0.25*** (0.07)	-0.04 (0.07)	-0.06 (0.06)	0.02 (0.08)	0.01 (0.07)	-0.008 (0.08)	0.03 (0.07)
LMX		γ_{50}	0.38*** (0.07)	0.13* (0.07)	0.24*** (0.06)	0.21** (0.08)	0.15* (0.07)	-0.14~ [0.065] (0.08)	-0.16* (0.06)
P-A		γ_{60}	0.13 (0.09)	-0.13 (0.08)	0.23** (0.08)	0.15 (0.10)	0.33** (0.10)	-0.11 (0.10)	0.09 (0.09)
N-A		γ_{70}	-0.17~ [0.063] (0.09)	0.04 (0.09)	0.04 (0.08)	-0.01 (0.10)	0.14 (0.10)	0.09 (0.10)	0.07 (0.09)
HRD		γ_{80}	-0.04 (0.11)	0.10 (0.11)	0.20* (0.10)	0.03 (0.12)	0.04 (0.12)	0.06 (0.12)	0.12 (0.11)
Variance components									
Level-2:	In initial status (ζ_{0i})	σ_{0^2}	0.19*** (0.04)	0.13 (0.14)	0.13*** (0.03)	0.23*** (0.05)	0.49* (0.24)	0.25*** (0.05)	0.21 (0.16)
<i>Linear term</i>									
	variance (ζ_{1i})	σ_{1^2}	n/a	4.58E-5 (5.32E-5)	n/a	n/a	9.49E-5 (7.08E-5)	n/a	4.93E-5 (7.39E-5)
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.001 (0.003)	n/a	n/a	-0.005 (0.004)	n/a	-0.0006 (0.003)

		Quadratic term							
	variance (ζ_{2i})	σ_{22}^2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Goodness-of-fit	Deviance statistic (-2RLL)		480.35	452.91	387.82	520.00	710.13	524.41	453.83
	AIC		506.35	480.91	413.82	546.00	738.13	550.41	481.83
	BIC		553.37	531.54	460.83	593.02	788.77	597.43	532.46

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

TIME² (quadratic)'), all relational and balanced contract dimensions exhibited a significant, downward linear trajectory. However, three of these dimensions also exhibited significant, convex quadratic trends. This means that beliefs in these dimensions initially decreased, but then returned to higher levels again. Both of the transactional contract dimensions demonstrated a significant, upward linear trajectory; however, one dimension also exhibited a significant, concave quadratic trend. This means that beliefs in this dimension initially increased, but then decreased again to lower levels.

When the models did not include any substantive predictors, and only time was a predictor in the model, all dependent variables exhibited significant individual variation in intercepts (see Table 5.14 - Row 'Variance components, Initial status'). The three dependent variables of stability (relational contract dimension), external marketability (balanced contract dimension) and short-term (transactional contract dimension) further demonstrated significant variability in their linear slopes (see Table 5.14 – Row 'Variance components, Linear term, Variance'). With the inclusion of the time-varying substantive predictors, most models continued to exhibit significant intercept variation, meaning that variables other than those included in the model are influencing levels of psychological contract beliefs at organisational entry (see Table 5.15 – Row 'Variance components, Initial status'). Further, for all dependent variables the fixed slopes effects, demonstrating the effect of time, became non-significant (see Table 5.15 – Row 'Fixed effects, TIME (linear) and TIME² (quadratic)'). This suggests that the substantive time-varying predictors accounted for the time-related effects demonstrated in the models without any substantive predictors included. For the three dependent variables which also exhibited significant slope variability (stability, external marketability and short-term), none of the cross-level interaction terms were significant. Interaction terms allow for the investigation of whether any of the substantive predictors of interest explain variation in slopes over time. These findings show that none of the predictors significantly explained the identified slope variation.

5.6.2.1 Relational contract obligations – loyalty and stability dimensions

Relational contracts are open-ended collaborations with only loosely specified performance terms, high affective commitment and strong member-organisation integration (Dabos &

Rousseau, 2004). Relational contracts are constituted by two dimensions: loyalty obligations; and stability obligations.

Loyalty. Employer loyalty obligations refer to employees' beliefs that their employers have committed to supporting the well-being and interests of employees and their families (Rousseau, 2000). On average, individuals began relatively high in their initial loyalty beliefs, at a score of around 4.0 on the 5-point scale (see Table 5.14 – Row 'Fixed effects, Initial status'). There was a significant quadratic, convex growth trajectory (see Table 5.14 – Row 'Fixed effects, TIME (linear) and TIME² (quadratic)'). This means that individuals' beliefs regarding this dimension initially decreased, but then increased again over time. Figure 5.1 demonstrates the 'dip' and then clear increase in these scores over time. No significant slope variability was found (see Table 5.14 - Row 'Variance components, Quadratic term, Variance').

Of the six substantive predictors added to the model in Stage 2, both corporate reputation (emotional factor) and LMX were statistically significant (see Table 5.15 – Row 'Fixed effects, CR_emotional and LMX'). For the loyalty dimension, the magnitudes of the coefficients for the two covariates were similar (around 0.40). This suggests that both organisational-level cues (captured via the reputation measure) and supervisory-level cues (captured via the LMX measure) are similarly associated with higher employee assessments of employer loyalty obligations. None of the individual difference variables were significant at $p < 0.05$ (see Table 5.15 – Row 'Fixed effects, P-A, N-A, HRD').

The corporate reputation (rational) factor also demonstrated a significant, negative effect in predicting the employer loyalty dimension. Given that both reputation factors are quite highly positively correlated, it is possible that a suppression effect is occurring here and the effect is artefactual rather than substantive. Further, as employer loyalty is the only dependent variable affected by this predictor, this adds further weight to a cautious interpretation of this finding.

Figures 5.1 and 5.2: Curve estimation plots (dependent variables: ERO_loyalty and ERO_stability)

Figure 5.1:
ERO_loyalty

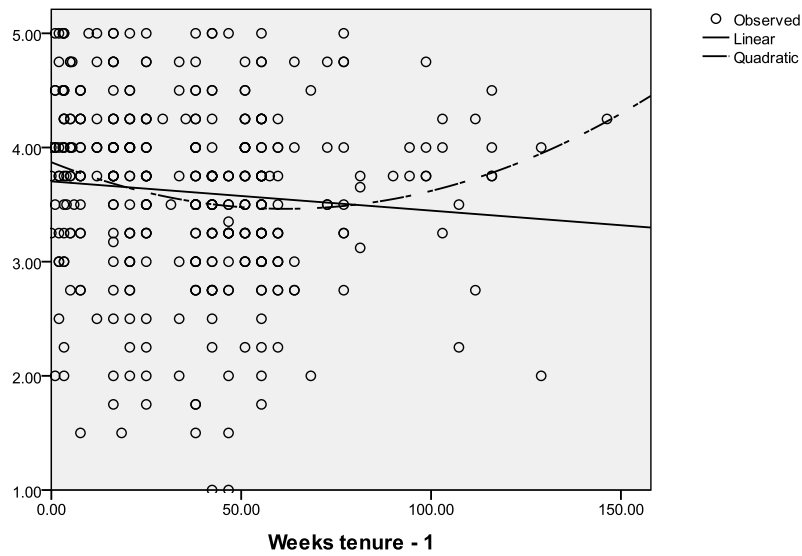
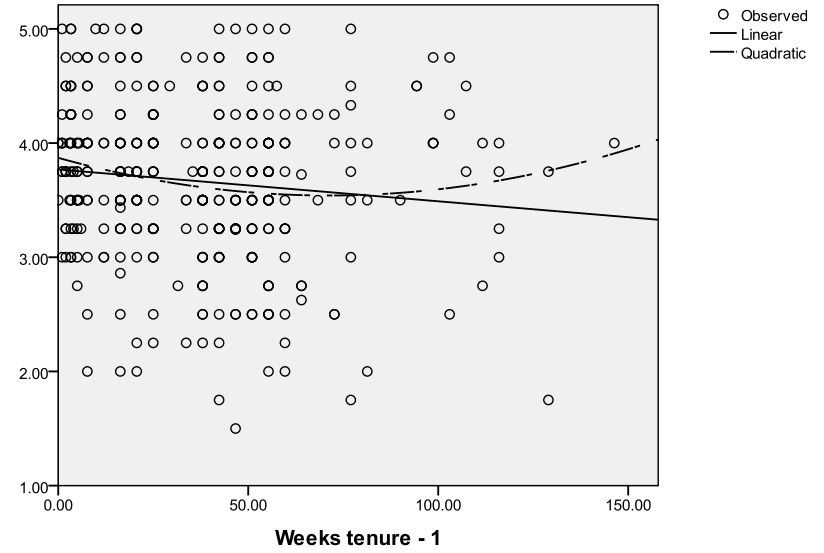


Figure 5.2:
ERO_stability



Stability. Employer stability obligations focus upon whether employees feel that their employers have committed to offering stable wages and long-term employment (Rousseau, 2000). On average, individuals began relatively high in their initial stability dimension beliefs, at a score of around 4.0 on the 5-point scale (see Table 5.14 – Row ‘Fixed effects, Initial status’). There was a significant negative, linear slope for time, indicating that individuals decreased their stability beliefs over time; a quadratic trend was not significant (see Table 5.14 – Row ‘Fixed effects, TIME (linear)’). This trajectory is illustrated in Figure 5.2, demonstrating the non-significant quadratic curve and the significant downward linear slope.

Of the six substantive predictors added to the model in Stage 2, both corporate reputation (emotional factor) and LMX were statistically significant (see Table 5.15 – Row ‘Fixed effects, CR_emotional and LMX’), however the magnitude of the coefficient for corporate reputation (emotional factor) was about three times that of LMX. This suggests that organisational-level cues (captured via the reputation measure) have greater weight than do supervisory-level cues (captured via the LMX measure) for assessments of employer stability obligations. None of the individual difference variables were significant at $p < 0.05$ (see Table 5.15 – Row ‘Fixed effects, P-A, N-A, HRD’).

Although the employer stability Stage 1 modelling also identified significant slope variation to be predicted (see Table 5.14 - Row ‘Variance components, Linear term, Variance’), no cross-level interactions were significant, indicating a failure of the models to detect significant random effects.

5.6.2.2 Balanced contract obligations – performance support, development and external marketability dimensions

Balanced contracts maintain the involvement and long-term time horizons that characterise relational exchanges while also allowing for flexibility in contract requirements as projects evolve and circumstances change (Dabos & Rousseau, 2004). Balanced contracts are constituted by three dimensions: performance support obligations; development obligations; and external marketability obligations.

Performance support. Employer performance support obligations focus upon whether employees feel that their employers have committed to promoting continuous learning and to helping employees successfully execute escalating performance requirements (Rousseau, 2000). On average, individuals began very highly in their initial performance support dimension beliefs, with scores over 4.0 on the 5-point scale (see Table 5.14 – Row ‘Fixed effects, Initial status’). There was a significant quadratic, convex growth trajectory (see Table 5.14 – Row ‘Fixed effects, TIME (linear) and TIME² (quadratic)’). This means that individuals’ beliefs regarding this dimension initially decreased, but then increased again over time. This is visually demonstrated in Figure 5.3, which shows the ‘dips’ and then clear increases in this score over time. No significant slope variability was found (see Table 5.14 - Row ‘Variance components, Quadratic term, Variance’).

Of the six substantive predictors added to the model in Stage 2, corporate reputation (emotional factor), LMX, positive affect and hardiness were statistically significant and demonstrated positive fixed effects (see Table 5.15 – Row ‘Fixed effects, CR_emotional, LMX, P-A, HRD’). In terms of the magnitudes of the coefficients, the LMX and individual difference variables demonstrated similar effects (around 0.20-0.25). The corporate reputation (emotional factor) had a marginally larger magnitude than that of both LMX and the significant individual difference variables (at 0.32). This suggests that both supervisory-level cues (captured via the LMX measure) and the individual difference variables of positive affect and hardiness are similarly associated with higher employee assessments of employer performance support obligations. However, it is the organisational-level cues (captured via the reputation measure) which have greater weight in these employer obligation assessments.

Development. Employer development obligations focus upon whether employees feel that their employers have committed to creating worker career development opportunities within the firm (Rousseau, 2000). On average, individuals began very highly in their initial development dimension beliefs, with scores over 4.0 on the 5-point scale (see Table 5.14 – Row ‘Fixed effects, Initial status’). There was a significant quadratic, convex growth trajectory (see Table 5.14 – Row ‘Fixed effects, TIME (linear) and TIME² (quadratic)’). This means that individuals’ beliefs regarding this dimension initially decreased, but then

Figures 5.3, 5.4 and 5.5: Curve estimation plots (dependent variables: ERO_performance support, ERO_development and ERO_external marketability)

Figure 5.3:
ERO_performance support

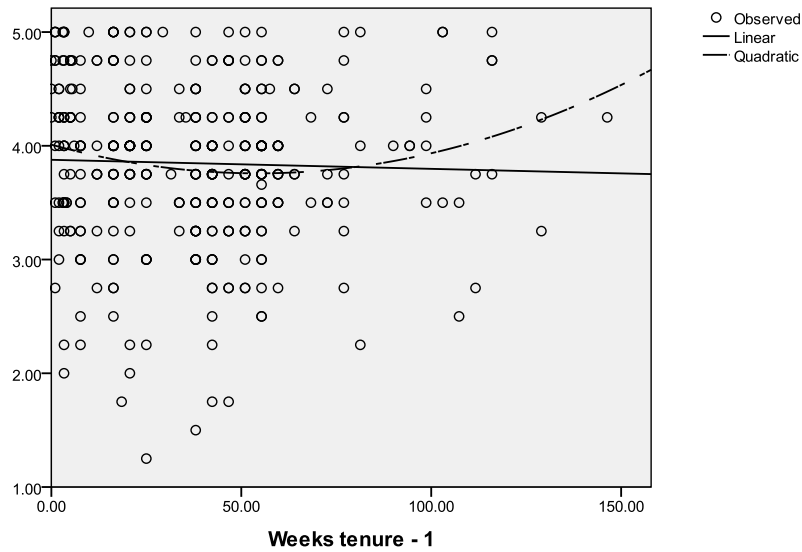


Figure 5.4:
ERO_development

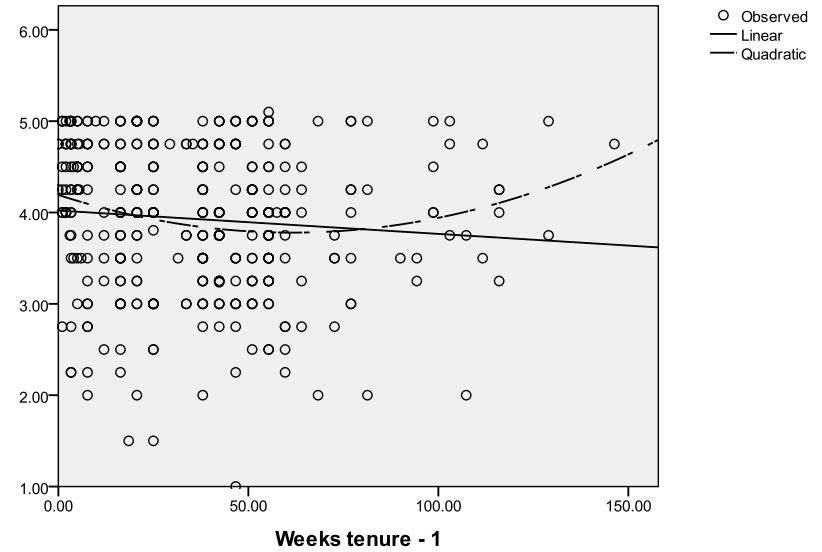
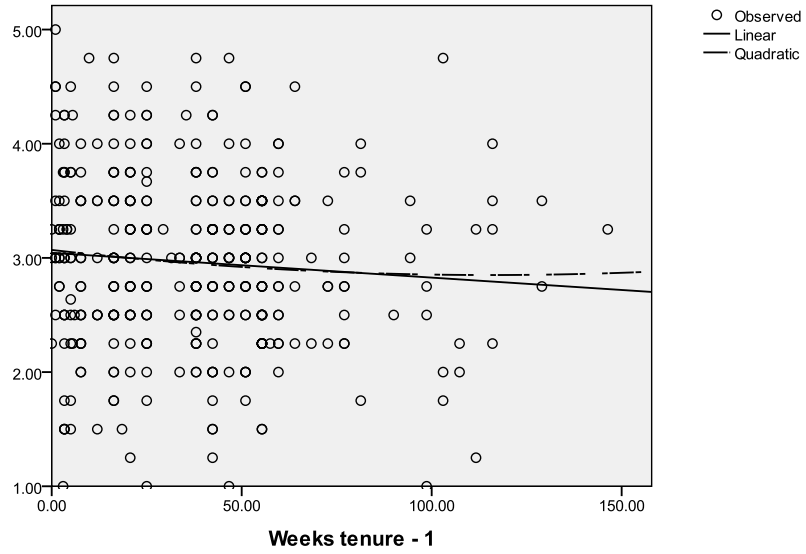


Figure 5.5:
ERO_external marketability



increased again over time. This is visually demonstrated in Figure 5.4, which shows the ‘dips’ and then clear increases in this score over time. No significant slope variability was found (see Table 5.14 - Row ‘Variance components, Quadratic term, Variance’).

Of the six substantive predictors added to the model in Stage 2, both corporate reputation (emotional factor) and LMX were statistically significant and demonstrated positive fixed effects (see Table 5.15 – Row ‘Fixed effects, CR_emotional and LMX’). The coefficient magnitude for the reputation covariate (0.34) was higher than that for LMX (0.21). This suggests that organisational-level cues (captured via the reputation measure) have greater weight than do supervisory-level cues (captured via the LMX measure) for assessments of employer development obligations. None of the individual difference variables were significant at $p < 0.05$ (see Table 5.15 – Row ‘Fixed effects, P-A, N-A, HRD’).

External marketability. Employer external marketability obligations focus upon whether employees feel that their employers have also committed to enhancing workers’ long-term employability outside the organisation (Rousseau, 2000). On average, the starting levels of external marketability beliefs were lower than for the other two dimensions, at around a score of 3.0 (see Table 5.14 – Row ‘Fixed effects, Initial status’). There was a significant negative, linear slope for time, indicating that individuals generally decreased their beliefs in this dimension over time (see Table 5.14 – Row ‘Fixed effects, TIME (linear)’). This is visually demonstrated in Figure 5.5, which shows no clear evidence of a quadratic growth curve for external marketability scores, with a linear curve visually demonstrating a better data fit.

Of the six substantive predictors added to the model in Stage 2, both LMX and positive affect were statistically significant and demonstrated positive fixed effects (see Table 5.15 – Row ‘Fixed effects, LMX, P-A’). However, it was the individual difference variable of positive affect (0.33) which demonstrated a coefficient magnitude which was twice that of the LMX variable (0.15). This suggests that this individual difference variable held greater weight than did supervisory-level cues (captured via the LMX measure) in making assessments of employer external marketability obligations.

Although this dependent variable's Stage 1 modelling also identified significant slope variation to be predicted (see Table 5.14 - Row 'Variance components, Linear term, Variance'), no cross-level interactions were significant, indicating a failure of the models to detect significant random effects.

5.6.2.3 Transactional contract obligations – narrow and short-term dimensions

Transactional contracts refer to collaborations of limited duration with well-specified performance terms, relatively high turnover and low levels of organisational commitment (Dabos & Rousseau, 2004). Transactional contracts are constituted by two dimensions: narrow obligations; and short-term obligations.

Narrow. Employer narrow obligations focus upon whether employees feel that their employers have committed to offering only limited organisational involvement and little or no training or other employee development (Rousseau, 2000). On average, individuals began at quite low levels in their narrow dimension beliefs, with scores around 2.0 on the 5-point scale (see Table 5.14 – Row 'Fixed effects, Initial status'). There was a significant quadratic, concave growth trajectory (see Table 5.14 – Row 'Fixed effects, TIME (linear) and TIME² (quadratic)'). This means that individuals' beliefs regarding this dimension initially increase, but then decrease again over time, as visually represented in Figure 5.6. No significant slope variability was found (see Table 5.14 - Row 'Variance components, Quadratic term, Variance').

Of the six substantive predictors added to the model in Stage 2, no covariates demonstrated significant fixed effects for predicting the narrow dimension (see Table 5.15 – Row 'Fixed effects').

Short-term. Employer short-term obligations focus upon whether employees feel that their employers have committed to offering employment for only a specific or limited time and are not obligated to provide future commitments (Rousseau, 2000). On average, individuals began at quite low levels in their short-term dimension beliefs, with scores between 1.5 and 2.0 on the 5-point scale (see Table 5.14 – Row 'Fixed effects, Initial status'). There was a

Figures 5.6 and 5.7: Curve estimation plots (dependent variables: ERO_narrow and ERO_short-term)

Figure 5.6:
ERO_narrow

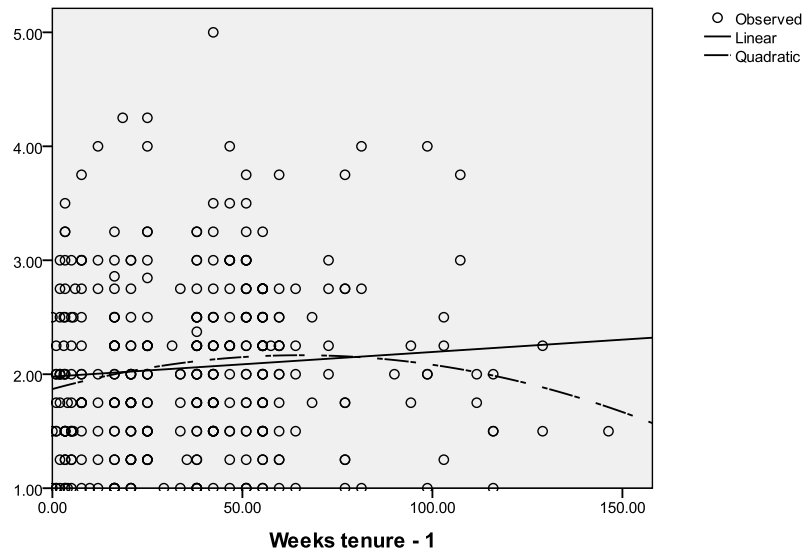
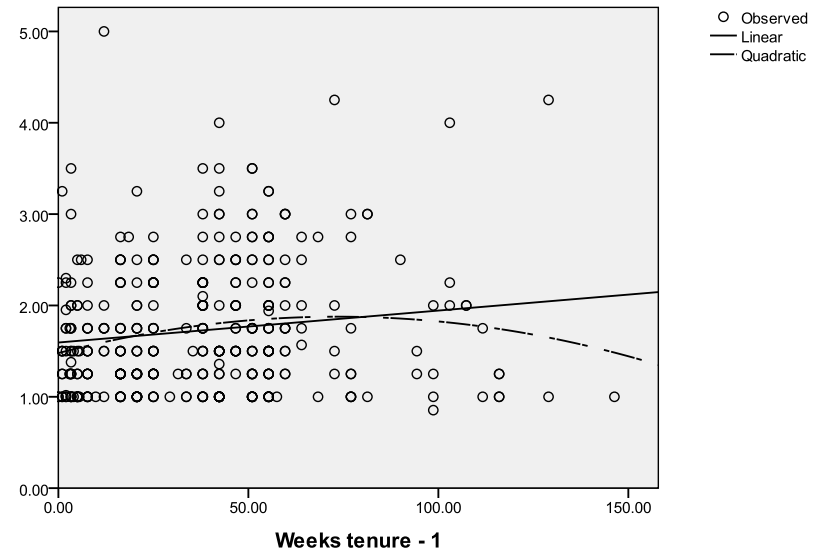


Figure 5.7:
ERO_short-term



significant positive, linear slope for time, indicating that individuals generally increased their beliefs in this dimension over time (see Table 5.14 – Row ‘Fixed effects, TIME (linear)’). Figure 5.7 shows that there isn’t as clear a quadratic curve for this dimension, suggesting that a linear curve provides the best trajectory data fit.

Of the six substantive predictors added to the model in Stage 2, both corporate reputation (emotional factor) and LMX had significant and negative fixed effects (see Table 5.15 – Row ‘Fixed effects, CR_emotional and LMX’). However, the magnitude of the coefficient for the reputation variable was around double that of LMX. As with the relational and balanced contract dimensions, this offers evidence that organisational-level cues (captured via the reputation measure) have greater weight than do supervisory-level cues (captured via the LMX measure) for assessments of employer short-term obligations. None of the individual difference variables were significant at $p < 0.05$ (see Table 5.15 – Row ‘Fixed effects, P-A, N-A, HRD’).

Although the employer short-term Stage 1 modelling also identified significant slope variation to be predicted (see Table 5.14 - Row ‘Variance components, Linear term, Variance’), no cross-level interactions were significant, indicating a failure of the models to detect significant random effects.

Table 5.16 provides an overview of the results for the employer obligations’ analyses. Overall, the findings show that for contract content components regarding perceived employer obligations, the growth curves generally exhibit quadratic change patterns. Further, individuals differentially used the predictor variables to construct beliefs about employer obligations. In particular, it was both organisational- and dyadic-level cues that were focused upon to construct these obligation beliefs.

Table 5.16: Employer (ERO) obligations - overview of significant predictors' effect directions and total number of effects

		Effects of time-varying predictors added to explain variability in the growth model (Level-2)							
		Relational contract dimensions		Balanced contract dimensions			Transactional contract dimensions		
		ERO_loyalty	ERO_stability	ERO_performance support	ERO_development	ERO_external marketability	ERO_narrow	ERO_short-term	
	Growth model and curve shape (Level-1)	∪ ^a	Linear ^b (-)	∪ ^a	∪ ^a	Linear ^b (-)	∩ ^a	Linear ^b (+)	No. of effects on DVs
CR_emotional		✓ (+)	✓ (+)	✓ (+)	✓ (+)			✓ (-)	5
CR_rational		✓ (-)							1
LMX		✓ (+)	✓ (+)	✓ (+)	✓ (+)	✓ (+)		✓ (-)	6
Positive affect				✓ (+)		✓ (+)			2
Negative affect									0
Hardiness				✓ (+)					1
No. of effects		3	2	4	2	2	0	2	

✓ - significant predictor for explaining variability

^a - Level-1 sub-model only demonstrated individual variation in intercepts

^b - Level-1 sub-model demonstrated individual variation in intercepts and slopes

(+) - direction of linear growth curve / predictor has a positive effect on the dependent variable

(-) - direction of linear growth curve / predictor has a negative effect on the dependent variable

ns = non-significant linear slope

5.6.3 Individual growth models – employee obligations

Overall, for all employee obligation dependent variable scores there was substantial and significant within-person (34%-55%) and between-person (45%-66%) variation (see Table 5.17 – Row ‘ICC’). This indicates that a growth modelling approach is reasonable. In terms of the general fixed slope shape (see Table 5.17 – Row ‘Fixed effects, TIME (linear) and TIME² (quadratic)’), the majority of contract dimensions exhibited a ‘no-change’ trajectory. This means the effect of time, even with no other predictors in the model, exhibited no significant effect and that, generally, individuals’ beliefs regarding their own obligations remained stable over the period under study. However, one relational and one balanced contract dimension exhibited significant, convex quadratic trends, meaning that beliefs in these dimensions initially decreased, but then returned to higher levels again. One transactional contract dimension also exhibited a significant and positive linear slope, indicating that beliefs in this dimension generally increased over time.

When the models did not include any substantive predictors, and only time was a predictor in the model, all dependent variables exhibited significant individual variation in intercepts (see Table 5.17 - Row ‘Variance components, Initial status’). Only the employee short-term dependent variable further demonstrated significant variability in linear slopes (see Table 5.17 – Row ‘Variance components, Linear term, Variance’). With the inclusion of the time-varying substantive predictors, most models continued to exhibit significant intercept variation, meaning that variables other than those included in the model are influencing levels of psychological contract beliefs at organisational entry (see Table 5.18 – Row ‘Variance components, Initial status’). Further, for all dependent variables except one (employee stability) the fixed slopes effects became non-significant (see Table 5.18 – Row ‘Fixed effects, TIME (linear) and TIME² (quadratic)’). This suggests that the substantive time-varying predictors accounted for the time-related effects demonstrated in the ‘Stage 1’ models. For the sole dependent variable that also exhibited significant slope variability (short-term), none of the cross-level interaction terms were significant, meaning that none of the predictors significantly explained the identified slope variation.

Table 5.17: Employee (EEO) obligations – Stage 1 modelling summary – best-fitting growth curves

		Relational contract dimensions		Balanced contract dimensions			Transactional contract dimensions		
		Parameter	Loyalty	Stability	Performance Support	Development	External Marketability	Narrow	Short-term
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	3.62*** (0.07)	3.25*** (0.11)	4.10*** (0.06)	4.41*** (0.06)	3.05*** (0.09)	2.09*** (0.08)	2.31*** (0.07)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	-0.001 (0.001)	-0.009** (0.003)	0.001 (0.001)	-0.006 (0.002)	0.002 (0.002)	-0.002 (0.001)	0.004* (0.002)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	n/a	8.41E-5* (3.31E-5)	n/a	5.52E-5* (2.21E-5)	n/a	n/a	n/a
Variance components									
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.35*** (0.06)	0.56*** (0.09)	0.15**** (0.03)	0.16*** (0.03)	0.37*** (0.08)	0.33*** (0.05)	0.26*** (0.06)
<i>Linear term</i>									
	variance (ζ_{1i})	σ_1^2	n/a	n/a	n/a	n/a	4.60E-5~ [0.09] (2.71E-5)	n/a	6.50E-5* (2.98E-5)
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<i>Quadratic term</i>									
	variance (ζ_{2i})	σ_2^2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Goodness-of-fit	Deviance statistic (-2RLL)		603.78	808.51	546.78	541.77	861.49	652.51	805.13
	AIC		617.78	824.51	560.78	557.77	877.49	666.51	821.13
	BIC		645.20	855.84	588.19	589.10	908.81	693.93	852.45
ICC^a	WPV;BPV [^] (ρ)		34;66	39;61	55;45	50;50	50;50	38;62	52;48

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

^a ICC = intra-class correlation coefficient; WPV = within-person variation; BPV = between-person variation

Table 5.18: Employee (EEO) obligations – Stage 2 modelling summary – ‘final’ models with effects of hypothesised predictors

			Relational contract dimensions		Balanced contract dimensions			Transactional contract dimensions	
		Parameter	Loyalty	Stability	Performance Support	Development	External Marketability	Narrow	Short-term
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	3.59*** (0.09)	3.23*** (0.14)	3.99*** (0.07)	4.22*** (0.11)	3.05*** (0.12)	2.15*** (0.10)	2.52*** (0.11)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	0.0001 (0.001)	-0.008~ [0.09] (0.005)	0.004** (0.001)	0.002 (0.004)	0.002 (0.002)	-0.003~ [0.079] (0.002)	-0.001 (0.002)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	n/a	8.77E-5* (4.08E-5)	n/a	-1.82E-5 (2.94E-5)	n/a	n/a	n/a
CR_emotional		γ_{30}	0.27*** (0.06)	0.31*** (0.08)	0.11* (0.06)	0.15* (0.06)	-0.25** (0.10)	-0.09 (0.07)	-0.28** (0.09)
CR_rational		γ_{40}	-0.07 (0.06)	-0.09 (0.08)	-0.03 (0.06)	-0.09 (0.06)	-0.07 (0.09)	0.02 (0.07)	0.07 (0.09)
LMX		γ_{50}	0.02 (0.06)	0.14~ [0.06] (0.07)	-0.04 (0.06)	0.08 (0.06)	0.06 (0.09)	0.12~ [0.08] (0.07)	-0.003 (0.09)
P-A		γ_{60}	0.08 (0.08)	-0.01 (0.10)	0.17* (0.07)	0.19* (0.07)	0.14 (0.12)	-0.02 (0.09)	0.06 (0.12)
N-A		γ_{70}	0.19* (0.08)	-0.03 (0.11)	-0.10 (0.07)	-0.02 (0.07)	-0.08 (0.12)	0.05 (0.10)	-0.01 (0.12)
HRD		γ_{80}	0.09 (0.10)	0.04 (0.13)	0.23* (0.09)	0.23* (0.09)	0.24 (0.15)	-0.22~ [0.053] (0.11)	-0.01 (0.15)
Variance components									
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.31*** (0.05)	0.51*** (0.08)	0.12*** (0.03)	0.10*** (0.03)	0.32** (0.10)	0.37*** (0.06)	0.28** (0.10)
<i>Linear term</i>									
	variance (ζ_{1i})	σ_1^2	n/a	n/a	n/a	n/a	5.01E-5 (3.26E-5)	n/a	2.56E-5 (3.62E-5)
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<i>Quadratic term</i>									
	variance (ζ_{2i})	σ_2^2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	covariance with initial	σ_{02}	n/a	n/a	n/a	n/a	n/a	n/a	n/a

	status (ζ_{0i} and ζ_{2i})								
	covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Goodness-of-fit	Deviance statistic (-2RLL)		413.87	545.35	348.60	362.50	625.80	483.31	623.11
	AIC		437.87	571.35	372.60	388.50	651.80	507.31	649.11
	BIC		481.27	618.37	416.00	435.52	698.82	550.71	696.12

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

5.6.3.1 Relational contract obligations – loyalty and stability dimensions

Loyalty. Employee loyalty obligations focus upon whether employees feel obligated to support their firms, feel a loyalty toward their firms and a commitment to their organisations' needs and interests (Rousseau, 2000). On average, individuals began fairly highly in their own initial loyalty dimension beliefs, with scores around 3.6 on the 5-point scale (see Table 5.17 – Row 'Fixed effects, Initial status'). This score was marginally lower than the intercept for the reciprocal employer obligation dimension, which was closer to 4.0. There was a non-significant, linear slope for time (see Table 5.17 – Row 'Fixed effects, TIME (linear)'). This indicates that individuals' beliefs regarding this dimension remained stable over time, or did not significantly change, as shown in Figure 5.8. No significant slope variability was found (see Table 5.17 - Row 'Variance components, Linear term, Variance').

Of the six substantive predictors added to the model in Stage 2, both corporate reputation (emotional factor) and negative affect had positive and significant fixed effects (see Table 5.18 – Row 'Fixed effects, CR_emotional, N-A'). LMX was not a significant predictor for this dependent variable (see Table 5.18 – Row 'Fixed effects, LMX'). The coefficient magnitude for the reputation variable (0.27) was somewhat higher than that for the individual difference variable (0.19). This suggests that while organisational-level cues (captured via the reputation measure), predominantly, and one individual difference variable are both associated with higher employee assessments of their own loyalty obligations, supervisory-level cues (captured via the LMX measure) are carrying no significant weight in making these assessments.

Stability. Employee stability obligations focus upon whether employees feel obligated to remain with their firms and to do what is required to keep their jobs (Rousseau, 2000). On average, individuals began fairly highly in their own initial stability dimension beliefs, but slightly lower than for their loyalty beliefs, with scores around 3.2 on the 5-point scale (see Table 5.17 – Row 'Fixed effects, Initial status'). This score was lower than the intercept for the reciprocal employer obligation dimension, which was closer to 4.0. There was a significant quadratic, convex growth trajectory (see Table 5.17 – Row 'Fixed effects, TIME

Figures 5.8 and 5.9: Curve estimation plots (dependent variables: EEO_loyalty and EEO_stability)

Figure 5.8:
EEO_loyalty

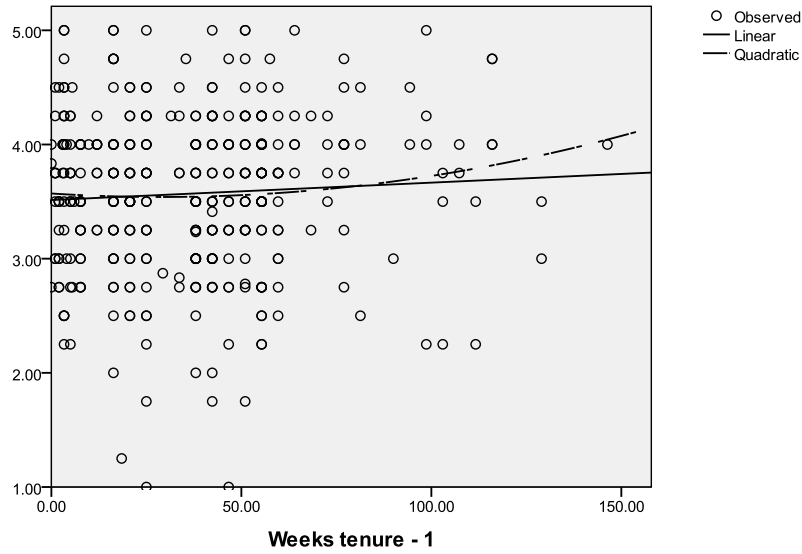
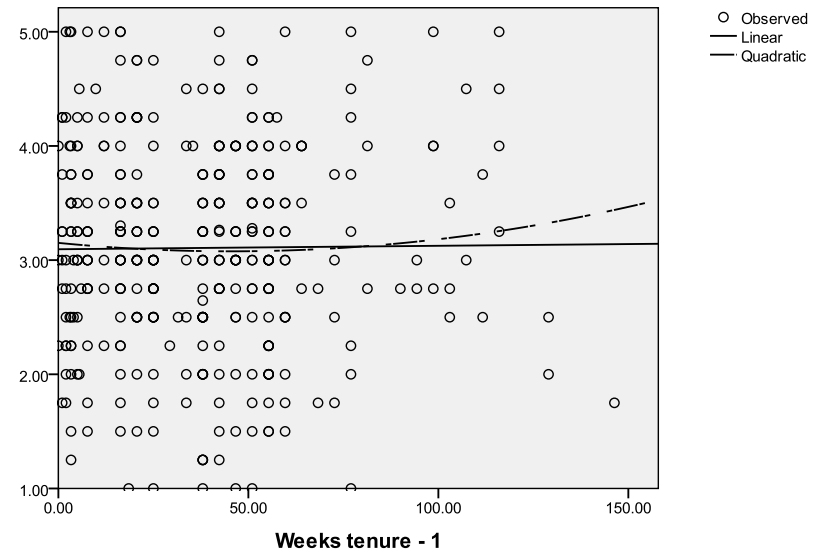


Figure 5.9:
EEO_stability



(linear) and TIME^2 (quadratic)'). This indicates that individuals initially decreased their beliefs in this dimension but then over time increased them again. Figure 5.9 illustrates this shape, with a marginal decrease and then increase in the trajectory over time. No significant slope variability was found (see Table 5.17 - Row 'Variance components, Quadratic term, Variance').

Of the six substantive predictors added to the model in Stage 2, only the corporate reputation (emotional factor) demonstrated a significant and positive fixed effect for predicting this dimension score (see Table 5.18 – Row 'Fixed effects, CR_emotional'). The magnitude of the coefficient was similar to that found for the employee loyalty dimension (around 0.30). Again, LMX was not a significant predictor for this dependent variable (see Table 5.18 – Row 'Fixed effects, LMX') and none of the individual difference variables were significant at $p < 0.05$ (see Table 5.18 – Row 'Fixed effects, P-A, N-A, HRD'). This suggests that it is organisational-level cues (captured via the reputation measure) which are predominantly used by employees to develop assessments of their own stability obligations.

5.6.3.2 Balanced contract obligations – performance support, development and external marketability dimensions

Performance support. Employee performance support obligations focus upon whether employees feel obligated to successfully reach new and more demanding goals, which can repeatedly change in the future, to help their firms become and remain competitive (Rousseau, 2000). On average, individuals began very highly in their own initial performance support dimension beliefs (see Figure 5.10), with scores around 4.0 (see Table 5.17 – Row 'Fixed effects, Initial status'). This mirrored the initial levels of beliefs regarding employer obligations along this same dimension. There was a non-significant, linear slope for time, (see Table 5.17 – Row 'Fixed effects, TIME (linear)'), which indicates that individuals' beliefs regarding these dimensions remained stable over time, as shown in Figure 5.10. No significant slope variability was found (see Table 5.17 - Row 'Variance components, Linear term, Variance').

Figures 5.10, 5.11 and 5.12: Curve estimation plots (dependent variables: EEO_performance support, EEO_development and EEO_external marketability)

Figure 5.10:
EEO_performance support

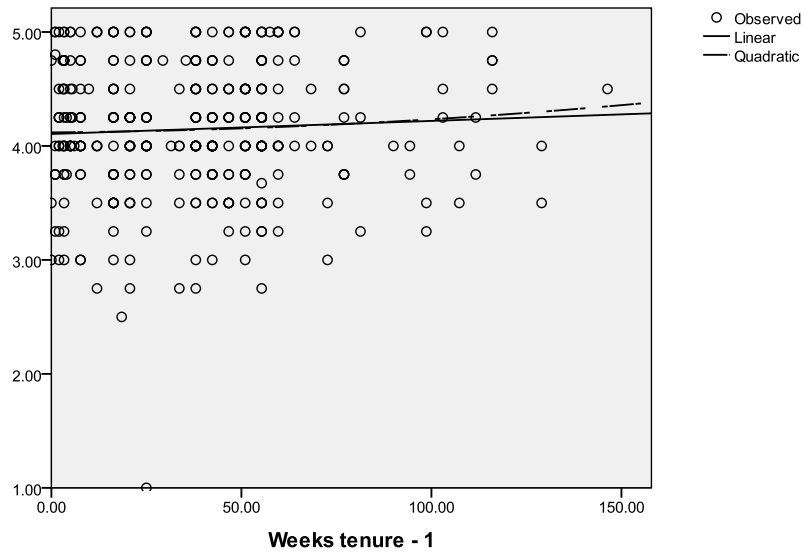


Figure 5.11:
EEO_development

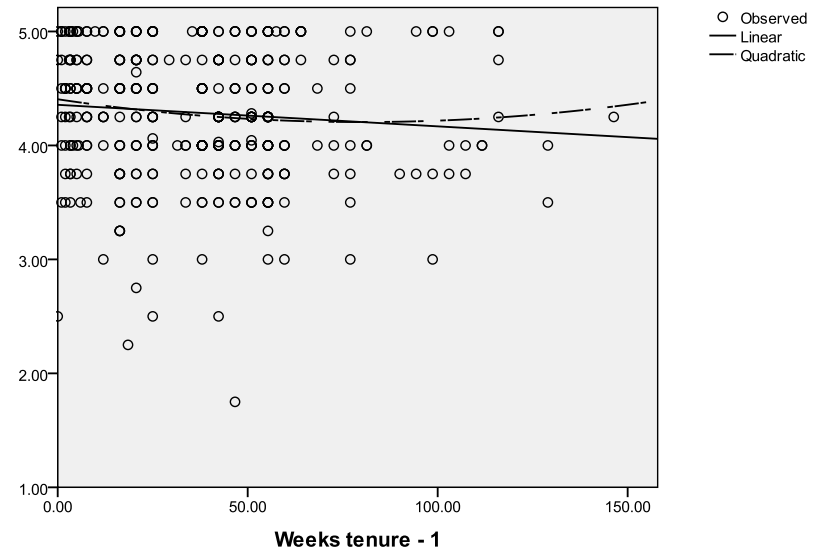
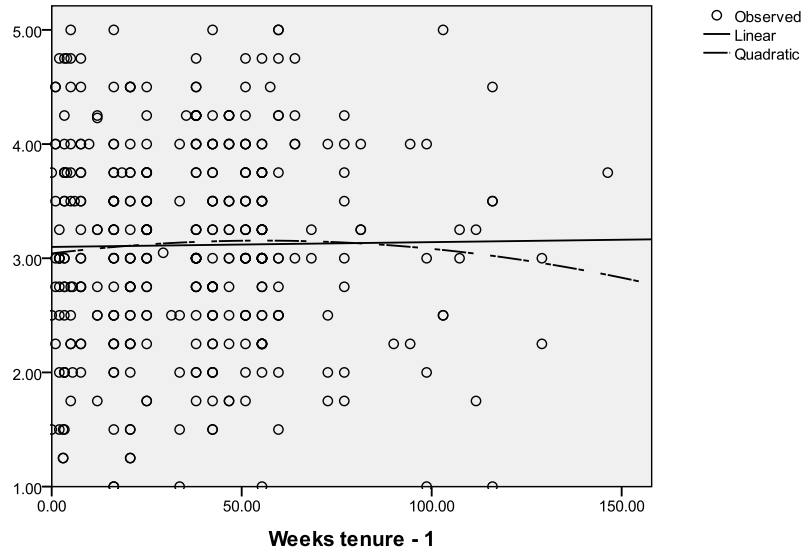


Figure 5.12:
EEO_external marketability



Of the six substantive predictors added to the model in Stage 2, corporate reputation (emotional factor), positive affect and hardiness were statistically significant and demonstrated positive fixed effects (see Table 5.18 – Row ‘Fixed effects, CR_emotional, P-A, HRD’). In terms of the magnitudes of the coefficients, both of the individual difference variables exhibited comparable magnitudes (0.17-0.23), which were reasonably higher than the coefficient magnitude for the reputation variable (0.11). LMX was not a significant predictor for this dimension (see Table 5.18 – Row ‘Fixed effects, LMX’). This suggests that both the organisational-level cues (captured via the reputation measure) and the individual difference variables of positive affect and hardiness are associated with higher employee assessments of their own performance support obligations. However, the individual difference variables appear to carry a greater weight in these employee obligation assessments. Conversely, supervisory-level cues (captured via the LMX measure) are not being significantly utilised in these assessments at all.

Development. Employee development obligations focus upon career development within the internal labour market and whether employees feel obligated to develop skills valued by their employers (Rousseau, 2000). On average, individuals began very high in their own initial development dimension beliefs (see Figure 5.11), with scores around 4.5 (see Table 5.17 – Row ‘Fixed effects, Initial status’). This mirrored the initial levels of beliefs regarding employer obligations along this same dimension. There was a significant quadratic, convex growth trajectory (see Table 5.17 – Row ‘Fixed effects, TIME (linear) and TIME² (quadratic)’). This means that individuals initially decreased their beliefs in this dimension but then over time increased them again, as shown in Figure 5.11. No significant slope variability was found (see Table 5.17 - Row ‘Variance components, Quadratic term, Variance’).

Of the six substantive predictors added to the model in Stage 2, corporate reputation (emotional factor), positive affect and hardiness were statistically significant and demonstrated positive fixed effects (see Table 5.18 – Row ‘Fixed effects, CR_emotional, P-A, HRD’). In terms of the magnitudes of the coefficients, both of the individual difference variables exhibited comparable magnitudes (0.19-0.23), which were reasonably higher than the coefficient magnitude for the reputation variable (0.15). LMX was not a significant

predictor for this dimension (see Table 5.18 – Row ‘Fixed effects, LMX’). As with the performance support dimension, this suggests that both the individual difference variables, predominantly, and the organisational-level cues (captured via the reputation measure) are associated with higher employee assessments of their own development obligations. However, again, the supervisory-level cues (captured via the LMX measure) are not being significantly utilised in making these assessments.

External marketability. Employee external marketability obligations focus upon career development in the external labour market and whether employees feel obligated to develop externally marketable skills (Rousseau, 2000). On average, individuals began somewhat lower on this balanced contract dimension (see Figure 5.12), when compared with the other two, at around a score of 3.0 (see Table 5.17 – Row ‘Fixed effects, Initial status’). This mirrors the initial levels of beliefs regarding employer obligations along this same dimension. There was a non-significant, linear slope for time (see Table 5.17 – Row ‘Fixed effects, TIME (linear)’), which indicates that individuals’ beliefs regarding this dimension remained stable over time, as shown in Figure 5.12. No significant slope variability was found¹⁴ (see Table 5.17 - Row ‘Variance components, Linear term, Variance’).

Of the six substantive predictors added to the model in Stage 2, corporate reputation (emotional factor) was the only covariate demonstrating a significant and negative fixed effect (see Table 5.18 – Row ‘Fixed effects, CR_emotional’). The magnitude of the coefficient was higher than that for the other two balanced contract dimensions (0.25). Again, LMX was not a significant predictor for this dependent variable (see Table 5.18 – Row ‘Fixed effects, LMX’) and none of the individual difference variables were significant at $p < 0.05$ (see Table 5.18 – Row ‘Fixed effects, P-A, N-A, HRD’). This suggests that it is organisational-level cues (captured via the reputation measure) which are predominantly used by employees to develop assessments of their own external marketability obligations.

¹⁴ Although the employee external marketability dimension Stage 1 modelling identified the best-fitting model as one which retained a random slope parameter, the variation was not significant at the $p < 0.05$ level and, as such, this variability was not explored further.

5.6.3.3 Transactional contract obligations – narrow and short-term dimensions

Narrow. Employee narrow obligations focus upon whether employees feel obligated to perform only a fixed or limited set of duties and do only what they are paid to do (Rousseau, 2000). On average, individuals began at quite low levels in their own initial narrow dimension beliefs, with scores just above 2.0 on the 5-point scale (see Table 5.17 – Row ‘Fixed effects, Initial status’). These scores were marginally higher than the starting point beliefs on the same employer obligation dimension, which were below 2.0. There was a non-significant, negative linear slope for time (see Table 5.17 – Row ‘Fixed effects, TIME (linear)’). This indicates that individuals’ beliefs regarding this dimension remained stable over time, or did not significantly change. This is illustrated by the relatively flat line in the plot of the narrow dimension scores (Figure 5.13). No significant slope variability was found (see Table 5.17 - Row ‘Variance components, Linear term, Variance’).

Of the six substantive predictors added to the model in Stage 2, the only covariate which approached significance as a (negative) predictor was hardiness (at $p=0.053$) and with a comparable magnitude coefficient to that of the employee balanced contract dimensions that hardiness also influenced (at 0.22) (see Table 5.18 – Row ‘Fixed effects, HRD’).

Short-term. Employee short-term obligations focus upon whether employees feel no obligations to remain with their firms and are committed to working there only for a limited time (Rousseau, 2000). On average, individuals began at quite low levels in their own initial short-term dimension beliefs, with scores around 2.3 on the 5-point scale (see Table 5.17 – Row ‘Fixed effects, Initial status’). These scores were marginally higher than the starting point beliefs on the same employer obligation dimension, which were below 2.0. There was a significant and positive linear slope for time (see Table 5.17 – Row ‘Fixed effects, TIME (linear)’), which indicates that individuals significantly increased their short-term obligation beliefs over time. This is illustrated in the marginally upward trajectory for the short-term dimension scores (see Figure 5.14).

Of the six substantive predictors added to the model in Stage 2, only corporate reputation (emotional factor) significantly (and negatively) predicted scores on this dependent variable,

Figures 5.13 and 5.14: Curve estimation plots (dependent variables: EEO_narrow and EEO_short-term)

Figure 5.13:
EEO_narrow

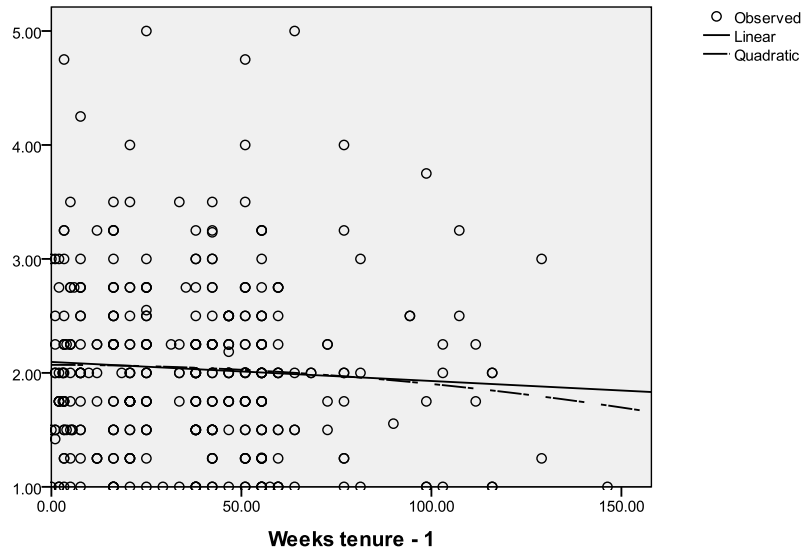
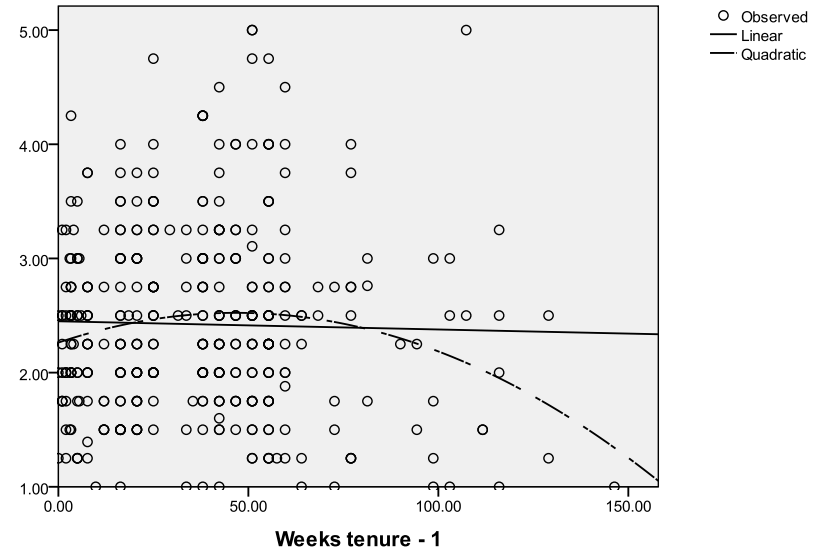


Figure 5.14:
EEO_short-term



with a reasonable coefficient magnitude of 0.28 (see Table 5.18 – Row ‘Fixed effects, CR_emotional’).

Although the employee short-term dimension Stage 1 modelling also identified significant slope variation (see Table 5.17 - Row ‘Variance components, Linear term, Variance’), no cross-level interactions were significant, indicating a failure of the models to detect significant random effects.

Table 5.19 provides an overview of the results for the employee obligations’ analyses. Overall, the findings show that for contract content components regarding perceived employee obligations, the growth curves generally exhibited no-change patterns. Further, individuals differentially used the predictor variables to construct beliefs about employee obligations. In particular, it was the organisational-level cues and individual difference variables that were focused upon to construct these obligation beliefs. These results are in contrast to the findings for employer obligations, where it was found that quadratic growth curves generally characterised the change patterns evident and that both organisational- and dyadic-level cues were drawn upon to construct these obligation beliefs.

Table 5.19: Employee (EEO) obligations - overview of significant predictors' effect directions and total number of effects

		Effects of time-varying predictors added to explain variability in the growth model (Level-2)							
		Relational contract dimensions		Balanced contract dimensions			Transactional contract dimensions		
		EEO_loyalty	EEO_stability	EEO_performance support	EEO_development	EEO_external marketability	EEO_narrow	EEO_short-term	
	Growth model and curve shape (Level-1)	Linear ^a (<i>ns</i>)	∪ ^a	Linear ^a (<i>ns</i>)	∪ ^a	Linear ^a (<i>ns</i>)	Linear ^a (<i>ns</i>)	Linear ^b (+)	No. of effects on DVs
CR_emotional		✓ (+)	✓ (+)	✓ (+)	✓ (+)	✓ (-)		✓ (-)	6
CR_rational									0
LMX									0
Positive affect				✓ (+)	✓ (+)				2
Negative affect		✓ (+)							1
Hardiness				✓ (+)	✓ (+)				2
No. of effects		2	1	3	3	1	0	1	

✓ - significant predictor for explaining variability

^a - Level-1 sub-model only demonstrated individual variation in intercepts

^b - Level-1 sub-model demonstrated individual variation in intercepts and slopes

(+) - direction of linear growth curve / predictor has a positive effect on the dependent variable

(-) - direction of linear growth curve / predictor has a negative effect on the dependent variable

ns = non-significant linear slope

5.7 Discussion of Study 2 findings

The purpose of Study 2 was to: (1) understand how individuals' psychological contracts change, by assessing the shape of individuals' change trajectories across the content of both perceived employee and employer obligations (research question 2 overall); and (2) investigate the effects of four of the five hypothesised predictors of change on these perceived obligations (corporate reputation, LMX, positive and negative affect and hardiness) which, respectively, represent organisational-, dyadic- and individual-difference contract-relevant cues which individuals may draw upon to revise their contract beliefs over time (research questions 2 (a-c)). The fifth hypothesised predictor, contract breach and violation, is studied qualitatively through Study 3. First, this section briefly discusses the triangulation of the Time 1 survey results from Study 2 with the Study 1 interview findings.

5.7.1 Data triangulation with the Study 1 results

Broadly, the Time 1 (Wave 0) survey results accord with the newcomer psychological contract content identified qualitatively through Study 1. Specifically, in terms of employer obligations, the interviews identified that individuals' psychological contracts contained predominantly balanced contract elements comprised of development and performance support dimensions. This is confirmed through the fixed effect intercept scores on these dimensions found in Study 2, which were both above 4.0 (on the 5-point scale). The importance of the relational contract dimension of loyalty was also confirmed, with an initial score of 3.97, the highest following the aforementioned balanced contract dimensions. The lack of focus upon transactional contract dimensions was also validated by the Time 1 surveys, with scores on these dimensions being the lowest of all the employer obligation scales (between 1.50-1.90). Similarly, in terms of employees' perceived obligations to their employers, interviewees' focus upon the balanced contract dimensions was again confirmed through the surveys, with the highest employee obligation scores being the performance support and development dimensions of the balanced contract type (scores between 4.10-4.40). These patterns of priority placed upon particular contract types and dimensions are similar across both perceived employer and employee obligations, offering evidence that, at organisational entry, what employees were willing to give and receive in the employment relationship were along the same content lines.

5.7.2 How does an individual's psychological contract change over time? (research question 2 overall)

The findings relating to research question 2 (overall) contribute to, and extend, the literature by examining contract change via a four-wave longitudinal, quantitative study and utilising individual growth modelling to explicitly examine the initial levels of individuals' various contract beliefs at organisational entry and the subsequent shape of individuals' contract growth curves over time. This approach offers an extension to the currently dominant cross-sectional methodologies and two-wave longitudinal studies available in the literature. The findings also extend the work of De Vos (2005) by being the first study (known to this author) to: (1) empirically explore more complex, non-linear change trajectories and then demonstrate the existence of quadratic (curvilinear) growth curves in contract change trajectories across both perceived employee and employer obligations; and (2) identify patterns of change across various contract content dimensions and types (as per Rousseau's (2000) typology)).

5.7.2.1 Change trajectories - perceived employer and employee obligations

The findings confirm the many theoretical propositions that psychological contracts are dynamic. The intra-class correlation coefficients for all employer and employee obligation sub-dimensions indicated that there was considerable within- and between-person variation in individuals' contract scores over time. If these scores were stable, such that individuals' contract beliefs remained the same, over time, as those held at organisational entry, then only between-person variation in contract beliefs would be present (Mroczek & Spiro, 2003).

With only the predictor of time entered into the model, four employer obligation contract dimensions, loyalty (relational contract), performance support and development (balanced contract) and narrow (transactional contract), exhibited quadratic change trajectories. For the relational and balanced contract dimensions this resulted in an initial reduction and then increase in these beliefs over time (a convex curve), while the converse was the case for the transactional contract dimension (a concave curve). The remaining dimensions exhibited negative linear curves (stability (relational contract) and external marketability (balanced contract)) and a positive linear curve (short-term (transactional contract)). When the theorised predictors were added to the model, the

effect of time became non-significant, meaning that the previously significant effect of time was being accounted for by changes over time in the substantive predictors.

The five longitudinal studies available in the contract literature (Thomas & Anderson, 1998 (two-waves); Robinson et al., 1994 (two-waves); De Vos et al., 2003 (four-waves); De Vos et al., 2005 (two-waves); De Vos, 2005 (five-waves)) offer some results by which to compare those from this study. Of relevance, both the early longitudinal studies (Thomas & Anderson, 1998; Robinson et al., 1994) and the more recent work of De Vos (2005) found that employees' beliefs in what the employer owes them (employer obligations) *increased* over time. To reconcile these findings and the results from this study, a possible explanation is the methodology employed. It is quite possible that if only two waves of data were collected in this study (as per the earlier longitudinal studies) or only linear trajectories were examined (as per De Vos, 2005), beliefs about employer obligations would have been assessed only as increasing, as at the final data point the increase in beliefs would have been accelerating for those contract dimensions exhibiting a convex quadratic curve. While not explicitly examining curvilinear trajectories, De Vos' (2005) results showed that the functional forms of the change trajectories investigated, in most cases, did not follow a linear form, leading the author to suggest the existence of differences in contract change processes, which this study has now offered evidence for.

The quadratic curvature of many of the perceived employer obligations may be explained by individuals having greater uncertainty regarding these obligations than their own. For example, their relatively simple employment schemas (as identified through Study 1), coupled with entering their first professional employment relationship, may mean that individuals are unsure about exactly what they should expect from their employer and are thus more willing to adapt their beliefs about employer obligations over time. In particular, as the graduates in this sample often changed work areas via rotations as part of their graduate programs, this resulted in different workplace environments including varying relationships with supervisors and colleagues. This means that individuals could have had quite different work experiences within the one organisation. This may have precipitated an adaptation of beliefs about employer obligations as their work areas changed. Contract theorising and research has shown that organisational newcomers, particularly inexperienced ones, can enter workplaces with unrealistic expectations and

will likely experience a degree of disappointment with the reality they experience upon organisational entry (Nicholson & Arnold, 1991; Rousseau, 1990; Robinson et al., 1994). Although, individuals then adapt their attitudes to this reality through processes such as socialisation, sense-making and information-seeking. These findings for the employer obligations accord with this literature to the extent that there is some initial downward revision by employees of their employers' balanced and relational contract obligations; however, this research extends the current understanding of contract change by empirically demonstrating that the initial downward revision is then often followed by an increase in these beliefs over time (that is, a convex quadratic curve). Further, from a social exchange perspective, it appears that employees have not yet experienced enough reciprocal exchanges with their particular employer to have developed anything approximating a stable and predictable pattern of exchanges. As Blau (1964) notes, because social exchange requires trusting others to reciprocate, the initial challenge is to prove oneself trustworthy. It would appear that employees have yet to determine the 'trustworthiness' of their employers, resulting in a non-linear trajectory for their employer obligation beliefs.

In looking more specifically at the contract content dimensions, two points are made. First, the literature offers some theoretical support for the identified direction of the changes in the employer obligation dimensions. For example, a convex quadratic growth curve for the loyalty dimension and a negative linear curve for the stability dimension (both relational contract) were mirrored by a concave quadratic curve for the narrow dimension and a positive linear curve for the short-term dimension (both transactional contract). While Rousseau (1995, p. 98) is clear that 'relational and transactional (contract) terms are not mutually exclusive', it is generally agreed that individuals' beliefs focus predominantly upon one contract type or another (Rousseau, 2000; Grimmer & Oddy, 2007; Krivokapic-Skoko, Dowell, O'Neill & Kleinschafer, 2009). Therefore, these dimension-level findings accord with this theorising by showing that increases/decreases in relational contract dimension beliefs are generally mirrored by decreases/increases in transactional contract dimension beliefs over time. Second, these findings suggest that the sub-dimensions within the same contract type do not necessarily change uniformly and, indeed, can change differentially (such as one quadratically and one linearly). While other longitudinal studies haven't examined this dimension-level of change (in order to compare these results), this dimension-level analysis offers some new

insights into how different content *elements* of psychological contracts change. If the analysis had only focused upon contract types, this level of nuance would not have been identified.

In terms of perceived employee obligations, with only time entered into the model the majority of contract dimensions exhibited a ‘no-change’ trajectory. This means that time exhibited no significant effect and that, generally, individuals’ beliefs regarding their own obligations remained stable over the period under study. However, one relational (stability) contract dimension and one balanced (development) contract dimension exhibited significant, convex quadratic trends, meaning that beliefs in these dimensions initially decreased, but then returned to higher levels again over time. One transactional contract dimension (short-term) also exhibited a significant and positive linear slope, indicating that beliefs in this dimension generally increased over time. In contrast, earlier longitudinal contract studies found that employees’ beliefs in their own obligations decreased over time, while De Vos’ (2005) more recent work found that, during the first year of employment, newcomers increased their perceptions of the promises they had made to their employers (perceived employee obligations). While this demonstrates no clear consensus in the literature regarding change patterns for employees’ own perceived obligations, the Study 2 findings offer evidence that for a number of contract dimensions, employees’ beliefs regarding what they owe to their employers actually remained quite stable.

This general stability in individuals’ own perceived obligations may be explained by the fact that these individuals were specifically recruited into structured graduate programs (generally of around 12 months), which often included multiple work rotations (of between three and 12 months) before having a final placement determined. The focus upon the balanced contract dimensions, particularly, may have remained consistent through a combination of: being at an early career stage where organisational learning is essential (particularly over the life of the graduate program); fairly regular changes in work areas and knowing that a particular placement was not permanent; and because their program experience and performance often impacted upon their final, permanent work placement. Although not psychological contract-specific, Nicholson and Arnold (1991) found that, in terms of self-perceptions, graduates remained relatively stable on these scores over a one-year period, offering some support for the idea that graduates’

beliefs in their own obligations to their employers may also remain fairly stable over a similar period of time. So while Rousseau (2001) suggests that newcomers' employment schemas may be relatively simple (compared to more experienced employees), and the Study 1 findings confirm this to be the case, the Study 2 findings provide evidence that, in terms of their own obligations, employees appear to consistently focus upon some core beliefs (such as balanced contract dimensions) with a consistent lesser focus upon others (such as transactional contract dimensions). Although contra to theorising that less complex schemas are more apt to change, these findings align with Ng and Feldman's (2009) proposition that individuals will perceive central, important contract elements and peripheral, less critical contract elements. The findings further add to this proposition that, in terms of employees' own perceived obligations, these central contract elements or beliefs may also remain relatively stable over time.

In terms of the social exchange process it appears that, in contrast to beliefs about employer obligations, individuals hold a relatively stable and set view of what resources and inducements they should be exchanging within the relationship. Blau (1964) suggests that the establishment of exchange relations involves making investments that constitute commitments to the other party. These findings suggest that within the first 12 months of the employment relationship employees may be seeking to demonstrate their 'trustworthiness' to their employer by exchanging a consistent level of resources, as evidenced by the stable contract trajectories for perceived employee obligations.

In looking more specifically at the contract content dimensions, a similar pattern to that found for the employer obligations is evident. For example, a negative linear curve for the loyalty dimension (relational contract) was mirrored by a positive linear curve for the short-term dimension (transactional contract). Again, as with the employer obligations' results, these findings show that sub-dimensions within the same contract type are changing differentially (such as one quadratically and one linearly).

5.7.3 Predicting psychological contract changes - the roles of various contract-relevant cues (research questions 2 (a-c))

The findings relating to research questions 2(a-c) contribute to, and extend, the contract literature by examining the longitudinal effects of different informational cues upon various elements of individuals' contract content. Four types of cues, operating at various

levels, were explored: an organisational-level cue (perceptions of corporate reputation); a dyadic-level cue (quality of the manager-employee relationship) and two individual difference variables which may influence, among other things, the perception and interpretation of information (positive and negative affect and hardiness)¹⁵. This study is the first to empirically investigate the roles of both corporate reputation and hardiness in shaping the psychological contract. In conjunction, the use of Rousseau's (2000) contract typology allows for an assessment of how these different cues affect different contract content components over time. Notwithstanding evidence in the literature that individuals will be exposed to a range of 'contract-makers' (Rousseau & Greller, 1994, p. 388) that send messages and signal the types of reciprocal obligations to be exchanged, the role of different informational sources in shaping contract content, over time, continues to be under-explored (Tallman & Bruning, 2008), hence the focus upon this in Study 2.

The results demonstrate that for each of the 14 contract sub-dimensions there was significant individual variability in individuals' initial status (the intercept) to be predicted and significant individual variability in slopes to be predicted for three employer obligation dimensions (stability (relational contract); external marketability (balanced contract); and short-term (transactional contract)) and one employee obligation dimension (short-term (transactional contract)). However, as the predictor variables are time-varying, their effect is interpreted more broadly than as just their effects at organisational entry. The findings represent the average effect, over time, of a 1-unit increase in the theorised predictors upon the psychological contract content dimensions (dependent variables).

5.7.3.1 The roles of different cues in predicting change - perceived employer and employee obligations

Of the theorised variables of interest, the main cues driving changes in perceived employer obligations were being drawn from an organisational-level, captured via the measure of corporate reputation (emotional factor) perceptions (with significant effects on five of the seven contract dimensions), and from dyadic-level employee-manager interactions, captured via the LMX measure (with significant effects on six of the seven contract dimensions). Both of these variables demonstrated effects upon content

¹⁵ It is acknowledged here that perceptions of the contract-relevant cues are assumed to come before psychological contract beliefs. The limitation regarding this definitive causal direction is discussed in Chapter 8 (Overall Discussion and Conclusions).

dimensions across all contract types (relational, balanced and transactional), although corporate reputation exhibited a marginally larger coefficient magnitude. The effects were consistent with what is theorised in the literature, with higher corporate reputation and LMX scores resulting in, on average, higher relational and balanced contract scores and lower transactional contract scores (Rousseau, 2001; Rousseau, 1995). This shows that when an individual has a more positive perception of his or her organisation overall, particularly regarding socio-emotional factors (such as trust and ‘having a good feeling’ about the company (Fombrun et al., 2000)), and a more effective and positive relationship with his or her manager, he or she will, on average, have higher perceptions of the employer’s obligations to him or her regarding contract content relating to loyalty and offering a stable job and development opportunities. Conversely, when these informational cues are viewed positively, an individual will, on average, have lower beliefs about more transactional contract-type employer obligations, particularly regarding providing only a short-term job opportunity.

Comparatively, the individual difference variables had a minimal effect on individuals’ perceptions of employer obligations over time, with significant effects on only two of the seven contract dimensions. Specifically, positive affect and hardiness exerted a positive influence upon the performance support (balanced contract) dimension and the former also exerted a positive influence on the external marketability (balanced contract) dimension, all with comparable magnitudes to that of the LMX measure. It has been shown that individuals who exhibit high positive affectivity and hardiness are generally optimistic, enthusiastic and view their life and work positively (Cropanzano et al., 1993; Suazo & Turnley, 2010) and are motivated by taking on new challenges (Bartone et al., 2008). As such, these findings are intuitively plausible as ‘high positive affect’ and ‘high hardiness’ individuals may then be more optimistic that these employer balanced obligations will continue at a high level over time. However, overall, the organisationally-derived contract-relevant cues (corporate reputation and LMX perceptions) demonstrated more of an effect upon beliefs about employer obligations, over time, than did the individual difference variables.

In contrast, the main predictors driving changes in perceived employee obligations were the organisational-level cues, captured via corporate reputation (emotional factor) perceptions (with significant effects on six of the seven contract dimensions), and the

individual difference characteristics (with significant effects on three of the seven contract dimensions). Again, corporate reputation demonstrated effects upon content dimensions across all contract types (relational, balanced and transactional). As with the employer obligations, the directions of the effects are supported in the literature, with higher corporate reputation scores resulting, on average, in higher relational and balanced contract scores and the inverse occurring for transactional contract scores.

The individual difference variables of positive affect and hardiness exerted significant and positive effects mainly upon the balanced contract dimensions only, specifically performance support and development. The literature would suggest that individuals scoring highly on positive affect are likely to perceive their own balanced contract obligations to be higher, which would likely reflect the reasoning provided above for individuals having similarly high scores on employer balanced obligations. Also, ‘high hardiness’ individuals are likely to perceive higher balanced obligations than are individuals without such scores and this finding accords with the theorising presented in the Literature Review (Chapter 2). Specifically, these individuals are likely to perceive challenging and dynamic situations as desirable opportunities for growth and learning (Kobasa et al., 1982; Maddi, 1999) and, thus, will likely believe that they are more obligated, than ‘non-hardy’ individuals, to meet new, different and increasingly challenging performance standards and to actively seek out developmental opportunities (balanced contract dimensions (Rousseau, 2000)).

Overall, the organisationally-derived contract-relevant cue of corporate reputation perceptions played the broadest role in sending messages to individuals regarding their own contract obligations. Unlike the findings for employer obligations, LMX played no significant role in influencing individuals’ own perceived obligations. However, the individual difference variables of positive affect and hardiness did exert more influence upon employee obligation beliefs than they did upon employer obligation beliefs. This latter point supports Tallman and Bruning’s (2008) finding of a greater connection between personality variables and perceived employee obligations, when compared to their influence upon perceived employer obligations. Possible reasons for the varying use of these predictor variables in constructing reciprocal contract beliefs are now explored.

5.7.3.2 The use of different cues to construct and revise contract beliefs

The interaction of the two overall findings is important. First, both organisational-level corporate reputation perceptions and dyadic-level LMX perceptions played the most significant and comparable roles in influencing perceived employer obligations over time. Second, organisational-level corporate reputation perceptions (in particular) and the individual difference variables of positive affect and hardiness played the most significant roles in influencing perceived employee obligations over time (although the latter only on balanced contract dimensions). Here, LMX perceptions exerted no significant influence upon employees' perceptions of their own obligations to their employers. Possible explanations for these findings may lie in the particular situational context of the sample under study, which was cited earlier to explain the general shape of the change trajectories, but it may also be relevant here. The study participants were specifically recruited into structured, often corporately-run, graduate programs (generally of around 12 months) which often included multiple work rotations (of between three and 12 months) before the determination of a final work placement. This fairly regular change in work areas and environments, for the duration of the study, was also often coupled with changing and varying relationships with supervisors and colleagues - meaning individuals could have quite different work experiences within their one organisation.

In relation to this study's findings, the overarching use of organisational-level cues (captured via the corporate reputation measure) to inform both employee and employer obligation perceptions over time may be due to two factors. First, as identified in Study 1, in applying for graduate program roles individuals were applying to *organisations* and not particular jobs or roles in specific units of the organisation. Much of the marketing in the recruitment phase would have focused upon imparting information about the type of organisation that an individual would be entering, not necessarily information on specific roles. For individuals, this focus upon organisational-level information appears to have continued throughout their tenure under study. The second factor which may have directed the use of organisational-level contract cues is the transient nature of the participants' work placements. This lack of permanency may have resulted in individuals drawing more upon their overall view of the organisation, rather than particular work team and managerial relationship cues, to inform their contract perceptions. It is also possible that as part of a corporately-run graduate program, the lack of a permanent

affiliation to a single work group entrenched this focus upon overall organisational perceptions to drive adjustments in contract beliefs. Therefore, given certain employment contexts, these findings offer evidence that individuals may indeed be ‘contracting’, overall, at more of an organisational-level rather than with specific organisational agents such as managers. This accords with theorising that individuals may indeed aggregate various contract-relevant messages in a process to ‘anthropomorphise’ the organisation (Conway & Briner, 2009, p. 84).

However, the comparable use of LMX and corporate reputation perceptions in constructing *employer* obligation perceptions over time may have been due to the need to adapt to certain work placements for a period of time - for some individuals up to a year. In these instances, the quality of the managerial relationship did indeed appear to send cues, which individuals drew upon, regarding employer obligations. It may also be that as new employees, with minimal previous work experience, potential uncertainty around what the employer should be providing (as evidenced in Study 1) may have facilitated individuals drawing upon a range of organisationally-derived cues, and not just corporate reputation perceptions, in order to construct beliefs about employer obligations. The lack of use of individual difference variables here is possibly due to a recognition that organisationally-derived cues will likely be the most accurate for drawing conclusions about employer obligations, rather than relying upon intra-individual, personality- and mood-related variables.

Although, in terms of perceived *employee* obligations the effect of LMX, in conjunction with corporate reputation perceptions, was not evident. Here, there is evidence that LMX perceptions played no role in shaping employees’ perceptions of their own obligations over time. It is possible that given their workplace context previously described, in particular knowing that their work placement was temporary but that their final placement would be somewhere in the organisation, individuals perceived their own obligations to be more directed toward the organisation as a whole and not directed at a particular work unit or manager. Hence, the contract-relevant cues they sought were from an organisational-level. Further, within their graduate programs individuals often received exposure to firm-wide senior managers and information on other work units and broader career possibilities within the company which, again, may have driven their search for informational cues regarding their own obligations more towards an

organisational-level. Finally, when compared to ongoing perceptions of employer obligations, individuals utilised intra-individual guides to a greater extent when constructing beliefs about their own obligations. As Tallman and Bruning (2008) state, this may be due to employees believing that they have greater control over their own behaviours and so have greater control over their own employment obligations. The Study 1 results identified some characteristics of this sample of individuals as being motivated, driven, performance-focused and, for many, career-oriented. Hence, in constructing beliefs about their own obligations related to these aspects of the contract, balanced contract content, individuals appear to have also drawn upon internal, personality-related and, to an extent, internal performance-related, factors.

5.8 Summary

A dearth of longitudinal contract studies means that there is no general consensus on how change occurs or the shape that it takes. The Study 2 findings offer evidence for the existence of: differences in the general change patterns across perceived employer and employee obligations (generally quadratic versus generally no-change patterns respectively); and variable change patterns for content dimensions *within* contract types, such as one relational contract dimension showing quadratic, and the other showing linear, curvature (which occurred for both employee and employer relational contract obligations). Further, the findings regarding informational cues suggest that employees construct their reciprocal employment beliefs from a variety of sources, at different organisational-, dyadic- and individual difference-levels, and differentially use these sources to construct beliefs about specific contract content. That is, while both organisational- and dyadic-level cues were focused upon to construct employer obligation beliefs, organisational-level cues and individual difference variables were focused upon to construct employee obligation beliefs. Having identified patterns of contract change and the roles of various theorised predictors in explaining these changes, Study 3 will now focus upon undertaking a more in-depth exploration of why individuals' contract beliefs changed, or otherwise, over time. In particular, the roles of breach and violation will be investigated as potentially key mechanisms in understanding why variable contract belief change occurs.

Chapter 6: Study 3

Results – General and Overarching Change Themes

The previous chapter presented the results of Study 2 (a longitudinal, quantitative study). Having explored the shape of individuals' contract change trajectories and the roles of various theorised predictors in explaining this change, the results of the final qualitative Study 3 now provide a more in-depth exploration of why individuals' contract beliefs changed, or otherwise, over time. This chapter begins by outlining the overall objectives of Study 3 and the research questions to be answered (section 6.1). The study's sampling strategy is then described and justified and the subsequent sample characteristics are detailed (section 6.2). The implementation of the data collection procedure and the interview protocols is explained (section 6.3) and the coding frameworks used to analyse the data are then outlined (section 6.4). The results of the employee interviews from Study 3 will be presented across two chapters, here in Chapter 6 and also in Chapter 7. The results presented in this chapter focus upon the general contract change trends identified (section 6.5.2). The results presented in Chapter 7 will then focus upon explicating a process model of post-breach and violation employee appraisals and reactions, through detailing a range of individual cases. This will exemplify how the processes of breach and violation serve to trigger contract belief change and the role of various 'remediation effects' in determining the degree of change. A discussion of the theoretical implications of the findings presented in both Chapters 6 and 7 is then provided in the latter chapter (section 7.2).

6.1 Objectives

The final objective of this thesis is to understand why individuals' psychological contracts, as established through the Study 2 surveys, have changed, or otherwise, over the time period under study and the roles of breach and violation in this process. Specifically, the findings from Study 3 will address research question 2(d):

2. How does an individual's psychological contract change, across perceived employee and employer obligations, over time? Specifically:

(d) Why do individuals have varying contract trajectories and what is the role of contract breach and violation in understanding this variance?

This final qualitative study provides the opportunity to fully exploit the advantages of the mixed methods approach. Building upon the context of Study 1, Study 3 offers the opportunity to explore whether the cited contract-relevant expectations at organisational entry remained salient following 16 months of tenure. Further, building upon Study 2, as individuals' survey responses were tracked through a unique 'identifier code', it was possible to identify not only individuals' changes in their psychological contract beliefs, but also which individuals experienced more or less change over the time period in order to explore this through the Study 3 interview process. This sampling strategy and the subsequent sample characteristics are now detailed.

6.2 Sampling strategy and characteristics

Overall, a purposive sampling strategy was utilised for this study's interviewing. The sample of interviewees was drawn from the results of the four surveys (Study 2) and the overall aim was to identify individuals with a range of change trajectories, in order to understand why these varied trajectories occurred. The sampling frame for Study 3 focused only on individuals who had completed all of the four surveys available in Study 2, as these individuals offered 'complete' trajectories. The sampling process was broadly two-fold. First, from the individuals' trajectories within the sampling frame, three main categories of change, or movement, along Rousseau's (2000) contract typology scale (at the contract-type level for both perceived employee and employer obligations) were identified: minimal change (around a 0.5-1.0 scale point change), moderate change (around a 1.0-1.5 scale point change) and high change (a more than 1.5 scale point change). The other category identified was termed a 'no-change' category, where the movements of individuals' trajectories were 0.5 or below of a scale point. This process identified the 'degree' of contract change that individuals experienced.

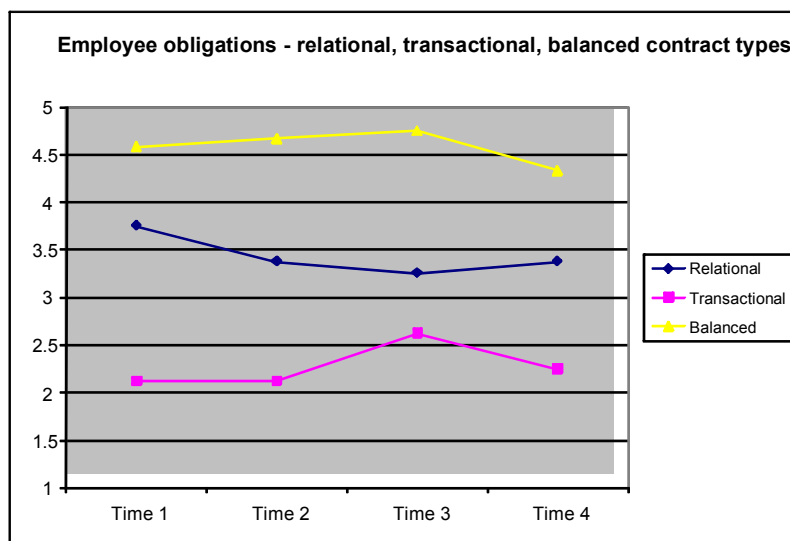
While contract theory and Rousseau's (2000) development of this scale do not provide explicit guidance on calculating degrees of change, these categories were chosen as they offer reasonable demarcations for the different levels of change that participants experienced. Assessing the change trajectories at the contract-type level (e.g. relational, balanced and transactional), rather than at the dimension-level (e.g. stability and loyalty dimensions of the relational contract), for the purposes of the Study 3 sampling was done largely for reasons of parsimony. As Table 6.1 illustrates, even categorising individuals' change trajectories at the contract-type level, across both employee and employer

obligations, becomes quite complex and it was determined that the sampling process would have become too unwieldy if the contract dimensions were included in this process. However, it should be noted that it was only for the purposes of identifying the Study 3 interviewees that assessments at the contract-type level were made. All subsequent results in this chapter, and Chapter 7, are reported at the dimension-level, to remain consistent with the reporting of results in both Studies 1 and 2.

The second stage of the sampling process involved identifying, within the sampling frame, the ‘shapes’ of the change trajectories and the ‘level’ at which certain trajectories were situated on the scale, again focusing upon contract-types across both employee and employer obligations. To illustrate, it was identified that the shapes of individuals’ trajectories, to varying degrees as identified through the first stage of the sampling, were usually: upward (the trajectory ended at a higher point than where it started); downward (the trajectory ended at a lower point than where it started); relatively flat (the trajectory stayed at around the same level over time); or up and down and vice versa (the trajectory moved up or down (or vice versa) and generally returned to near its original starting point). Further, it was identified that when individuals’ trajectories were relatively flat, or in terms of the degree of change they were exhibiting ‘no-change’ trajectories, they could be situated along the contract scale at either a: low level (around the overall 3.0 scale point or below); moderate level (between the overall 3.0-4.0 scale points); or high level (above the overall 4.0 scale point). This categorisation of levels broadly accords with the contract scale’s anchors (1 (Not at all); 3 (Somewhat); 5 (To a great extent)). For example, Figure 6.1 illustrates these categories for the ‘no-change’ trajectories, with the balanced, relational and transactional contract plots representing high, moderate and low levels of contract beliefs respectively.

From the two stages of the sampling process outlined above, individuals with a range of change trajectories were chosen for an interview, with variations across the degree of change, the ‘shape’ of the trajectories and the ‘levels’ of certain trajectories along the scale. The details of the change trajectories for the final Study 3 sample are provided in Table 6.1. Within the table: column 1 provides the interviewee number (for anonymity); column 2 identifies the industry sector that the interviewee was employed in; column 3 identifies the *broad* change category that each individual was ascribed to; and the remaining columns describe the shape of the individual’s change trajectory, the

Figure 6.1: Illustration of how ‘no-change’ trajectories can be situated on the psychological contract scale



level at which the trajectory was situated if it exhibited ‘no-change’ and the degree of change identified (the term in brackets).

To assist in interpreting the table, take the example of Interviewee #1’s employee obligation trajectories (Table 6.1, row: 5). From this individual’s data (not shown), he or she exhibited an upward change trajectory (the shape of the change) of around a 0.89 scale point (‘minimal change’ – the degree of change) for relational employee obligations. He or she also exhibited a ‘no-change’ trajectory in the shape of change for balanced employee obligations (this was a 0.42 scale point change – the degree of change), which was at a high level on the contract scale (i.e. the relatively flat line was around or above the 4.0 overall scale point). Finally, he or she demonstrated a downward change trajectory (the shape of change) of around a 0.75 scale point (‘minimal change’ – the degree of change) for transactional employee obligations.

To directly access this Study 3 sample, unlike in Study 1, given the sampling approach (and to ensure anonymity for interviewees), the researcher directly contacted those survey respondents sought for an interview (with organisational permission, but without identifying potential interviewees). After confirmation of participation was obtained each participant was contacted by the researcher, with a mutually agreeable time to conduct the interview arranged. Some individuals who were approached for an interview declined

Table 6.1: Study 3 graduate interviewees – descriptions of contract changes (from the Study 2 surveys) for the chosen sample

Interviewee#	Interviewee sector	Broad change category (across EEO and ERO obligations)	Contract change evident from the Study 2 results (across the three contract types)					
			Employee (EEO) obligations			Employer (ERO) obligations		
			Relational contract	Balanced contract	Transactional contract	Relational contract	Balanced contract	Transactional contract
4	Engineering/technical	No-change	Moderate, flat (no-change)	Upward (minimal)	Low, flat (no-change)	High, flat (no-change)	Upward (minimal)	Low, flat (no-change)
9	Financial services	No-change	Moderate, flat (no-change)	High, flat (no-change)	Low, flat (no-change)	Up and down (moderate)	High, flat (no-change)	Low, flat (no-change)
11	Engineering/technical	No-change	High, flat (no-change)	High, flat (no-change)	Moderate, flat (no-change)	Up and down (moderate)	Upward (minimal)	Up and down (minimal)
23	Financial services	No-change	Low, flat (no-change)	High, flat (no-change)	Downward (minimal)	Moderate, flat (no-change)	Up and down (moderate)	Upward (minimal)
1	Accounting	Minimal	Upward (minimal)	High, flat (no-change)	Downward (minimal)	Downward (minimal)	Moderate, flat (no-change)	Low, flat (no-change)
3	Engineering/technical	Minimal	Up and down (minimal)	Upward (minimal)	Low, flat (no-change)	Moderate, flat (no-change)	Up and down (minimal)	Low, flat (no-change)
6	Financial services	Minimal	Up and down (minimal)	Downward (minimal)	Up and down (moderate)	Moderate, flat (no-change)	Up and down (minimal)	Up and down (moderate)
10	Engineering/technical	Minimal	Moderate, flat (no-change)	Up and down (minimal)	Low, flat (no-change)	Upward (minimal)	Up and down (moderate)	Up and down (moderate)
15	Accounting	Minimal	Up and down (minimal)	Up and down (moderate)	Low, flat (no-change)	Up and down (minimal)	Moderate, flat (no-change)	Upward (minimal)
16	Accounting	Minimal	Upward (minimal)	Up and down (minimal)	Low, flat (no-change)	Up and down (minimal)	Up and down (moderate)	Upward (minimal)
17	Accounting	Minimal	Upward (minimal)	Up and down (minimal)	Downward (minimal)	Up and down (minimal)	Upward (minimal)	Low, flat (no-change)
19	Accounting	Minimal	Up and down (minimal)	Up and down (minimal)	Up and down (minimal)	Downward (minimal)	Downward (minimal)	Up and down (high)
21	Business consulting	Minimal	Low, flat (no-change)	Upward (minimal)	Upward (moderate)	Downward (minimal)	Up and down (high)	Up and down (minimal)
25	Engineering/technical	Minimal	Up and down (minimal)	Up and down (minimal)	Up and down (minimal)	Downward (minimal)	Downward (moderate)	Low, flat (no-change)

13	Engineering/ technical	Minimal/ moderate	Downward (moderate)	Moderate, flat (no-change)	Low, flat (no- change)	Downward (moderate)	Downward (minimal)	Upward (minimal)
18	Accounting	Minimal/ moderate	Up and down (minimal)	Moderate, flat (no-change)	Upward (minimal)	Downward (high)	Up and down (moderate)	Upward (minimal)
26	Engineering/ technical	Minimal/ moderate	Moderate, flat (no-change)	Upward (high)	Up and down (moderate)	Up and down (minimal)	Moderate, flat (no-change)	Low, flat (no- change)
2	Engineering/ technical	Moderate	Upward (moderate)	Downward (minimal)	Downward (moderate)	Downward (high)	Downward (high)	Up and down (moderate)
5	Financial services	Moderate	Upward (moderate)	Upward (high)	Low, flat (no- change)	Moderate, flat (no-change)	Downward (moderate)	Low, flat (no- change)
7	Financial services	Moderate	Moderate, flat (no-change)	Downward (minimal)	Up and down (moderate)	Downward (moderate)	Downward (high)	Upward (moderate)
8	Financial services	Moderate	Downward (minimal)	High, flat (no- change)	Low, flat (no- change)	Downward (high)	Downward (high)	Upward (minimal)
14	Engineering/ technical	Moderate	Up and down (high)	Downward (minimal)	Upward (moderate)	Up and down (minimal)	Moderate, flat (no-change)	Low, flat (no- change)
22	Financial services	Moderate	Downward (moderate)	Up and down (minimal)	Low, flat (no- change)	Up and down (moderate)	Downward (moderate)	Low, flat (no- change)
24	Financial services	Moderate	Up and down (minimal)	Upward (moderate)	Up and down (minimal)	Downward (high)	Downward (moderate)	Upward (minimal)
12	Engineering/ technical	High	Downward (high)	Up and down (minimal)	Up and down (minimal)	Up and down (high)	Up and down (high)	Up and down (high)
20	Business consulting	High	Downward (high)	Downward (high)	Up and down (minimal)	Up and down (high)	Up and down (high)	Upward (moderate)

and generally cited work commitment/workload issues as the reasons for this. The interviews took place, generally, around 16 months from graduates' organisational entry (see Table 6.2) and about two months after the majority of participants had completed the final Study 2 survey. As with Study 1, participants were located in different centres across Australia and New Zealand. In Study 3, all of the individual interviews were conducted via phone, in accordance with participants' needs. The interviews lasted between 30 minutes and 1.5 hours. A total of 26 interviews were undertaken and, as with Study 1, the interviews were audio-recorded and transcribed verbatim.

Table 6.2 summarises the characteristics relating to the Study 3 interview participants. In comparison to the samples for Studies 1 and 2, the Study 3 sample has similar characteristics. Specifically, the age ranges (21-30 years), gender split (generally a 60/40 split favouring males), employment status (the majority were in permanent, full-time roles) and the level of education (all participants held at least an undergraduate qualification) are all consistent across the samples of the three studies. Therefore, it can be concluded that the Study 3 interview sample continues to be representative of the broader group under study. As identified in Chapter 3 (Methodology - section 3.4.2), as the data collection occurred some individuals were included who had entered their firms as graduates, but who also had extended tenure at the time that the overall study began (generally about 12 months of added tenure). Some of these individuals (four) were included in the Study 3 interview sample, as they offered different insights into the process of psychological contracting over time.

Table 6.2: Study 3 graduate interviewees – sample characteristics

No. of respondents	Age - range and average	Gender	Location	Length of time with employer – range and average	Employment status
26	Range: 22-35 years Avg: 24 years	Male – 60% Female – 40%	Queensland, Victoria, Australian Capital Territory, New South Wales, New Zealand	Range: 1 year - 2.5 years Avg: 1.6 years ^a	Permanent, full-time – 100%

^a This average was calculated including four cases of individuals with about 2.5 years of tenure.

6.3 Data collection tool – interview protocols and procedure

The use of semi-structured interviews (as in Study 1) is particularly important for Study 3, as the focus is on understanding, in participants' own language and frameworks, the antecedents and consequences of changes in their psychological contracts. Interviews were used in order to explain the 'how' and 'why' (King, 1998) of participants' changes in their contract beliefs and to provide a deeper understanding of the factors impacting upon this phenomenon (Cavana, Delahaye & Sekaran, 2004). The semi-structured process allowed for change themes to emerge and subsequently be explored by the researcher, whilst also allowing for some more structured questioning regarding the theorised change predictors of interest in this study – contract breach and violation.

Prior to each interview, participants were provided with a copy of their survey results to assist them in reflecting upon their last year of employment (this included an explanation of the scales used). The protocol for the graduates' interviews was then structured around five key areas (see Appendix 6.1). The first area of inquiry focused upon understanding interviewees' overall assessments and perceptions of their organisational experiences over the preceding 14-16 months (interview question 1). This allowed for the initial identification of any salient events which may have served to shape an interviewee's contract perceptions over time. The second area more explicitly asked individuals to reflect upon whether their beliefs about what should be exchanged in the employment relationship had changed and why, compared to when they first started with the organisation (interview questions 2(a-b)). Individuals were also directly questioned on whether there had been particular turning points or events, either positive or negative, which had shaped how they thought about their particular employment relationship ((interview question 2(c)).

The third area of inquiry focused upon the notions of exchange and reciprocity and perceptions of 'balance' in workplace contributions. This area included questions regarding whether individuals believed that their particular organisation had come to expect more or less of them over their tenure and whether, conversely they had come to expect more or less from their particular organisation (interview question 3). This line of questioning sought to further explore the potential levels of contract belief change. The fourth main area of investigation then focused upon which organisational agents were particularly salient in shaping individuals' employment experiences and contract beliefs,

with more precise questioning regarding the role of the direct supervisor (interview questions 4 and 5). The final area then explicitly questioned individuals about experiences of breach, where perceived employer obligations had not been met, and their reactions to these experiences (to assess potential violation perceptions) (interview question 6). Depending upon interviewee responses and in line with the semi-structured process, the order of, and focus upon, particular questions was flexible. The full interview schedule for Study 3 is provided in Appendix 6.1.

6.4 Data analysis

As with Study 1, the interview data was analysed through a manual, content analysis process. The coding framework was, again, developed fairly flexibly, with a combination of a priori, theoretically-derived codes and more data-derived or emergent codes. The flexibility to derive codes more explicitly from the data was particularly important for Study 3, as the drivers of contract change were not theorised to necessarily be solely focused upon breach and violation and individuals' subsequent responses to these events were, theoretically, left quite open.

Coding for the psychological contract. Overall, as with Study 1, Rousseau's (2000) contract typology (relational, balanced and transactional contract types), including contract dimensions (such as the loyalty and stability relational contract dimensions), provided the higher-order (contract types) and lower-order (contract dimensions) coding framework for the interviews. As individuals spoke about positive and negative workplace experiences and met and unmet contract beliefs, these items were coded into the appropriate contract type and dimension. Only direct coding from the interview items to the theoretically-derived coding framework was undertaken.

Coding for contract change experiences and trends. Two quite broad higher-order codes were theoretically-derived to capture the overall change themes and were termed 'contract beliefs met (fulfilled)' and 'contract beliefs unmet (breached)'. Very broadly, it is through these assessments of belief fulfilment, or otherwise, that individuals come to adjust their contract beliefs over time (Rousseau, 1995). It also became apparent through the interviewing process that these broad, higher-order codes generally captured how individuals spoke about their employment experiences and subsequent employment exchange beliefs over time. Emergent, lower-order codes were then both data- and

theory-derived. These codes grouped together the main themes of what interviewees described as both ‘met (fulfilled)’ and ‘unmet (breached)’ beliefs (data-derived) and these were then coded into the appropriate psychological contract content (theory-derived). To illustrate, an exemplar response to questioning regarding positive work experiences was ‘it’s been really good in terms of constantly learning new things – every week learning something new’. This type of response was higher-order coded as a ‘met belief (fulfilled)’ and lower-order coded as relating both to the ‘type of work’ (the data-derived code) and to ‘balanced contract (development dimension)’ beliefs (the theory-derived code). An exemplar response to questioning regarding negative work experiences was ‘I wouldn’t think a manager would just say to me ‘I don’t know’ and then kind of walk away ... I think they just expected me to know things, but I thought that was an unreasonable expectation of me at that time’. This type of response was higher-order coded as an ‘unmet belief (breached)’ and lower-order coded as relating both to a ‘supervisory relationship’ (the data-derived code) and ‘balanced contract (performance support dimension)’ beliefs (the theory-derived code).

The richness of the qualitative data also generated more specific themes regarding individuals’ reactions and subsequent responses to these ‘met (fulfilled)’ and ‘unmet (breached)’ contract beliefs, which resulted in more detailed lower-order coding. These codes were generated through using a mix of theoretical guidance and more explicit derivation from the data. When individuals spoke of experiencing fulfilled beliefs, two data-driven themes emerged and were coded as ‘neutral reactions’ and ‘positive reactions’. To illustrate, when individuals spoke of fulfilled balanced (performance support dimension) and relational (loyalty dimension) contract beliefs particularly, an exemplar response coded as a ‘positive reaction’ was ‘all the managers I’ve worked for have been supportive and helpful and all have been role models ... they inspire me to do my best’.

When individuals spoke of experiencing breach events, three main data-driven themes emerged and these reactions were coded as ‘little to no negative’, ‘moderate negative’ and ‘strong negative’ reactions. The separation of coding between ‘moderate’ and ‘strong’ reactions was, however, more theoretically driven by the distinction between acknowledgments of breaches and then the strong and negative affective reactions of violation which may, but not necessarily, ensue (Morrison & Robinson, 1997).

‘Moderate and negative’ reactions were so termed because individuals tended to describe these experiences as resulting in frustration or concern, however they continued to see a career with the organisation and readily described other positive work experiences. ‘Strong and negative’ reactions were separately coded because individuals who responded to breach events in this way described engaging in varying degrees of withdrawal behaviour and feelings of outright anger and in some cases betrayal, which typifies what is described in the literature as ‘violation’ perceptions (Restubog, Hornsey, Bordia & Esposito, 2008; Parzefall & Coyle-Shapiro, 2011). All of the coding discussed to this point relates to the results to be presented both here, in Chapter 6, as well as those presented in Chapter 7.

Further, from the data, it was clear that perceptions of breach and violation were often accompanied by specific responses, usually by individuals or sometimes others, which sought to address the breached belief. Contract theory does provide some guidance as to the broad types of subsequent employee reactions to breaches and violations, such as whether individuals chose to exit the organisation, voice their concerns, remain loyal to the organisation or neglect their in- and extra-role duties (e.g. Turnley & Feldman, 1999b). However, the Study 3 data identified a range of what are termed ‘remediation effects’ which individuals cited as assisting them to either directly or indirectly deal with the breach and, possibly, subsequent feelings of violation. As such, this coding was data-derived. To illustrate, when individuals spoke of a breached belief an exemplar response of one type of reaction was ‘yeah (it was frustrating), (but you) just sort of put it to one side ... and they (the organisation) might rectify it in six months time so it’s all good’. This type of response was coded as a ‘future remedy effect’, as individuals’ subsequent actions were based upon a belief that the breach would be repaired in the future. A number of other ‘remediation effects’ were identified and are described in more detail in the findings presented in Chapter 7, as the process model of post-breach and violation employee appraisals and reactions is presented and specific cases of individuals’ contract changes are discussed.

6.5 The results - interview change trend findings

The Chapter 6 results section for Study 3 is structured to highlight the general change themes evident from the interviews regarding individuals’ preceding 14-16 month employment period. These themes focus upon the types of met and unmet beliefs

regarding the employment exchange relationship and the factors which ‘remediated’ the negative experience of beliefs being unfulfilled or breached (section 6.5.2). Each of the results sections in this chapter include tables (Tables 6.3-6.7) which provide a description of the themes evident from the interview data, the number of interviewees citing the theme and example quotes. It should be noted that, within these tables, even if interviewees cited a theme more than once in the interview, the theme is still only counted as being cited once by the interviewee.

6.5.1 Terminology use in Chapters 6 and 7

As with previous chapters, the dimensions and types of psychological contracts will be referred to throughout this chapter, and Chapter 7, and so are briefly re-described here. *Relational contracts* are open-ended collaborations with only loosely specified performance terms, high affective commitment and strong member-organisation integration (Dabos & Rousseau, 2004). Relational contracts are constituted by two dimensions: (1) mutual *loyalty*; and (2) long-term *stability*, often in the form of job security (Dabos & Rousseau, 2004). For example, employees believe they are obligated to remain with their particular firm and be good organisational citizens by demonstrating commitment to an organisation’s needs and interests and they believe their particular employer is obligated to provide stable wages and long-term employment and to support the well-being and interests of employees (Rousseau, 2000).

Transactional contracts refer to collaborations of limited duration, with well-specified performance terms, that can be characterised as easy-to-exit agreements with relatively high turnover, low levels of organisational commitment and weak employee integration into the organisation (Dabos & Rousseau, 2004). Transactional contracts are constituted by two dimensions: (1) *narrow* involvement in the organisation, limited to a few well-specified performance terms; and (2) being of *short-term* duration (Dabos & Rousseau, 2004). For example, employees believe they are obligated to perform only a fixed or limited set of duties and have no obligations to remain with their particular organisation and they believe their employer has committed to offering only limited involvement in the organisation, with minimal employee development and employment for only a specific or limited time (Rousseau, 2000).

Balanced contracts blend features of both relational and transactional arrangements by maintaining the involvement and long-term time horizon that characterises relational exchanges, while at the same time allowing for greater flexibility and changing contract requirements as projects evolve and circumstances change (Dabos & Rousseau, 2004). Balanced contracts are constituted by three dimensions: (1) offering support for meeting increasing and changeable performance requirements (*performance support*); (2) engaging in employee *development* activities and offering career development within the organisation; and (3) support for developing *externally marketable* job skills. For example, employees believe they are obligated to successfully meet new and more demanding performance goals, to help the firm become and remain competitive, and they are further obligated to develop skills valued by their particular employer as well as broader, externally marketable skills (Rousseau, 2000). Employees will also believe that their particular employer has committed to providing continuous learning to assist them in successfully executing escalating performance requirements, as well as providing a range of development opportunities to enhance employability both within and outside of the organisation (Rousseau, 2000). These contract dimensions and types are not necessarily mutually exclusive; however, individuals will likely have one particular type of contract in predominant operation (Rousseau, 2004). For example, a worker may hold a principally balanced contract, which may also contain some relational or even transactional elements. Further, as agreed in the literature, individuals' psychological contracts are subject to change.

Throughout the results sections in both Chapters 6 and 7, the terms 'breach' and 'violation' are also used. Contract breach refers to an individual's belief that the organisation ought to provide something, either based upon a belief in a promise, obligation or a more general normative belief, and this something is not provided and thus the belief is not met. Violation refers to the emotional and affective state that may, under certain conditions, follow from the belief in a contract breach (Morrison & Robinson, 1997). Rousseau (1989) and others (Morrison & Robinson, 1997) are clear that contract breach and violation relate only to unmet promise-based beliefs. However, some authors do include beliefs other than those about promises in their contract studies, such as expectations or obligations, while still drawing upon the concepts of breach and violation (Pate & Malone, 2000; Grimmer & Oddy, 2007; Taylor & Tekleab, 2003; Suazo, 2009). Given that this study has not solely focused upon promises as the

contract's constituent beliefs (as justified in Chapter 2 (Literature Review)), it is acknowledged that the use of these terms here, notwithstanding their inconsistent use in the contemporary literature, does not accord with their original, intended use. However they are utilised here, and defined more broadly, because they capture the phenomena being described by interviewees. That is, in speaking about their organisational experiences, many individuals identified what are termed in this chapter, and Chapter 7, as 'breach events or experiences', although these phenomena are not always and necessarily based upon beliefs about promises. The use of these terms here does also align with the theoretical assertions put forward in the Literature Review (Chapter 2) that unmet non-promise-based beliefs can result in similarly intense reactions as unmet promise-based beliefs.

6.5.2 General change trends – an overview

In speaking about their employment over the preceding 16 month period, and more specifically related to their psychological contracts, the general change experiences described by interviewees broadly revolved around their employment exchange beliefs either being met or not met by their employers and its agents. This degree of fulfilment, or non-fulfilment, shaped how individuals described their overall employment experiences and, more specifically, how they viewed their employment exchange relationships.

'It's the reality of work – there's always going to be ups and downs'

The contract beliefs focused upon by many interviewees related to expectations that were highlighted in Study 1. These centred upon the performance support and development dimensions of the balanced contract, such as the organisation providing: meaningful, challenging and interesting work to develop individuals' skills; the ability to laterally move across different areas of the organisation to gain broad experience; a reasonable level of support and guidance from managers and colleagues; and structured training and development. Many interviewees also raised other beliefs which appeared to become more salient over time, with increased organisational experience, and related to the loyalty and stability dimensions of the relational contract. These beliefs related to: a need for recognition; effective leadership during times of organisational uncertainty and change; and developing high quality workplace social relationships.

With reference to the Study 2 surveys, the majority of interviewees described a psychological contract which, at organisational entry (Time 1), started with quite high balanced and relational employee and employer obligation beliefs and relatively low transactional contract beliefs. Then, usually, at some point between Times 2-4, a negative workplace experience occurred, or what is termed here as some type of breach event/s or experience/s. This episode was often the result of a belief regarding the employment exchange being unmet and which challenged, to varying degrees, individuals' overall view of their particular employment relationship. This resulted in a reduction in balanced and relational contract beliefs and an increase in beliefs about transactional obligations. Following this the breach event, or the effect of it upon the broader contract, was generally in some way remedied, usually by the individual re-assessing the situation. This could then serve to increase the relational and balanced contract elements and reduce the transactional contract elements back to, or near to, and even in some cases above (in terms of the relational and balanced contract elements), pre-breach event or experience levels. Throughout Times 1-4, all interviewees also highlighted a number of positive workplace experiences, which served to maintain engagement and motivation in the workplace and which could assist in remedying the negative reactions following a breach event or experience.

Overall, the general change pattern over the period of time under study could be described as a 'begin high-dip-recovery' type of trajectory. These change trends and the specific themes that were drawn from the individual interviews, as summarised here, are now discussed in more detail in the following sections.

6.5.3 When employment exchange beliefs are met – positive workplace experiences

This section highlights the key events and experiences which graduates viewed positively and cited as improving their workplace experience, motivation, commitment and, in many cases, retention over the preceding 16 month period. Generally, these positive workplace experiences resulted when beliefs regarding what should be exchanged in the employment relationship were fulfilled. Overall, positive workplace experiences focused on two areas of contract content – the loyalty dimension of the relational contract, through relationships formed with colleagues, and the development and performance support dimensions of the balanced contract, through the degree of meaningful and

challenging work provided. Table 6.3 separately identifies the specific themes that emerged as interviewees spoke about their employment experiences and the concomitant contract types related to each theme.

6.5.3.1 Type of work provided

Receiving challenging and meaningful work (balanced contract, development dimension) was one of the key expectations highlighted by interviewees at the outset of their employment in Study 1. The subsequent fulfilment of this belief, in particular, served to then ensure a positive workplace experience. Interviewees described challenging and meaningful work as involving: pushing them out of their comfort zones to develop new skills and offer new learning opportunities; having a purpose and it is clear how and why the work is being done and the value of the outcomes to be accomplished; and it is clear that the work is developing skills which are relevant to their career paths within their particular organisation and, in some cases, external to that organisation. This final point focused upon both organisational- and self-interest, such that employees were seeking new skills for their own personal and career development but were also cognisant that these skills had to be of worth to their current employers.

‘It’s important to experience different roles, gain skills in different areas and find what I really want to do’

‘It’s been really good in terms of constantly learning new things - every week learning something new. And it’s still like that – that’s really good, I really like that’

6.5.3.2 The relationship formed with the supervisor

An interviewee’s relationship with his or her immediate supervisor was often viewed as one of the most important factors in shaping his or her experiences over the first 16 months of employment (related to the overall relational contract and high-quality LMX). This was particularly so as the manager was usually the organisational agent responsible for understanding and meeting employees’ beliefs regarding what the employer should be providing. A positive relationship was usually formed with a manager who was able to fulfil both relational contract (loyalty dimension) and balanced contract (performance support dimension) beliefs. These included the supervisor being: approachable and friendly; supportive, willing and able to have meaningful discussions regarding career paths and then guide development opportunities to meet those paths; able to develop trust

Table 6.3: Details of interview themes identified: contract beliefs met (fulfilled)^a

Theme^b	Related contract type/ dimension	No. (%) of interviewees citing the theme	Theme description	Example quotes
Type of work	Balanced contract (development dimension)	25 (96.2%)	Employees refer to beliefs regarding the provision of a range of learning and development activities and opportunities, particularly meaningful work, as being fulfilled by their particular employer.	‘It (the work) tends to be varied, interesting and complex at the same time. So it’s what you would expect in the early days of your career’
Supervisory relationship	Relational contract (loyalty dimension)	14 (53.9%)	Employees refer to beliefs regarding the provision of support for their well-being and interests as being fulfilled by, particularly, their own supervisor.	‘We’ve got a pretty tight bond, we’ve been through some stuff, and she always looks out for us because she knows that we are graduates and that it can be difficult ... I can talk to her about things’
Supervisory relationship	Balanced contract (development dimension)	13 (50%)	Employees refer to beliefs regarding the provision of a range of learning and development activities and opportunities as being fulfilled by, particularly, their own supervisor.	‘(The manager) was fantastic and the sort of person that would just let you run with new projects and throw you in the deep end, but in a positive and supporting way ... (the manager) gave me opportunities that I don’t think other (managers) ... would have given (to) people who had just started work’
Supervisory relationship	Balanced contract (performance support dimension)	20 (76.9%)	Employees refer to beliefs regarding the provision of support for meeting increasing and changeable performance requirements as being fulfilled by, particularly, their own supervisor.	‘My supervisors ... they’re all very helpful, always willing to explain something to me, even several times, if I ask’
High quality workplace social relationships	Relational contract (loyalty dimension)	20 (76.9%)	Employees refer to beliefs regarding the provision of support for their well-being and interests as being fulfilled by, particularly, their broader workplace social relationships with colleagues.	‘The people around you ... they do value you as an asset and they also care for you. They care about your health and those kinds of things. So they make you feel like you belong to the team’
High quality workplace social relationships	Balanced contract (performance support dimension)	19 (73.1%)	Employees refer to beliefs regarding the provision of support for meeting increasing and changeable performance requirements as being fulfilled by, particularly, their broader workplace social relationships with colleagues.	‘The division I work in has been really great with approachability. That’s been one thing that has never been an issue, there’s always someone you can talk to’
High quality workplace social relationships	Balanced contract (development dimension)	9 (34.6%)	Employees refer to beliefs regarding the provision of a range of learning and development activities and opportunities as being fulfilled by, particularly, their broader workplace social	‘It’s about the people interaction ... you can actually hang around with people and listen to people’s stories ... learn from other people’

			relationships with colleagues.	
Recognition of work	Balanced contract (performance support dimension)	13 (50%)	Employees refer to beliefs regarding the provision of support for meeting increasing and changeable performance requirements as being fulfilled by, particularly, having the quality of their work output explicitly recognised (generally verbally).	‘I think they recognise when you do put in more than what they expect you to put in ... they don’t necessarily reward you for it, but if push came to shove, they would look at me and think I’m loyal to the company, I put in the extra yards’
Recognition of work	Relational contract (loyalty dimension)	13 (50%)	Employees refer to beliefs regarding the provision of support for their well-being and interests as being fulfilled by, particularly, having the quality of their work output explicitly recognised (generally verbally).	‘(It’s about) making you feel more appreciated as a staff member and (that) what you are doing is making a valuable contribution’
Visibility of, and hearing from, senior managers	Balanced contract (development dimension)	3 (11.6%)	Employees refer to beliefs regarding the provision of a range of learning and development activities and opportunities as being fulfilled by, particularly, the visibility of, and hearing from, senior managers.	‘(A senior manager in the area) is always very willing to share (his or her) story, why (he or she) reached such a high position and what happened in (his or her) early years in (the organisation). So it’s very interesting to see how people actually developed into that role’
Visibility of, and hearing from, senior managers	Relational contract (loyalty dimension)	5 (19.2%)	Employees refer to beliefs regarding the provision of support for their well-being and interests as being fulfilled by, particularly, the visibility of, and hearing from, senior managers.	‘Our Director walks the floor most days and talks to people, he knows peoples’ families’ names and all that. He’s fantastic like that. They (senior managers) are really open to just talk and be normal people which is really nice, and that ... reflects the culture of the business’

^a $n = 26$ graduate employee respondents

^b All themes were developed through a combination of being theory- and data-derived

and have faith in the graduate's abilities and to provide meaningful work in line with that; willing to share their knowledge and experience; and able to provide objective and meaningful feedback and advice or contacts to help resolve any problems or issues.

'My manager has helped me develop a career plan, about where I want to end up and how to get there. They're coaching and mentoring me to where I want to be'

'I got along really well with one manager – they cared about every individual in the team, you could talk to them about things, they were friendly. I looked up to them and wanted to model my career on theirs – they were a bit of a mentor personally'

6.5.3.3 Relationships formed with the team and broader graduate network

The focus on relationships extended to the broader team. Similar to the manager relationship, a positive team relationship was able to fulfil both relational contract (loyalty dimension) and balanced contract (performance support dimension) beliefs. These types of relationships were founded upon colleagues who were: welcoming and supportive; willing and available to answer questions; and willing to build friendships, rather than 'just being work colleagues'. This social element was a clear theme for the majority of interviewees. Social, and not just work, interactions were viewed as a mechanism for improving productivity and general satisfaction in the workplace. This building of informal, social relationships was also viewed as important for building networks to aid career development, which relates to the fulfilment of the balanced contract (development dimension). Similarly, access to, and networking with, the broader graduate network of peers was viewed as important. This provided avenues to: share experiences; hear about other areas of the business; 'swap stories' (both positive and challenging); and provide a peer support network, in the event that managerial or team relationships didn't provide support to the extent sought.

'Grad networking has been great – you can talk about what you're doing, can ring up any grad and seek advice about where to go next. It's very open, it gives you an idea of where you want to go in your career. I've built important bonds with the other grads – you can relate to each other's experiences'

*'It's a really good (team) environment. We hang around each other quite a lot socially.
It's great to be able to work with friends'*

6.5.3.4 Recognition of work

An expectation which became more important over time for interviewees was the need for recognition and, in particular, to see organisational practices which demonstrated that staff are personally valued. This relates to increased beliefs in employer obligations regarding the loyalty dimension of the relational contract and the performance support dimension of the balanced contract. The importance of feedback and recognition was clear for those individuals who did receive it, as it was often described as a motivating influence in the workplace and as a way for the organisation 'to give something back' in the exchange relationship. The type of recognition sought could be as simple as hearing 'thanks, you've done a great job' or being given more challenging work. As many interviewees, as recent graduates, believed that they were still learning and developing their skills, this type of recognition from managers and/or colleagues also provided a validation of their abilities.

'In (one area), they definitely appreciated my efforts more and they recognised me and they did more, you know, just things like team building activities and events and things like that really made a big difference I thought. Now that I'm somewhere that doesn't do that, I fully realise how much of a difference it makes to your morale and I suppose that's something you feel like you're being given in return'

6.5.3.5 Visibility of, and hearing from, senior managers

While not spoken of as a specific organisational expectation, a number of interviewees referenced the role of senior managers in generating a positive workplace experience. While not necessarily in contact on a regular basis, the efforts made by senior managers to communicate, even informally, with graduates was viewed as important for two reasons. First, it offered an insight into the career development of senior staff and how to achieve highly in the organisation, which relates to the fulfilment of the balanced contract (development dimension). Many interviewees saw much value in connecting with experienced staff in the organisation to tap into their knowledge base and hear about how they constructed their careers. Overall, this contact appeared to be another source of information in developing interviewees' 'career maps'. Second, the visibility of senior managers also appeared to reinforce a feeling of belonging and a sense of value to the

organisation, which relates to the fulfilment of the relational contract (loyalty dimension).

‘It feels like a family. On the first day, I’ll never forget this, (the most senior manager in the area) came down and talked to us – it just makes you feel connected’

‘(Members of the senior management team) meet with the graduates sometimes. It shows they care – care about you. They share their experience with us, how they ended up where they are now, what they have done, how they’ve started and things they’ve done over the years to get them to that position’

6.5.3.6 The outcomes of these experiences

Table 6.4 separately identifies the specific themes that emerged as interviewees spoke about these positive workplace experiences and the concomitant contract types related to each theme. Broadly, when these positive experiences occurred, interviewees described the following effects on how they operated in the workplace: improved productivity, overall job satisfaction and motivation; a sense of wanting to go ‘above and beyond’ and to do the best they can in their roles; and, in some cases, heightened feelings of loyalty to their team and organisation. These effects relate to increased employee beliefs in their own obligations regarding both balanced (performance support and development dimensions) and relational (loyalty dimension) contract components. Relatedly, beliefs regarding transactional contract elements (short-term and narrow dimensions) appeared to reduce or, at least, were not focused upon. It was clear that when these particular contract beliefs were met or these experiences were provided, there were tangible and positive effects on individuals and their perceptions of their own employment relationship.

‘All the managers I’ve worked for have been supportive and helpful and all have been role models – I look up to them. I recognise they have significant knowledge in the area and they inspire me to do my best’

‘You know the team cares about you. It makes you feel like you belong to the team. In previous teams I haven’t had that kind of feeling – it’s like, ‘I’ve finished the job, done, I’m going home, whatever’

Table 6.4: Details of interview themes identified: responses to contract beliefs met (fulfilled)^a

Theme – type of reaction ^b	Related contract type/ dimension	No. (%) of interviewees citing the theme	Theme description	Example quotes
Neutral reaction - structured training and development	Balanced contract (development dimension)	12 (46.2%)	Employees spoke about employer obligations regarding training and development simply as being met, without much further elaboration on the effect of the fulfilment of this belief.	'I certainly thought they had a really big commitment to just training up the grads ... and they have done that'
Positive reaction - type of work	Balanced contract (development dimension)	13 (50%)	Employees spoke about the fulfilment of employer obligations regarding the provision of meaningful work as generating 'goodwill' and/or an extra 'motivational push' to reach their best performance levels.	'I'm now given really challenging stuff, things that are really important. And my opinion is just as valid and just as important as everyone else's. Which is a really great feeling ... it's quite empowering'
Positive reaction - being recognised for your work	Balanced contract (performance support dimension) and relational contract (loyalty dimension)	11 (42.3%)	Employees spoke about the fulfilment of employer obligations regarding the recognition of their work as generating 'goodwill' and/or an extra 'motivational push' to reach their best performance levels.	'Working directly with (senior staff) and being told that I've done a really good job does make me enjoy the work more which makes me want to stay more'
Positive reaction - high quality supervisory relationship	Relational contract (loyalty dimension)	8 (30.8%)	Employees spoke about the fulfilment of employer obligations regarding support for their well-being and interests, particularly via a positive supervisory relationship, as generating 'goodwill' and/or an extra 'motivational push' to reach their best performance levels.	'(There is this) manager who I guess is kind of a personal friend as well, like (he or she) has become my personal friend through work, and (he or she) just helped me out (through a breach event). I guess I'm worried that at some point if (he or she) leaves, how would I tackle problems like that?'
Positive reaction - high quality supervisory relationship	Balanced contract (performance support dimension)	6 (23.1%)	Employees spoke about the fulfilment of employer obligations regarding the provision of support for meeting increasing and changeable performance requirements, particularly via a positive supervisory relationship, as generating 'goodwill' and/or an extra 'motivational push' to reach their best performance levels.	'(A previous) manager ... I would consider a mentor ... I have been able to form quite a strong relationship with (him or her). I am able to approach (him or her) and talk about issues that I have at work ... and more than that, (he or she) is just a really good friend. That's been quite positive'
Positive reaction - high quality workplace social relationships	Relational contract (loyalty dimension)	11 (42.3%)	Employees spoke about the fulfilment of employer obligations regarding support for their well-being and interests, particularly via positive broader workplace social relationships with colleagues, as generating	'Another big factor (in an improved work situation following a breach) was probably that the team was a lot younger in general, more people my age who had similar interests so that made a huge difference

			'goodwill' and/or an extra 'motivational push' to reach their best performance levels.	coming to work every day. That kept me interested and motivated'
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^a *n* = 26 graduate employee respondents

^b All themes were developed through a combination of being theory- and data-derived

‘I’ve been staying back and working on (a particular project) – but I’m not unhappy about it, it’s like it needs to be done and I find it enjoyable and I can see and understand how it benefits and enriches my career. But with the other example (of perceived tedious work), I’d just get it done and that’s it - I wouldn’t really think about it. I’ll work from 9-5 and after that I’ll see you later’

There were other specific contract items, such as the provision of structured training and development, which were viewed by individuals as being well-provided by their organisations and were largely spoken of in terms of meeting expectations. The provision of a high level of structured training and development (balanced contract, development dimension) was a key component of the majority of interviewees’ graduate programs and was often explicitly identified by organisations, through marketing material and the recruitment process, as something that would be provided. However, despite this being a clear organisational promise, it wasn’t spoken of in as much detail as the other contract elements outlined above, although it was still viewed by interviewees as important.

This illustrates an interesting point arising from the interviews. Specifically, there appeared to be two sets of beliefs about what the organisation should be providing. First, there were a few particular beliefs, detailed above as ‘positive experiences’, which were the most salient for these interviewees and which, when fulfilled, appeared to generate a surplus of something akin to organisational ‘goodwill’. Second, there were other beliefs which were simply viewed as being met. That is, when they are provided, there is not a great deal of importance placed upon them, apparently because it is just what is expected to be provided by the employer. These factors don’t appear to offer an extra ‘motivational push’ for individuals to reach their best performance levels or a generation of ‘goodwill’, as the more important or core contract beliefs appeared to do. This difference is demonstrated through the previous quotes, where interviewees spoke of being ‘inspired’ when these core beliefs were met and, conversely, of just getting ‘it (the work) done and that’s it’ when they were not fulfilled.

6.5.4 When employment exchange beliefs are not met – negative workplace experiences

This section highlights the key events and experiences that interviewees viewed as particularly challenging and negative. A number of these reflect the ‘flip side’ of the

positive experiences outlined previously. Generally, while the positive workplace experiences resulted from belief fulfilment, these negative workplace experiences resulted from beliefs about what the employer should be providing going unfulfilled, or what is termed a breach event or experience. The specific themes derived from the interviews are outlined in Table 6.5, with the concomitant contract types related to each theme also separately identified.

6.5.4.1 Poor supervisory relationship

For those interviewees who described negative workplace experiences, many cited a poor quality supervisory relationship as a key reason for this. Generally, a low quality relationship (low-quality LMX perceptions) resulted in a lack of fulfilment of balanced contract elements (development and performance support dimensions) and, to a lesser extent, relational contract components (loyalty dimension). Low-quality LMX relationships were described as being the result of: interviewees feeling unable to have meaningful discussions about avenues for career development, resulting in a perceived lack of support or guidance in this area; a manager's perceived lack of trust in a graduate's ability and assigning work which was perceived as tedious, repetitive or requiring a low-skill base; and managers being 'absent' and not providing the expected level of support and guidance.

'I wouldn't think a manager would just say to me 'I don't know' (to a question) and then kind of walk away. And that was a pretty major reason that I couldn't get along with them. They were just so non-responsive and unhelpful about everything. I think they just expected me to know things, but I thought that was an unreasonable expectation of me at that time'

'Just based on my experience with this manager, I don't want to do this particular role after my grad program, even though the work is really great'

6.5.4.2 Under-utilisation and a lack of meaningful work

As previously outlined, receiving challenging and meaningful work was viewed as vital to nearly all interviewees and survey respondents over the course of the overall study and this relates to beliefs regarding the development dimension of the balanced contract. While a number of interviewees recognised that this may not be provided at the start of their employment due to their initial skill levels, those individuals who experienced

Table 6.5: Details of interview themes identified: contract beliefs unmet (breached)^a

Theme ^b	Related contract type/ dimension	No. (%) of interviewees citing the theme	Theme description	Example quotes
Supervisory relationship	Balanced contract (performance support dimension)	14 (53.9%)	Employees spoke about the non-fulfilment of employer obligations regarding the provision of support for meeting increasing and changeable performance requirements, particularly due to a poor quality supervisory relationship and/or a direct lack of provision of this by the supervisor.	‘That was a pretty major reason that I couldn’t get along with (the manager), because (he or she) was just so non-responsive and not helpful, about everything. I think (he or she) just expected me to know things ... but I felt that was ... unreasonable’
Supervisory relationship	Balanced contract (development dimension)	10 (38.5%)	Employees spoke about the non-fulfilment of employer obligations regarding the provision of meaningful work, particularly due to a poor quality supervisory relationship and/or a direct lack of provision of this by the supervisor.	‘And I can’t really say that there has been any sort of development (from the manager) either. There’s probably been a couple of instances ... where they have sort of been patient and explained how certain things work ... so that I can fulfil my role. But nothing ... beyond ‘I need to tell you this so you can do your job’
Supervisory relationship	Relational contract (loyalty dimension)	6 (23.1%)	Employees spoke about the non-fulfilment of employer obligations regarding the provision of support for their well-being and interests, particularly due to a poor quality supervisory relationship.	‘I guess with my current manager I would find the social interaction was almost nil, like the little things – saying good morning or letting me know that (he or she) is off to a meeting ... I would think it would be reasonable for managers to tell their staff that they are going to be out ... there was none of that though’
Type of work/level of training	Balanced contract (development dimension)	16 (61.5%)	Employees spoke about the non-fulfilment of employer obligations regarding the provision of meaningful work.	‘I was doing the same thing over and over and over again. It was very mind numbing and boring. I was actively looking for other jobs’
Recognition of work	Relational contract (loyalty dimension)	8 (30.8%)	Employees spoke about the non-fulfilment of beliefs regarding the provision of support for their well-being and interests, particularly, by not having the quality of their work output explicitly recognised, generally verbally or through some other means. This resulted in employees believing that their particular employer did not value or appreciate their efforts.	‘Yes, very much so (the lack of recognition is demotivating). And it’s a bit like, don’t they care about me personally?’
Recognition of work	Balanced contract (development dimension)	3 (11.5%)	Employees suggested that, in not having the quality of their work output recognised, their particular employer was failing to fulfil their obligations regarding providing	‘I do find it disheartening that promotions are based more on time at the firm ... as opposed to how you work. It doesn't make me very motivated to put in lots of effort

			further development opportunities, such as higher-level positions or work.	if it's not going to be rewarded'
Recognition of work	Balanced contract (performance support dimension)	9 (34.6%)	Employees spoke about the non-fulfilment of employer obligations regarding the provision of support for meeting increasing and changeable performance requirements, particularly, by not having the quality of their work output explicitly recognised, generally verbally or through some other means. Particularly as employees took on more and higher-level work, they believed that their particular employer's recognition of this was important.	'I know that it's not important to me to have a pat on the back every time I do something well, but some sort of recognition that I have worked hard, that it's actually acknowledged - that's important. When I didn't get any of that, for example during the long (work) hours and everything ... even though (the manager) was quite well aware of my long hours ... there was no question about why I was working so late, what's keeping me back so late, or are there any difficulties. Nothing like that'
Organisational promises not kept	Varied contract dimensions	6 (23.1%)	Employees spoke about particular, explicit organisational assurances not being followed through on, beyond those captured via the other themes.	'(I) remembered that when we signed the contract that (a) manager actually told us that we were promised a permanent role ... (but) at the end of the (graduate program) ... we had to go out and find our own roles'
Organisational changes and/or uncertainties	Relational contract (loyalty dimension)	6 (23.1%)	Employees spoke about the non-fulfilment of employer obligations regarding the provision of support for their well-being and interests, particularly due to the effects of intra- and extra-organisationally initiated workplace changes.	'I think the people started to doubt the company's interest in you as a person (during GFC-initiated redundancies). You kind of feel like, well if the company is not going to stand up for me, then what do I owe them?'
Organisational changes and/or uncertainties	Relational contract (stability dimension)	8 (30.8%)	Employees spoke about the non-fulfilment of employer obligations regarding the provision of stable wages and employment, particularly due to the effects of intra- and extra-organisationally initiated workplace changes.	'I know it's hard for companies to keep people on board (during the GFC), but at the same time it makes you realise that hey, they got rid of those people, am I expendable as well?'
Lack of workplace support	Balanced contract (development dimension)	8 (30.8%)	Employees spoke about the non-fulfilment of employer obligations regarding the provision of meaningful work and broader development opportunities, particularly due to the lack of effectiveness of support mechanisms, outside of the supervisory relationship, such as colleagues, mentors, buddies, senior managers or other networks.	'People (in the individual's networks) could give me advice but I wouldn't call it career-related. It'd be more like 'hang in there and everything will get better', or 'oh you've just finished uni everything will be different' ... and all that stuff'
Lack of workplace support	Balanced contract (performance support dimension)	9 (34.6%)	Employees spoke about the non-fulfilment of employer obligations regarding the provision of support for meeting increasing and changeable performance requirements, particularly due to the lack of effectiveness of support mechanisms, outside of the supervisory relationship, such as colleagues, mentors, buddies, senior managers or other	'(After entry) a lot of the time I had to sit there and try to figure it out myself which was really frustrating ... there's not really anyone to show you around and teach you how to build up all your stuff and (what) you need to use. So it actually took me almost three months to start to know what I needed to do'

		networks.	
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^a $n = 26$ graduate employee respondents

^b All themes were developed through a combination of being theory- and data-derived

chronic under-utilisation, well after their first 4-6 months in the organisation, found this to be a particularly negative experience which poorly affected their perceptions of the exchange relationship.

‘I realised I was new to the company and I wasn’t going to be team player of the month or anything straight away. But I just wanted something to do. I just wanted to contribute to the team’

‘Very repetitive work is not challenging enough. I felt like I was back at my (casual retail job)’

6.5.4.3 Distinct organisational promises not kept

Often the most strongly felt negative events were those where employees believed that particular, explicit assurances had been given to them by the organisation prior to entry and subsequently these were not followed through on. For example, this included employment exchange beliefs developed during the initial marketing and recruitment processes. These assurances particularly related to balanced contract (development and performance support dimensions) and relational contract (stability dimension) components. Specifically, the types of assurances revolved around: the expected level of challenging and meaningful work; support in identifying and developing a career path; ongoing tenure and job security; the provision of promised pay rises (e.g. unfulfilled due to pay freezes); and the ability to rotate to different work areas. These types of issues are exemplified in more detail in Chapter 7, when individuals’ specific contract change experiences are explored.

6.5.4.4 Organisational changes and/or uncertainties

This factor encompasses both ‘firm-initiated’, such as re-structures, and ‘external-shock’, such as the effect of broader economic trends, types of organisational changes. In particular, because this study encompassed the period during which the Global Financial Crisis (GFC) was unfolding, this ‘external-shock’ event and its impact upon organisations was raised by a number of interviewees. For example, many interviewees witnessed, for the first time in their careers, organisational actions such as large-scale redundancies, which challenged how they viewed their exchange relationships and resulted in them re-assessing ‘what they meant’ to their particular organisation. This subsequently affected individuals’ beliefs regarding the loyalty and stability dimensions

of the relational contract. ‘Firm-initiated’ changes, such as re-structures, had a similar effect.

‘It (uncertainty around job security) changed the culture a bit – it makes you think ‘am I expendable?’’

‘At the time (of re-structuring) I didn’t feel motivated to do anything. I’d just come in and, I don’t know, it’s not, I can’t say you’re upset when you come to work, but you’re just not motivated and you don’t really want to be there. Like, I want to come in late and get home ASAP, you know, I just don’t want to stay here any longer’

6.5.4.5 Lack of recognition/feedback

Many interviewees recognised the difficulty for, particularly, larger organisations to individually recognise staff. However, an ongoing lack of recognition could clearly become a persistent and de-motivating factor. The type of recognition sought on a regular basis was not necessarily monetary, as many interviewees were comfortable with their level of pay, but instead focused on: verbal recognition or feedback when a job was done well; social events for staff; or access to some type of flexible work arrangement when long hours were consistently encountered. Beliefs of this type relate to, particularly, both the relational contract (loyalty dimension) and the balanced contract (performance support dimension). For example, one interviewee who received end-of-year bonuses as a form of recognition, along with most other employees, stated a preference for individual-level recognition because with the bonus system ‘it’s not like ‘well, you’ve done a great job this year so we will give you a bonus’ it’s more like ‘by default you are going to get a bonus regardless of how well you worked or how crap you were’.

‘It really does depend on the manager and the team you’re in - some managers might think ‘I don’t owe you anything, I don’t owe you any recognition – you get paid to do your job so just do it’. What they don’t get is that you need that’

‘Even just some sort of recognition (from the manager) that I’ve been working hard – knowing that they’re acknowledging it. Even when I was working long hours, there was no recognition of it. Nothing like, ‘is there anything I can do?’ or ‘why are you working

so late – are you having difficulties with anything?’ It was just like ‘I’ll speak to you when I need to speak to you’ and that’s it’

6.5.4.6 Support ‘vacuum’

While the majority of graduate programs had some form of in-built support mechanisms for graduates, such as mentors, buddies or other networks, some interviewees felt that at times either these weren’t readily available or they didn’t provide the intended level of support. This reflected a belief in a lack of fulfilment of both the performance support and development dimensions of the balanced contract. The key support was seen to come from the manager, then the team, the broader graduate network and possibly other, more senior, colleagues. Interviewees viewed the role of these groups as being: able to provide guidance on career paths; more generally able to be a sounding board for issues and concerns and provide advice and guidance to resolve these; and willing to share their stories and experiences as a source of learning, particularly on ‘how things are done around here’ at the outset of employment and then becoming more focused on career guidance over time. Without these support mechanisms, there was perceived to be both a lack of development and a lack of social networks - both important for the individuals interviewed.

‘Personally, the challenge was finding a career map – who do you go to to find out where you’ll be in five years time? I spoke to a lot of people to try and find where I fit, trying to find out where to go’

‘This role I’m in - I have no idea about it. I was just thrown in – not told how or why I was thrown into it and I absolutely despise it’

6.5.4.7 The outcomes of these experiences

While many of the ‘negative events’ described may well have been experienced and dealt with on numerous occasions by more experienced workers, as many of the interviewees were in their first full-time, professional role and had relatively limited previous work experience, they may well have been feeling these ‘shocks’ more acutely than other workers. However, the feelings of dissatisfaction, uncertainty, frustration and even anger clearly had an attitudinal impact and, if ongoing, an impact on retention. These themes are outlined in Table 6.6.

Table 6.6: Details of interview themes identified: responses to contract beliefs unmet (breached)^a

Theme ^b	No. (%) of interviewees citing the theme	Theme description	Example quotes
Little to no negative reaction	7 (26.9%)	Employees were able to identify and recognise the occurrence of breach events, but they did not describe these as resulting in any negative feelings or reactions on their part.	‘Those things (the belief that structured training would be provided) would be great, but I learn a lot from on-the-job training anyway so that’s not really something that disappoints me or anything’
Moderate negative reaction	9 (34.6%)	Employees tended to describe breach experiences as resulting in frustration or concern; however, they continued to see a career with the organisation and readily described other positive work experiences.	‘It wasn’t too much fun at the time (following the breach), but in hindsight it sort of taught me a lot of things, like I learned a lot of good lessons from having that experience’
Strong negative reaction	7 (26.9%)	Employees described their responses to breach events as engaging in varying degrees of withdrawal behaviour and feelings of outright anger and in some cases betrayal.	‘I look back (and) I see there have been positives, but at the time (following the breach event) I wasn’t actively looking for positive things I was quite angry for a while there ... I focussed on getting through each day. (I) had a lot of work but I just never wanted to do any of it. I was busy but I didn’t care’
Increase in transactional contract beliefs – employee obligations	12 (46.2%)	Following a breach event/s, employees described focusing more upon, and increasing their beliefs in, transactional contract components, such as questioning continuing tenure and ‘working-to-rule’.	‘I started to think a little bit more like I won’t stay back tonight, I’ll just do it in the morning, whereas before I might have stayed back and put in a bit of extra time, sacrificed some of my personal time but not necessarily charged for it’
Decrease in balanced contract beliefs – employee obligations	7 (26.9%)	Following a breach event/s, employees described decreasing their beliefs in balanced contract components, such as seeking out and taking advantage of development opportunities.	‘I was annoyed with everyone in general and I was really unhappy. But I still got the work out that I had to get out but I probably wouldn’t have actively searched for other work’
Decrease in relational contract beliefs – employee obligations	12 (46.2%)	Following a breach event/s, employees described decreasing their beliefs in relational contract components, such as feeling obligated to remain with the organisation.	‘I think (you start) to doubt the company’s interest in you as a person. So I think that can then change how you work for the company. You kind of feel like well if the company is not going to stand up for me, then what do I owe them?’
Increase in transactional contract beliefs – employer obligations	12 (46.2%)	Following a breach event/s, employees described focusing more upon, and increasing their beliefs in, transactional contract components, such as the employer being obligated to provide more short-term employment opportunities.	‘(Referencing senior management in the organisation) I think (when they make decisions) one hand holds the profit of the company and in the other hand is people’s feelings about being kicked out of the company ... and I think it is always the profit one that is higher’

Decrease in balanced contract beliefs – employer obligations	6 (23.1%)	Following a breach event/s, employees described decreasing their beliefs in balanced contract components, such as the employer being obligated to provide training and development opportunities.	‘I guess there’s just little things ... like there’s cutbacks on things (such as training opportunities)’
Decrease in relational contract beliefs – employer obligations	13 (50%)	Following a breach event/s, employees described decreasing their beliefs in relational contract components, such as the employer being obligated to provide stable employment and to consider employees’ needs and interests in decision-making.	‘I guess it did seem a bit deceptive (the breach event). I guess that it made you feel that the (organisation) you were sold on at the start wasn’t quite what it turned out to be. It more hardens you to corporate life I guess, the reality that it is rather than the shiny brochure you get at the start’

^a *n* = 26 graduate employee respondents

^b All themes were developed through a combination of being theory- and data-derived

Specifically, the effect upon employees within the workplace following these experiences varied across interviewees, usually depending upon the type of negative experience, how strongly it breached a belief, the subsequent degree of reaction to it and the possibility for some type of remedial action. Indeed, for some individuals quite strong and negative reactions ensued, with emotions such as anger, a belief in a betrayal and a sense of injustice being described.

'It did change how I felt about the organisation and job. I grappled with my manager not seeming to have the faith in my ability – I was frustrated at not having the chance to show that I could do something. The lack of faith was a major problem'

'You find that (when you feel like you're being treated like a resource) you really don't want to give anything extra back. So I'm not'

'I found it a bit like 'alright we're doing all this work and long hours and it's good to achieve all these things' but, you know, sometimes you want something in return. I really wasn't feeling like I wanted to go above and beyond and so when stuff like that's happening you also start thinking about other things like pay and work-life balance and all these sorts of things'

Broadly, these experiences appeared to result in increased employee beliefs in their own transactional obligations. This is evidenced by comments regarding 'not wanting to go above and beyond' in terms of work output and 'just doing what needs to be done' in the role (increased narrow dimension focus of the transactional contract) and questioning continuing tenure with the organisation (increased short-term dimension focus of the transactional contract). Concomitantly, there appeared to be a decrease in employees' beliefs in their own obligations regarding both balanced (performance support and development dimensions) and relational (loyalty and stability dimensions) contract types. Similarly, this appeared to coincide with a decrease in beliefs about an employer's obligations regarding these same balanced and relational contract elements and an increase in perceived transactional obligations.

6.5.5 The factors that had a ‘remediation effect’ on the negative workplace experiences

As these interviewees remained with their organisations, obviously any challenging or negative events or experiences did not result in them exiting the organisation. An advantage of speaking with these employees is that it affords an opportunity to identify the factors which, in some way, remediated the effects of the negative workplace experiences and for those who had particularly strong reactions to a breach event, what it was that encouraged them to stay, rather than leave, their particular organisation. While obviously having the breached belief ultimately fulfilled is a key way to repair that breach through a direct remedy, when this does not occur other factors also appeared to play somewhat of a ‘buffering’ role and could still offer some broader contract repair for individuals. While touched upon here, the various types and categories of ‘remediation effects’ that were identified are discussed in more detail in Chapter 7, when individual contract change case studies are analysed in greater depth.

Interviewees identified a number of factors which had a ‘remediation effect’, to assist them in adjusting their beliefs about the employment relationship and return them to a more productive and motivated state. Table 6.7 provides descriptions of these interview themes. Generally, these factors tapped into those core and importantly held contract beliefs which generated the type of positive experiences highlighted in an earlier section. For example, both access to challenging and career-enhancing work and tapping into the positive social relationships and networks built within the organisation were frequently cited. Specifically, these factors relate to the fulfilment of balanced contract (development dimension) and relational contract (loyalty dimension) components. Some interviewees also referenced individual difference characteristics, such as resilience and even stubbornness, as factors which somewhat affected their reactions and responses to negative workplace experiences.

6.5.5.1 Relationships - manager, team and graduate network

Positive workplace social relationships provided an important buffer to negative experiences and served to fulfil relational contract (loyalty dimension) beliefs. Specifically, these relationships offered: a sounding board for issues and concerns; an avenue to hear from other, more experienced, staff and how they manage difficult times; and friendships and general support.

Table 6.7: Details of interview themes identified: ‘remediation effects’ for unmet contract beliefs (breaches)^a

Theme ^b	Related contract type/ dimension	No. (%) of interviewees citing the theme	Theme description	Example quotes
Positive social relationships	Relational contract (loyalty dimension)	11 (42.3%)	Employees identified that positive workplace social relationships helped to buffer the negative effects of a breach event, by fulfilling beliefs regarding the provision of general support for their well-being and showing concern for their interests.	‘I was seeing the people that I work with more than my family ... more than everybody. So to me they were my surrogate family while I was at work’
Good communication of organisational changes	Relational contract (loyalty dimension)	4 (15.4%)	Employees identified that good communication of organisational changes helped to buffer the negative effects of breach events related to these changes, by fulfilling beliefs regarding the provision of support for their well-being and showing concern for their interests.	‘I think it was really important that they were completely open and honest about what they actually did, before they made these people redundant. They said that it wasn’t an easy thing to do. And I think if they hadn’t have done that, it wouldn’t have put a personal face to that’
Future contract belief fulfilment and/or the possibility of a future change of work area	Varied contract dimensions	16 (61.5%)	Employees identified that the possibility of having a breached contract belief fulfilled in the future, or of being able to change work areas in the near future, helped to remedy and/or buffer the negative effects of breach events.	‘Yeah, you just sort of put it to one side (the breach) and you know that there’s not much you can do about it and they might rectify it in six months time so it’s all good’
Type of work	Balanced contract (development dimension)	10 (38.5%)	Employees identified that the provision of challenging and meaningful work helped to buffer the negative effects of a breach event, by fulfilling beliefs regarding the provision of a range of learning and development activities and opportunities.	‘Also a little bit after that initial shock (of the breach), a colleague asked me to come and work on a project with (him or her). (The project was) ... going to (be cost-saving for the company) ... so I thought it would be great on the résumé and it would be good to go from start to finish on a (piece of work). So I stayed for that as well’

^a $n = 26$ graduate employee respondents

^b All themes were developed through a combination of being theory- and data-derived

'It does feel like a family. I think it's definitely important for me. If I didn't have the connection with the people here I think I probably would have left a long time ago'

'It (the feelings following a breach event) just, over time, got better. The change of my own attitude toward what I had been given. Talking to different people, hearing other people's stories. A lot was (talking to) fellow grads in similar circumstances to me'

6.5.5.2 Good communication of organisational changes

To counter the challenges experienced during times of organisational change and uncertainty, interviewees found that the fulfilment of relational contract (loyalty dimension) beliefs provided a degree of buffering. These included: clear communication of the 'how' and 'why' of changes; being able to see a transparent decision-making process; and hearing from senior managers and decision-makers during these times as a means of putting 'a personal face' to the event:

'You kind of get over it – you see why they (managers) have made those decisions and I understand a bit more why now'

6.5.5.3 Future change of work area or the possibility of future contract belief fulfilment

A key 'remediation effect' for interviewees who experienced one or more breach events or experiences was knowing that the current situation was not permanent, that they have the opportunity to move to a different work area and that 'there is light at the end of the tunnel'. Further, if it was possible to see that the unfulfilled belief would likely be fulfilled at a future time, such as a promised pay rise which was delayed, this could provide a temporary remedy for any negative employee reactions to the breach. This second point taps into an important theorised aspect of the psychological contract, in that its focus is often on anticipated future actions by the other party (Rousseau, 1995). This finding demonstrates that if the employee anticipates that an employer obligation will be fulfilled in the foreseeable future, while a breach will likely be noted, the more intense feelings associated with violation can be, albeit temporarily, avoided:

'I tried to develop a career road map, I want to do this and that. I reminded myself that there's an end to it (the breach experience). It's finite. It's not a permanent role that I've

accepted and it ends when I choose to end it. I could see a finish line and it was part of my larger career plan to do the work there – I guess that’s what kept me there’

‘Seeing that light at the end of the tunnel has really got me through some difficult times in roles that I’ve been in. I just keep thinking ‘well the next role will be different’ and ‘the next role will be better’ or whatever. And yeah, it’s just something to get you through’

6.5.5.4 The type of work being undertaken

As previously highlighted, interviewees placed a premium on challenging and career-enhancing work that develops and broadens their skill sets - beliefs relating to the development dimension of the balanced contract. In some instances, even following strongly felt negative experiences, access to this type of work subsequently proved to be an effective buffering strategy. Even if the initial breach did not directly relate to the type of work being provided, access to challenging work appeared to offer a type of ‘compensation’ for other types of breaches:

‘I got some extra things to do that were different and that helped it to pass (the reaction to the breach event)’

‘My new manager started to give me work for career development - being more involved in the project work. It was higher-level and strategic - that got me back on track’

6.6 Summary

The results presented in this chapter focused upon the general contract change trends evident from the Study 3 interviews. These overarching themes focused upon the types of met and unmet beliefs regarding the employment exchange relationship and the factors which had a ‘remediation effect’ on the negative experience of having beliefs unfulfilled or breached. The proceeding chapter is a continuation of the presentation of results from Study 3. In Chapter 7, the richness of the Study 3 data is further explored by examining specific cases of individuals’ contract change experiences, as a means for discussing a process model of post-breach and violation employee appraisals and reactions.

Chapter 7: Study 3

Results and Discussion – A Process Model Perspective

The previous chapter presented the results of Study 3, based upon the general and overarching contract change themes evident from interviewees' experiences over the preceding 16 month period. This chapter extends the Study 3 general change trend results reported in Chapter 6 by elucidating the interplay of positive experiences (belief fulfilment), negative experiences (breached beliefs) and what are termed 'remediation effects' in driving the psychological contract change process. Overall, this chapter presents a process model of post-breach and violation employee appraisals and reactions, developed from the interview data, and which will be evidentialised through an examination of particular case studies. The case studies used were identified through individuals' specific contract change trajectories (as established through the Study 2 quantitative findings (Chapter 5)) and their interview data.

Study 3 allows for this more detailed exploration of contract change experiences because, from the 26 interviews conducted, nuances can be identified relating to individual reactions to breach events, subsequent actions to repair the impact of these events and the resultant consequences for the employee and his or her perceptions of the employment exchange relationship. This complexity was evident from the interviews such that the positive and negative experiences and remediation effects cited did not necessarily occur in a sequential, linear fashion. For example, some interviewees described instances of multiple breach events or experiences occurring simultaneously, while others described only one-off events. Concomitantly, remediation effects sometimes existed for all, some, or none of the breach events experienced. Further, some interviewees spoke of only positive experiences, resulting in little contract change.

This chapter begins by firstly describing the data-derived post-breach and violation employee appraisal and reaction process model (section 7.1.1). The various individual cases of contract change are then analysed through the prism of this model (sections 7.1.2-7.1.4), with a discussion of the theoretical implications of the findings from both Chapters 6 and 7 then presented (section 7.2).

7.1 The results – interview case findings

Because this chapter is a continuation of the Chapter 6 results presentation for Study 3, the sampling strategy and characteristics, data coding and analysis and psychological contract terminology used in this chapter remains the same. The Chapter 7 results presentation for Study 3 is structured to provide a more detailed description of the change experiences of selected individuals in order to illustrate not only the experience of a breach event, which in almost all interviewee cases precipitated a change in the psychological contract, but also the various unfolding processes and remediation effects which followed a breach event or experience.

As identified in the coding descriptions in section 6.4 (Chapter 6), the three categories of reaction to a breach event or experience, as derived from the interview data, are: little to no negative reaction; a moderate negative reaction; and a strong negative reaction. The type of reaction was one of the main points of difference across individuals' employment experiences and, generally, the stronger the reaction to the breach event or experience the greater the degree of subsequent contract change. As such, to elucidate the change processes for individuals, this chapter is structured around these three reaction categories (sections 7.1.2-7.1.4). Also, importantly, the type and effectiveness of various remediation effects enacted in response to breach events or experiences (see section 7.1.1) and the ongoing consequences for the exchange relationship more broadly, were other areas of variation and these are also exemplified as individuals' cases are discussed.

Each results section begins with a brief description of the breach reaction type (little, moderate or strong) and the proportion of interviewees who comprised the reaction category. This is followed by a more detailed description of the overall themes from those cases which exemplify the reaction category. In particular, this includes a discussion of the remediation effect themes generally in operation in each category. Throughout the chapter, pseudonyms are used to ensure interviewee, and organisational, anonymity. Plots depicting exemplar individuals' contract changes (from the data collected in Study 2) are also included to assist in illustrating the change process.

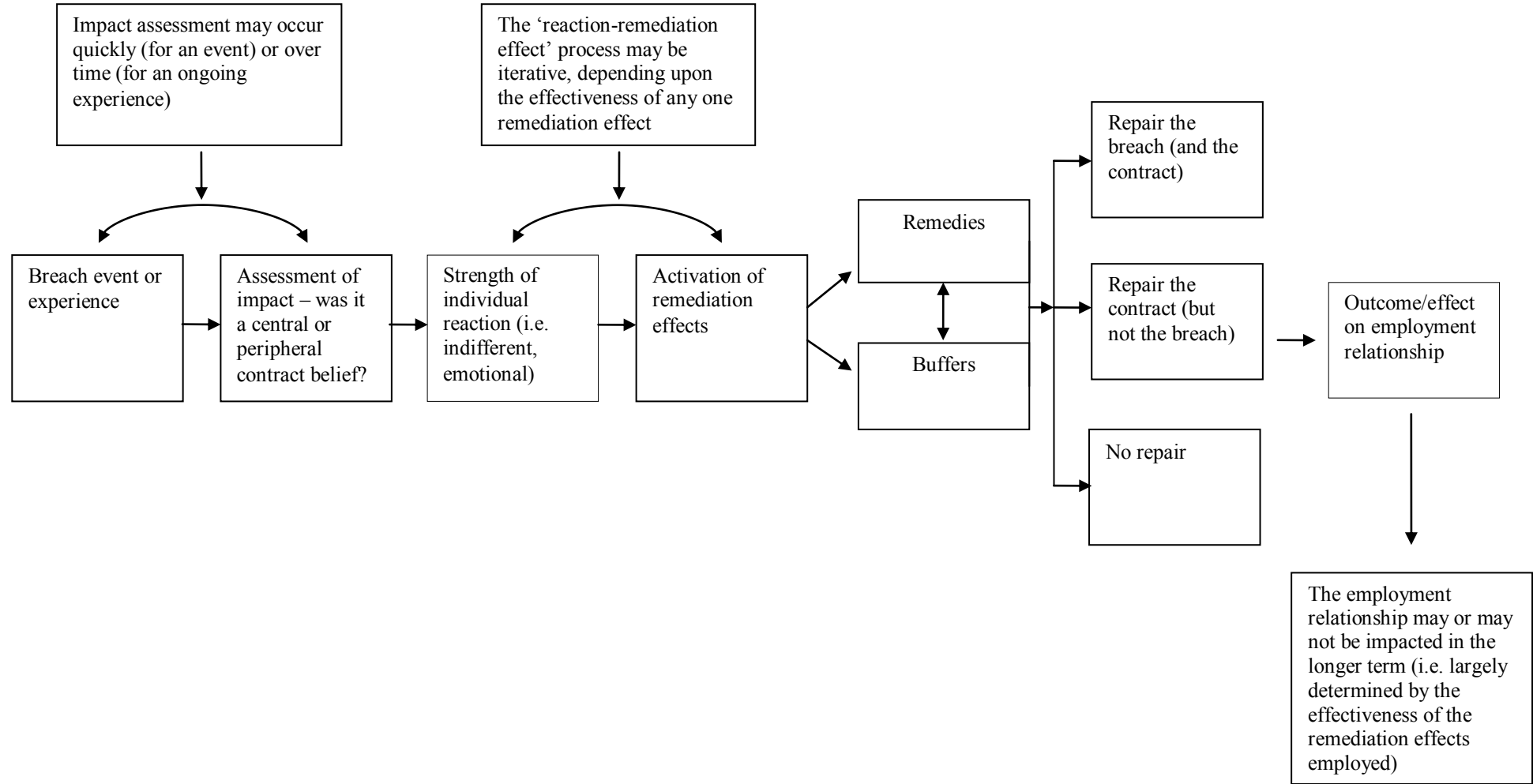
7.1.1 The post-breach and violation employee appraisal and reaction process model

Figure 7.1 presents the appraisal and reaction model that individuals undertook when they experienced a breach of their psychological contracts. Overall, contract breaches and violations form the basis of the process model, as the drivers of contract change. These events and experiences are focused upon because, for most interviewees, it was these phenomena, and their consequences, which drove the changes in their psychological contracts. From the interview data, it was clear that a breach experience could trigger a re-assessment of employees' beliefs about the employment relationship and what they were giving and receiving within it. As such, it was these events, and the employee reactions and actions following them, which appeared to drive the contract change process predominantly.

When a perceived employer contract breach did occur, individuals then generally undertook an assessment of its impact for them and their particular employment experience. For the majority of interviewees, and as evidenced throughout Studies 1 and 2, some of the most strongly held contract beliefs related to the provision of meaningful work, skill development and increasingly taking on more challenging work (development and performance support dimensions of the balanced contract). These factors constituted quite 'central' contract beliefs. Therefore, generally, when these central contract beliefs were breached it resulted in stronger negative reactions than if more 'peripheral', or relatively unimportant, contract beliefs were unmet. It is also possible that the fulfilment of central contract beliefs may have been more vigilantly monitored (as suggested by Morrison & Robinson, 1997) and so their breaches were viewed by individuals as more salient. Following the breach assessment and subsequent initial reactions, a range of possible strategies, broadly termed here as types of remediation effects, could be enacted, generally by the individual employee. These strategies were activated to, in some way, address what was often viewed as a negative situation following a breach event.

Broadly, two overarching categories of remediation effects were evident from the interview data: (1) remedies; and (2) buffers. They are described as 'remediation effects' because the actions in each category can result in types of repair - either repairing the specific breach, repairing the contract more broadly or both. Descriptions of the various

Figure 7.1: Post-breach event or experience employee appraisal and reaction process model



post-breach remediation effect themes, the broad category of remediation effect they fall under and whether the breach itself, the broader contract or both were generally repaired by the effect, are provided in Table 7.1. This table includes the number of interviewees citing the particular theme and example quotes. It should be noted that, within this table, even if interviewees cited a theme more than once in the interview, the theme is still only counted as being cited once by the interviewee.

Specifically, remedies are direct attempts to address a specific breach. These actions were found to be generally initiated by individuals and/or their managers. An example of a specific remediation effect from this category is the ‘self-initiated compensatory effect’ (Table 7.1, row: 5). This type of effect occurred when individuals actively sought to have a breach situation, such as the lack of provision of meaningful and challenging work, remedied by approaching a manager or colleague to assist in addressing it. If effective, this remedy served to directly repair both the breach itself and also the broader psychological contract. However, it was also found that breaches were often neither directly remedied nor repaired; although in these situations the broader psychological contract itself could still be repaired. This phenomenon occurred when remediation effects falling into the category of buffers were activated.

Buffers differ from remedies in that these actions or responses to a breach do not directly address the specific breach and, so, don’t serve to repair the breach itself. Rather, buffers are cognitive strategies used by employees to re-assess or re-appraise the meaning of a breach, how they interpret it and to factor in and re-focus upon other considerations such as the positive aspects of the broader working environment. In these cases, it is possible that organisational agents are not even aware that a breach has been perceived by an employee and if no remedies are enacted and/or are effective in directly addressing the breach, then the breach event or experience can remain. However, while the breach may not be repaired, the broader psychological contract itself can undergo repair in other ways. An example of a specific remediation effect from this category (buffers) is the ‘future focus’ effect (Table 7.1, row: 3). This type of effect occurred when individuals focused upon the knowledge that the breach existed for a finite time period only and was thus viewed as non-permanent, such as when the opportunity to rotate out of the particular work area was imminent. This cognitive re-assessment of the situation then

Table 7.1: Details of interview themes identified: specific responses to breaches - remediation effects^a

Post-breach remediation effect theme ^b	Type of remediation effect	If effective, is contract breach and/or contract repair provided?	No. (%) of interviewees citing the theme	Theme description	Example quotes
1. Compensatory effect	Buffer	Contract repair	11 (42.3%)	Employees described the negative effects of breaches as being buffered by the fulfilment of other, often like, contract beliefs.	'... when I accepted (the role), I thought I would be rotating around to the different (work areas) ... whereas when I got here and when it came time to rotate I realised it was actually (within the one work area). So I was in the same (work area). Whilst that was different to what I expected it wasn't something that I really minded. I was (still) getting plenty of variety ... so it's not such a big deal'
2. Future remedy effect	Remedy or buffer	Breach and contract repair or only broader contract repair	5 (19.2%)	Employees described the negative effects of breaches as being remedied by the knowledge that the breached belief will likely be fulfilled in the future. This effect is a remedy when there is some type of managerial or organisational communication that the breach will be repaired in the future. The effect is a buffer if the belief in a future remedy is more based upon individuals' 'hopes' for 'things to get better'.	'My main reason for staying (following multiple breaches), was the potential opportunity to go into (a particular role) (which would remedy at least one of the breaches)'
3. Future focus effect	Buffer	Contract repair	11 (42.3%)	Employees described the negative effects of breaches as being buffered by the knowledge that they will exist for a finite period and are thus viewed as non-permanent.	'While doing this rotation (when) things weren't all that enjoyable, I wasn't having a good time (following a breach event). I think maybe I kept reminding myself that there is an end to it, this is something finite. This is not a permanent role that I have accepted, it ends when I choose to end it'
4. Recognition and modification effect	Buffer	Contract repair	4 (15.4%)	Here, where breaches occurred, or other events which triggered a re-assessment of contract beliefs, employees described more of an acceptance of changing circumstances, or the need for changed beliefs, which resulted in belief modification.	'I guess six months into it (the job) ... (I found the work) a bit more tedious ... and less interesting. I did talk to my (assigned mentor) a few times about that sort of thing and I've since come out of that ok and with more realistic

					expectations about what's going on. But at the time I remember feeling a bit disillusioned, like, 'oh is this what I want to be doing?'
5. Self-initiated compensatory effect	Remedy or buffer	Breach and contract repair or only broader contract repair	10 (38.5%)	To directly remedy breaches, employees described 'stepping into the breach', through their own actions, to receive what it was that they sought. This effect is a remedy when the individual's actions effectively and directly addressed the actual breach. The effect is a buffer if the actions resulted in more general compensatory activities which, although not addressing the specific breach, were still effective in repairing the contract.	'I just used that (lack of meaningful work) as an opportunity to say to my manager that I am getting really bored, can I do some more exciting stuff? He was actually really good and ... more than happy to give me stuff to do'
6. Direct query	Buffer	Contract repair	7 (26.9%)	'Direct query' involves the individual gathering information about a breach to understand why it occurred.	'I spoke to the senior manager (regarding the breach event) ... (and) (his or her) reasoning was (provided)'
7. Workplace social relationships	Buffer	Contract repair	11 (42.3%)	Employees identified that positive workplace social relationships often buffered against the negative emotions stemming from a breach.	'Talking to different people and hearing other peoples' stories and things like that (assisted in moving past the breach) ... and they would give me advice or tell me who I could go and talk to'

^a n = 26 graduate employee respondents

^b All themes were data-derived (emergent) themes

serves to repair the psychological contract more broadly. It is these buffers, rather than remedies, which were found to be the most prevalent remediation effect enacted.

Overall, the main differences between these effects is that remedies directly address the specific breach, whereas buffers do not and are instead cognitive re-assessments of the breach situation, incorporating appraisals of the broader work situation. As a result, if effective, remedies can serve to repair both the breach and the contract, whereas buffers serve to repair the contract only. The remainder of this chapter will utilise individual case studies in order to evidentialise this process model, and build upon the findings from Chapter 6, to present a more detailed analysis of contract change processes.

7.1.2 Little to no negative reaction to the breach experience

27% of the interviewees described, overall, a positive employment experience. They largely recounted only positive aspects of their experiences, usually without a major focus upon any particularly challenging or negative experiences. This resulted in relatively stable psychological contracts across types and dimensions over time. Although, as is evident in the case chosen to illustrate this category, this does not mean that some contract belief change did not occur during times of breach, only that this change was not as prolonged as that described by individuals in other breach reaction categories. The positive experiences cited by this group generally related to the fulfilment of both balanced (development and performance support dimensions) and relational (loyalty dimension) contract components. These include the employer providing: interesting and challenging work; positive manager and team relationships; and a clear career path and opportunities for progression.

Although, even within this context, almost all individuals within this category also identified employer commitments which had not been met. These breaches included: reduced training (balanced contract, development dimension); pay freezes (relational contract, stability dimension); and an inability to access rotation opportunities (balanced contract, development dimension), all of which relate to some core contract elements. However, for individuals in this category, compensatory factors for contract breach, such as other contract beliefs being fulfilled, in combination with their overall positive employment experience, appeared to render the perception of these breaches as relatively unimportant. So while a breach was acknowledged, there was some buffer or remedy

which, at the very least and presently, repaired the contract itself. This resulted in a largely unchanged view of the employment relationship.

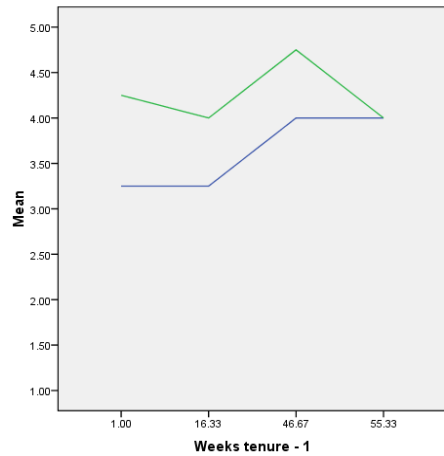
Two key themes capture the types of remediation effects for the breaches evident here – ‘compensatory’ effects (Table 7.1, row: 1) and ‘future remedy’ effects (Table 7.1, row: 2). Both of these remediation effects were often accompanied by valid organisational agent explanations for non-fulfilment of the obligation. ‘Compensatory’ effects occurred where breaches appeared to be buffered, or offset, by the fulfilment of other, often like, contract beliefs. ‘Future remedy’ effects occurred where individuals could see that the breached belief will likely be fulfilled in the future, thus staving off the more serious and negative reactions associated with perceptions of contract violation. This belief was often premised upon organisational agent assurances that a remedy would occur in the future. An example of the first effect is provided by Jason (see Figures 7.2(a-c) and 7.3(a-c)), who identified the reduced provision of structured, workshop-style training as a breach event. This related to a lack of fulfilment of the employer balanced contract (development dimension). Jason did not describe any negative reaction to this event or, indeed, any disappointment. The main ‘compensatory’ effect was that he believed that the training he was receiving in his role mitigated the lack of structured training:

‘(I) expected more structured training but ... those things would be great but I learn a lot from on-the-job training anyway so that’s not really something that disappoints me or anything’

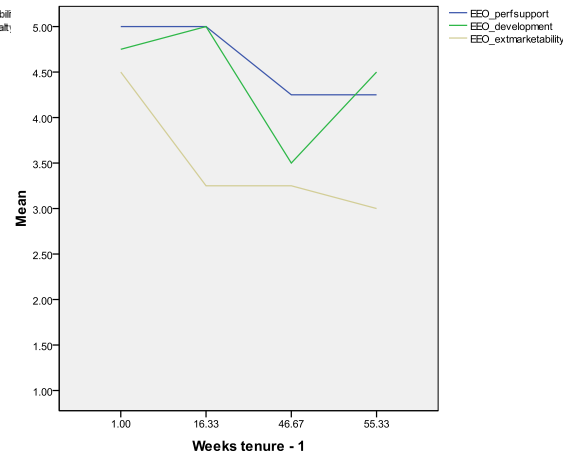
While this is a buffering remediation effect, which did not directly address the breach, this type of compensation aligns with the balanced contract (development dimension) component which was breached and could be described as ‘like-for-like’ compensation. It was not identified from the interview whether this ‘compensation’ was actually provided by the organisation as a specific remedy for the breach, or was more a product of effective managerial actions generally, hence it is termed a buffer. A secondary compensatory-type factor, which was more of an individual-level recognition, was the financial effect of the GFC on Jason’s organisation which explained why some expense commitments, such as training, did not occur:

Figures 7.2(a-c) and 7.3(a-c): case: Jason contract dimension plots (little to no negative reaction to breach experience)

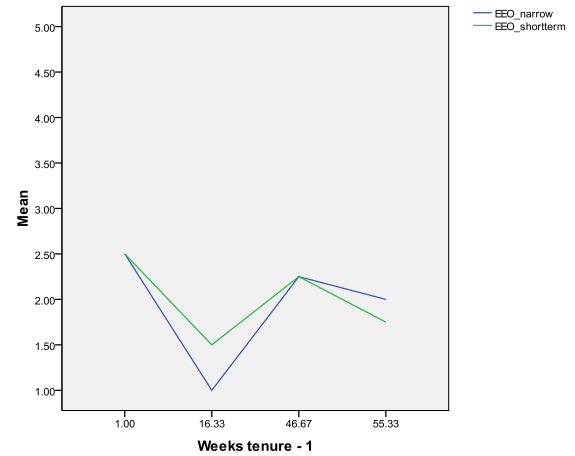
7.2(a) Employee relational dimensions



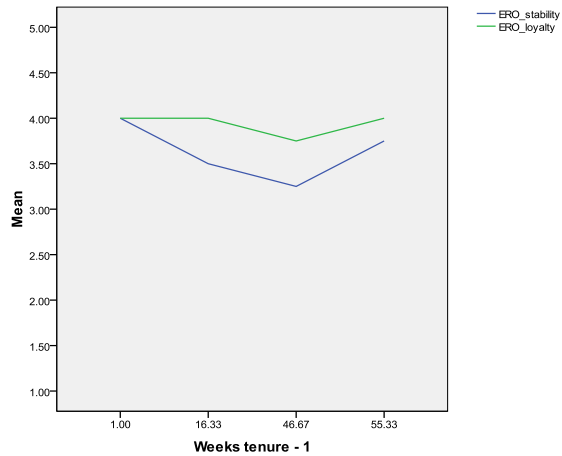
7.2(b) Employee balanced dimensions



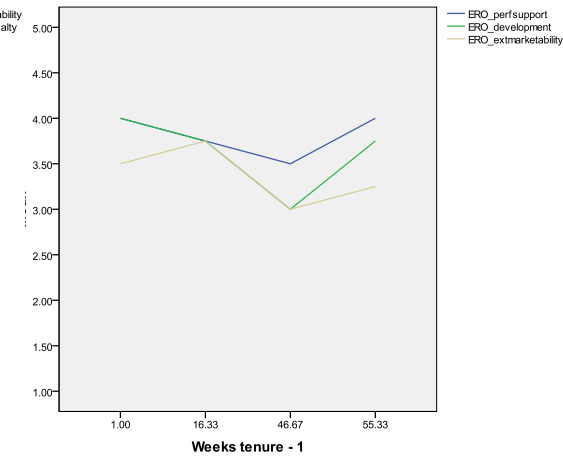
7.2(c) Employee transactional dimensions



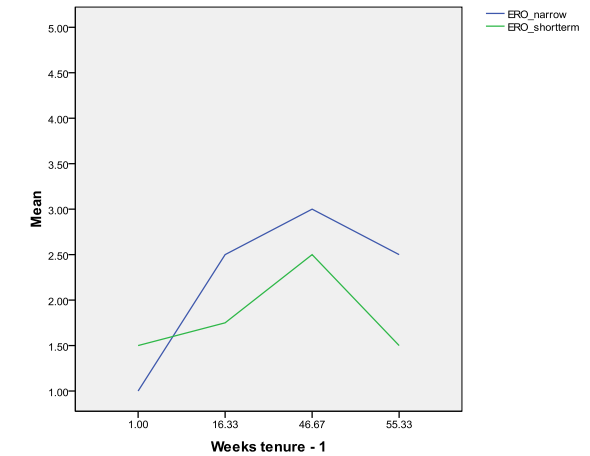
7.3(a) Employer relational dimensions



7.3(b) Employer balanced dimensions



7.3(c) Employer transactional dimensions



‘Although we (speaking about the broader graduate group) would have preferred to have it (structured training), given the current climate we understand why it didn’t happen, so it’s not really something that frustrates people, it’s just one of those ‘nice to have’ things’

In combination, these remediation effects resulted in no lasting negative effect on perceptions of the employment relationship. Although his plots (Figure 7.2(b)) show a reduction in beliefs about his own obligations along balanced contract dimensions (e.g. the development dimension) around this time, this rebounds after Time 3. Overall, Jason’s beliefs about his employer’s obligations on balanced (Figure 7.3(b)) and relational (Figure 7.3(a)) contract dimensions remained largely unchanged, as did beliefs about his own relational obligations (Figure 7.2(a)). The shift in transactional contract dimensions between Times 2-3 can in part be explained by the effect of the GFC, where Jason faced job insecurity during this time, but following organisational reassurances of job security this contract element returned to around its previous level (Figures 7.2(c) and 7.3(c)).

An example of the second, ‘future remedy’, effect is provided by Thomas whose identified breach related to a wage freeze due to the GFC, meaning that the usual half-yearly pay rise did not eventuate in the current year. This relates to a breach of the employer relational contract (stability dimension). While he noted some frustration at this, particularly as his pay rise would have been substantial, any particularly negative feelings were delayed in anticipation of the breach being rectified at a later date:

‘Yeah (it was frustrating), (but you) just sort of put it to one side and you know that there’s not much you can do about it, and they might rectify it in six months time so it’s all good. But in six months time if they don’t then the frustration will grow then but, I mean, time will tell’

Here, this effect is operating as a remedy. At an organisational-level, it was communicated that when economic circumstances improved, the regular pay rises would be re-instated. This is a direct repair of the breach itself, even though it is in the *future*, and this belief in the likelihood of future fulfilment mitigates any strong and negative feelings about the breach.

However, any lasting effects on the employment relationship will be determined in the future.

7.1.3 A moderate negative reaction to the breach experience

46% of interviewees recounted both positive and challenging, or negative, experiences which, overall, had shaped their perceptions of their particular workplace and the reality of working within it. Overall, what these individuals' contract graphs illustrate is the general change trajectory outlined in Chapter 6. That is, beginning relatively high on the employee and employer balanced contract obligations (development and performance support dimensions) and relational contract components (loyalty dimension) and low on the transactional contract components. Then, individuals usually experienced a 'dip' in balanced and relational contract beliefs and an increase in transactional contract beliefs between Times 2-4. Finally, they then experienced some type of successful remediation effect/s, such that the contract components returned to near pre-breach event levels. The types of breach events or experiences identified in this reaction category relate to both the balanced contract (development and performance support dimensions) and relational contract (loyalty and stability dimensions). Specifically, these included: witnessing colleague redundancies; experiencing workplace conflict; experiencing a lack of recognition; or failing to receive meaningful work. These breaches appeared to relate more often to core and importantly held, rather than peripheral, contract beliefs.

The main remediation effect experienced for this group is the 'future focus' effect (Table 7.1, row: 3), which provides broader contract repair. This differs from the 'future remedy' effect previously exemplified because a 'future focus' stems from the certainty that the current work situation is temporary. That is, it's based upon individuals' knowledge that they will only be in a particular work team for a finite period and they know when they will be moving on and so the breach/es (and the ensuing effects) are viewed as non-permanent. As such, the breach event is not considered to be a permanent problem, or the 'downside is not necessarily permanent', and it is this knowledge which acts as a breach buffer. This 'future focus' effect occurred for a number of interviewees, as workplace rotations were a common element of their graduate programs and, hence, breach events could be viewed as temporary:

‘And even if I don’t like a role, it’s not like I am stuck there forever. I do it and then I move on to something else. So there is always that hope that the next role will be something more like what you are looking for ... I just keep thinking ‘well the next role will be different’ and it’s (thinking that) just something to get you through’

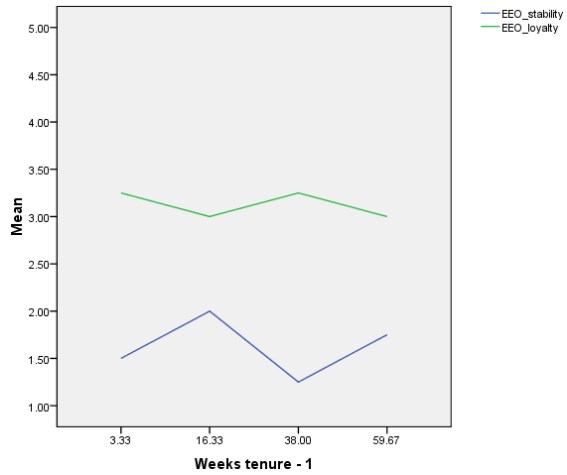
However during the work placement where the breach occurred, many employees in this grouping did instigate remedies, particularly the ‘self-initiated compensatory’ effect (Table 7.1, row: 5), in the short term in order to directly address the breach, often through seeking manager or team assistance. The positive effect of a constructive team environment, and the associated supportive social relationships within it, were also often mentioned as factors which acted as buffers to immediate negative, or de-motivating, feelings resulting from a breach (Table 7.1, row: 7). An example of the ‘future focus’ effect is provided by Hugh (Figures 7.4(a-c)-7.5(a-c)), who identified his first breach event as occurring just after organisational entry, in his first rotation, and it related to a lack of any interesting or meaningful work and, thus, a breach of his beliefs regarding the balanced contract (development dimension). Hugh described this situation as ‘(sitting) around doing not too much at all’:

‘I do remember when starting the job, you come out of uni ready to knuckle down and work hard and be challenged and then you go into a role like that where you are just doing a repetitive task – that was probably the de-motivating part. Because you are in a situation where you aren’t really needed to do anything and nobody is really relying on you for much. You have the build up from being sold on the grad program that you are going to be challenged and then there is an anticlimax’

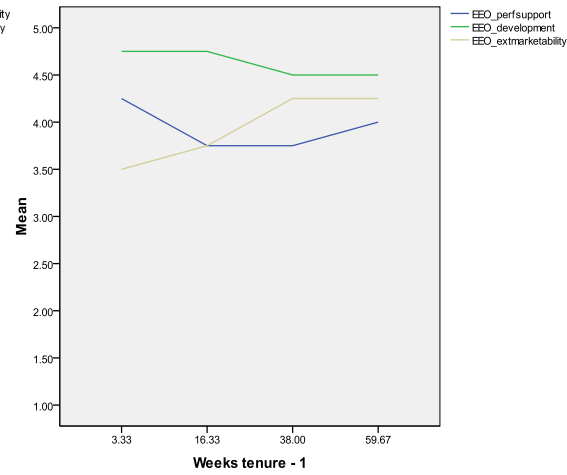
With a largely absent manager, his individual response and attitude, in hindsight, to this breach event were both positive. The main remediation effect was the knowledge that ‘I’m only going to be there for six months’ (‘future focus’ effect). His individual-level action was to seek out the work he wanted from his team (‘self-initiated compensatory’ effect):

Figures 7.4(a-c) and 7.5(a-c): case: High contract dimension plots (moderate negative reaction to breach experience)

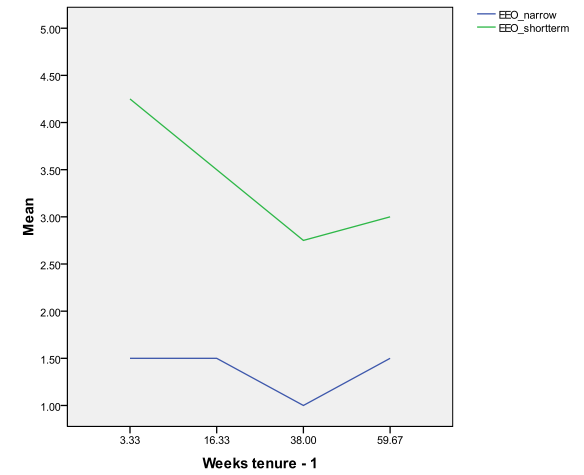
7.4(a) Employee relational dimensions



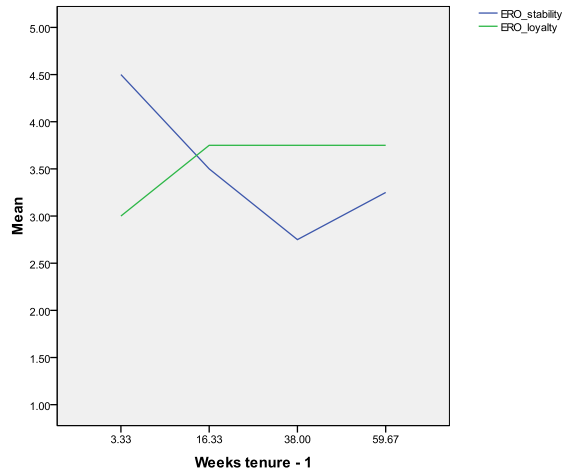
7.4(b) Employee balanced dimensions



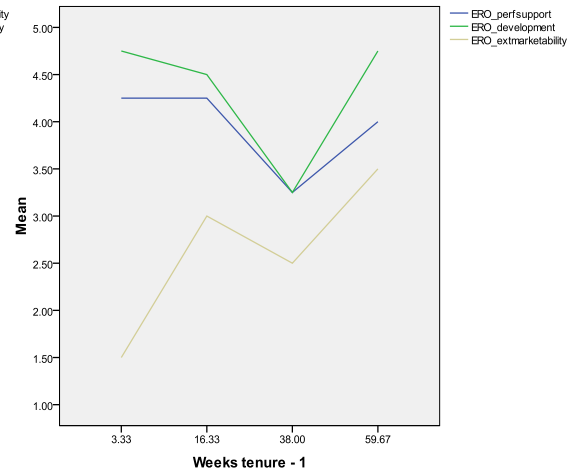
7.4(c) Employee transactional dimensions



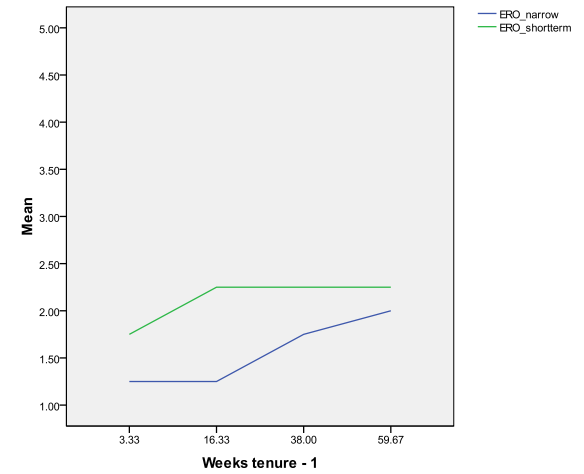
7.5(a) Employer relational dimensions



7.5(b) Employer balanced dimensions



7.5(c) Employer transactional dimensions



'I was definitely left to find my own way, find my own work for a fair bit of it, and keep myself busy. It wasn't too much fun at the time I guess I did have to take a fair bit of initiative, to approach people in the team and ask if they had stuff for me to do, to find jobs and tasks to do myself where I could apply the skills that I had ... I push myself to make things into a challenge'

His plots indicate that his own balanced contract dimension beliefs remained high (Figure 7.4(b)), but perceived employer obligations along the same dimensions decreased (Figure 7.5(b)), perhaps because they weren't being fulfilled. During this time, Hugh also referenced the important role of his colleagues (through workplace social relationships) in shaping his employment experience and how vital the quality of these relationships were for him in moving past, or buffering, difficult or frustrating workplace experiences:

'I think that (in difficult times) is when the people you work with make a huge difference. If you are having a couple of week period when you are doing something that you aren't really enjoying and you are just doing the daily grind, that's when the people at work influence how much you enjoy coming to work. I found that a few of the people I've met in the team have become really good friends and if I'm having a really boring day I can make it interesting by having a chat to them'

His 'future focus' remedy was effective in repairing his broader contract, with his subsequent rotation fulfilling the balanced contract (development and performance support dimensions) beliefs that he had sought fulfilment of in his first rotation. His plots indicate that after this time (Time 3), employer balanced contract dimensions increased (Figure 7.5(b)) and the marginal increase in employer transactional contract obligations tapered off (Figure 7.5(c)).

Overall, for this group of individuals, there was not necessarily time to directly repair the breach through a remedy, or enact a 'compensatory' effect due to the short timeframes for rotations and, similarly, a 'future remedy' effect was generally not possible. As such, it was the knowledge of a complete removal from the situation, the 'future focus' effect, which

appeared to mitigate any strong, negative and lasting feelings regarding the employment exchange as a result of the breach/es.

Within this overall category, a second theme emerged, albeit with a much smaller group of cases. Some interviewees had experienced longer tenure with their organisations and/or were placed in permanent positions at the outset of their employment, without access to a structured rotation system. For these cases, while breaches often remained a driving force in triggering contract belief re-assessment, the general absence of effective remediation effects, and thus either breach or contract repair now or in the future, resulted in more of a ‘modification’ of contract beliefs. In one case in particular (examined below), the individual identified changes in how his team, and the broader organisation, operated which, over time, resulted in a modification of his beliefs regarding the employment exchange. This sub-set of the category offers a contrast to the previous cases, as these broader types of organisational changes don’t necessarily lend themselves to direct remedies, or even the perception of effective buffers. It also offers a contrast by identifying how multiple breaches impact upon the contract change process and the subsequent effect on an employee’s overall perception of the employment relationship.

In these cases, as breaches were identified as occurring more through experiences over time, the main remediation effect is termed a ‘recognition and modification’ effect (Table 7.1, row: 4). Here, the individual appeared to accept that organisational changes had resulted in him or her modifying existing employment exchange beliefs. The contract plots for this category mirror the trajectory outlined for the previous category, except that the dips in balanced and relational contract components and the increase in transactional contract beliefs between Times 2-4 generally did not return to pre-breach event levels, or necessarily even trend back to previous levels. This was mostly because there were no successful remediation effects to instigate any type of repair to move perceived obligation levels back toward previous levels.

An example of this ‘recognition and modification’ effect is provided by Steve, who, at the time of the interview, had worked with his organisation and manager for 2.5 years. The first of two main breach experiences for Steve, during the study period, related to beliefs

regarding the balanced contract (performance support dimension) particularly. Specifically, Steve was required to take on more work and progress into a higher position much sooner than anticipated, following team member attrition. Although he did acknowledge some benefits to the situation:

‘With the two more senior (staff) leaving, I have been thrown in the deep end. I mean I have just been given a lot of work to do that I haven’t done before, and it has been interesting and I have enjoyed it but the stress levels do go up when you don’t know what you are doing ... it will benefit me in the end but just at the moment it’s a bit daunting’

Steve described a concomitant lack of managerial support, mentoring and training opportunities for his adjustment into the new role, which could have acted as ‘compensatory’ effects, and that it is not how his section had worked in the past. This highlighted the lack of fulfilment of the balanced contract (performance support dimension) and suggested that a ‘recognition and modification’ effect is occurring here:

‘I think everyone is just too busy and we don’t really have enough staff to do it (take a mentor role) at the moment. So a lot of us feel a bit ... not lost, but what do we do because there’s nobody you can really ask?’

In terms of training, Steve also spoke about performance review discussions where his manager assured him that training would be found for him to attend, but ‘it just hasn’t happened’, resulting in a breach of balanced contract (performance support and development dimensions) beliefs. The second key breach experience for Steve involved monetary compensation, which fed into a perceived reduction in staff recognition practices over time. Like other companies at the time, Steve’s firm instigated a pay freeze due to the GFC, meaning no annual pay rises for any staff, resulting in a breach of relational contract (stability dimension) beliefs:

‘I’ve really taken a lot of extra work on over the last six months because we have two or three less people to do the work. It’s a little bit frustrating and I think a lot of people share

my frustrations knowing that we aren't getting pay rises, reward for our hard work for the last eight months. It's probably how a lot of people are feeling at the moment'

Although Steve was clear that if a pay rise did not eventuate next year 'it would make me start to question why I am still here', these feelings were tempered by an individual-level perception of a possible 'future remedy' effect (which acted as a buffer):

'I think probably in the end I will be rewarded for it (his extra work). I'm learning a lot and I have a lot more stuff to put on my CV and I have a lot more experience under my belt. I think that will eventually pay off'

Steve also believed that this breach was not being buffered (i.e. through a 'compensatory' effect) by other possible forms of recognition, appreciation of staff or acknowledgment of employee contributions. This reflected further perceptions of a lack of fulfilment of the relational contract (loyalty dimension). For example, Steve viewed social activities as 'an integral part of the workplace' which 'make people feel valued'. This was one practice, in particular, that Steve had seen change over time, again suggesting a 'recognition and modification' effect for this breach:

'I don't know what has changed. When I was (undertaking work experience with the firm), that was probably one of the things that attracted me to (the firm) because I saw that (the firm had) such an awesome social aspect, they did heaps of social stuff and I'm not really sure what changed, whether it wasn't a priority or something. So it has definitely changed since I was (undertaking work experience), and probably just made a lot worse because of the economy and that sort of jazz'

However, as with the previous category of cases, Steve identified the positive effect of his team member social relationships, from which he drew 'a lot of motivation' from and which somewhat acted as a buffer to immediate negative feelings resulting from the breaches. Overall, in this category of cases, there is an accretion of breach events and longer-term experiences and subsequent responses. The cumulative effect of these breaches, a lack of effective remediation effects for most of them and, thus, largely unfavourable perceptions of

these events resulted in increasingly cynical perceptions of the employment relationship overall. These feelings are clear from Steve's comments that:

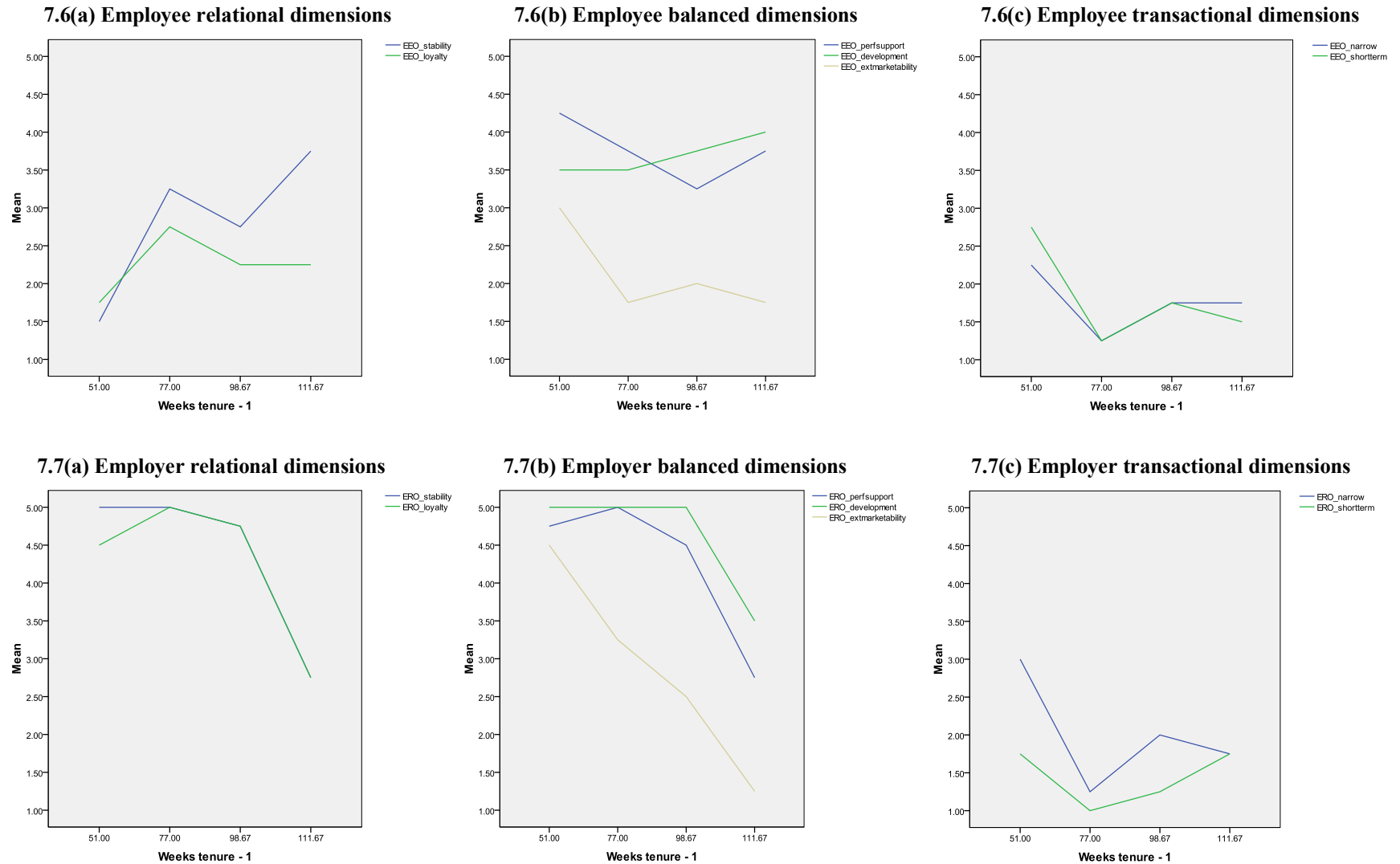
'You are just someone who keeps the money coming in, a worker, and things like that. And I guess that's how a lot of people, myself included, feel sometimes. You do feel like the company wouldn't bend over backwards to keep you if someone better came along'

This overall outcome is obviously different from the previous cases, where various remediation effects currently mitigated lasting, negative perceptions of the employment relationship. Steve's plots show that the lack of employer fulfilment on a range of contract dimensions has particularly instigated changes in his beliefs about these contract components. Specifically, beliefs about his employer's relational (Figure 7.7(a)) and balanced (Figure 7.7(b)) contract dimensions all decreased markedly over time, with an increase in his perception of his employer's shorter-term obligations to him (transactional contract) (Figure 7.7(c)). However, while he perceived his organisation's 'side of the bargain' to be changing, his own relational contract dimensions (Figure 7.6(a)) increased marginally and his balanced contract dimensions (Figure 7.6(b)) remained fairly steady, possibly given the need to maintain a high performance level given the economic climate. Overall, this cohort of individuals exhibited recognition that 'this is just how things are going' in the employment exchange and so amended their contract beliefs in line with this 'changing reality'.

7.1.4 A strong negative reaction to the breach experience

A further 27% of interviewees recounted very challenging and negative experiences which had clearly altered their perceptions of the workplace and the relationship with their particular organisation. These experiences were the direct result of a belief in the organisation failing to provide the individual with inducement/s that he or she believed ought to be provided to him or her. What distinguished the employees in this cohort from those exhibiting 'moderate and negative reactions' was that these individuals described very negative and emotional reactions to breach events, akin to what is termed contract 'violation' in the literature (Morrison & Robinson, 1997). While some interviewees in this category focused largely on the breach events or experiences, nearly all were able to also identify

Figures 7.6(a-c) and 7.7(a-c): case: Steve contract dimension plots (moderate negative reaction to breach experience)



positive experiences in the workplace which, for some, had acted in a buffering, remediation effect capacity.

While some individuals focused upon one major breach, a greater number identified multiple breaches and, thus, this latter group and their associated remediation effects are focused upon in this category's discussion. Generally, these individuals' contract graphs illustrate that somewhere between Times 2-4 there are deeper 'dips' (than the 'moderate, negative reaction' category) in beliefs about employee and employer relational and balanced contract dimensions and an increase in beliefs about transactional contract dimensions. This is usually followed by some effective remediation effect/s, and thus breach and/or contract repair, such that the contract dimensions begin to return to their pre-breach levels. In cases where there wasn't any successful remediation, generally, the 'dips' remained without trending back to original belief levels.

The types of breach events or experiences identified generally related to components of the balanced contract (development dimension) and the relational contract (loyalty and stability dimensions). These events included: an ongoing failure to receive meaningful work; an ongoing poor quality managerial relationship; job insecurity; perceived inequitable treatment; and experiencing workplace conflict. These breaches were often described as relating to core and importantly held, rather than peripheral, contract beliefs. While some of these breaches were also identified by individuals in the 'moderate and negative reaction' category, they appeared to elicit stronger reactions for this group because there was a greater sense of inequity. That is, individuals believed that what they were giving or offering to the organisation was not being at all reciprocated. This feeling was compounded by the failure of individually-initiated remedies ('self-initiated compensatory' effects) to expeditiously and directly address the breach situation and a 'future focus' effect generally not being accessible, either because individuals' rotations were quite lengthy (e.g. 12 months compared to three or four months) or it was simply not applicable to the situation. Further, the effect of multiple breaches, as shown in the second 'moderate and negative reaction' category, also appeared to have a cumulative and negative impact when remediation effects were ineffective.

Due to the presence of multiple breaches within this category of cases, combinations of the various remediation effects discussed in the previous categories were employed. In particular, four remediation effect themes were evident within this category. First, where ‘self-initiated compensatory’ effects were highlighted in the ‘moderate and negative reaction’ category, these actions were more pronounced in this category. This appeared to be the case because of the perception of a complete lack of managerial or organisational actions to directly remedy the breaches, reinforcing the need for responses initiated at the individual-level. Thus, when a core exchange belief was not being fulfilled by the organisation, individuals then ‘stepped into the breach’ through their own actions to receive what it was that they sought. This, perhaps, was in part enabled by working in professional, white-collar workplaces where some degree of control over the content and conduct of work was available.

The second theme relates to the importance placed upon the ‘future remedy’ effect, as a buffer, within this category. The focus upon this cognitive, buffering strategy appeared to allow individuals to hold onto core contract beliefs, even when they weren’t being fulfilled and with minimal evidence that they would be fulfilled, because there remained a belief that ‘it still might happen’. This may, in part, have also been driven by the exit costs of leaving the organisation as a result of these breaches, with one interviewee explaining that ‘it’s almost easier to stay (with the current organisation) than change’. The third theme extends the second and is a remediation effect termed ‘direct query’ (Table 7.1, row: 6). The case evidence suggests that this effect acted largely as a buffer and occurred when direct remedies may have been outside of the control of the individual, or even his or her manager. Here, ‘direct query’ involved the individual gathering information about a breach to understand why it had happened and, while not necessarily repairing the breach, it could serve to repair the contract in a buffering capacity as the information received could result in a re-interpretation of the breach event. Finally, nearly all individuals, across all case categories, particularly this one, cited the buffering effect of positive workplace social relationships against the negative emotions stemming from a breach. This buffer also acted as a support to the use of other remediation effects, such as through team members highlighting potential direct remedies, such as a ‘future remedy’, or other buffers, such as a ‘future focus’.

Three individuals' cases are utilised to exemplify the above-mentioned themes and they are discussed somewhat in tandem given that there are a number of similarities (relating to experiencing multiple breaches), but also to allow for comparisons of the differences in the effectiveness of the remediation effects employed and subsequent outcomes on perceptions of the employment relationship overall. One individual experienced clear contract repair (case: Daniel), another experienced some degree of repair (case: Lisa) and the other experienced no repair (case: Angus).

Daniel experienced two simultaneous breaches, which he perceived as major and ongoing and related to both the balanced contract (performance support and development dimensions) and relational contract (loyalty dimension). Specifically, the breaches involved a lack of meaningful work and a very poor quality and unsupportive supervisory relationship:

'Sometimes it (the workplace) felt like it was a jail, to be honest. I didn't feel like I was getting the experience that I so desperately wanted ... I just did the standard hours pretty much – 8am-4pm. I wasn't going over and above - it was just like, that is it. I just accepted the fact that this is what they wanted, a bandaid, so I'd just be a bandaid'

These comments offer evidence, in particular, of an increase in his transactional contract (narrow dimension) obligation beliefs at this time. His first attempts at direct action to remedy the breaches ('self-initiated compensatory' effects) involved speaking with his manager, then his designated mentor and then the corporate human resources area. These attempts at breach repair failed, as none of the actions resulted in an improved situation. With regards to his manager's response:

'There were examples where I'd go into (his or her) office and say 'listen I'm sort of a little bit light on work is there anything I can chase up?' and the answer would be 'no'. And it's like, well what can I say to that? So what do you do? So I was just like, well there's no action being taken there, what's Plan B?'

‘Plan B’ amounted to another ‘self-initiated compensatory’ effect to buffer the ‘lack of meaningful work’ breach. Specifically, this involved initiating his own learning experiences, to ‘find as much learning as I can’, in order to better understand the organisation and his role. This focused upon seeking out and speaking to more experienced staff at his workplace who could ‘offer you something in terms of imparting a lot of their life skills that they’ve learnt’:

‘I think at that point (after other avenues of redress failed), I also spoke to a lot of the (other staff at his workplace). So instead of it being, ‘oh this is what you do, you just rock up every day, you do this particular thing’, it was more like ‘well I’m going to go over here and talk to this (person) because (he or she) has had like 30 years experience working at that (piece of work) or (he or she) might know things that would be good to store in the back of my mind, maybe it’ll help me’

The poor quality supervisory relationship was an experience relatively outside of his control to directly remedy, however Daniel, like many other cases discussed in this chapter, spoke of the buffering effect of supportive social relationships formed with colleagues:

‘I think the lifestyle as well pretty much ticked me over, kept me going. The lifestyle of work, you still chat to people that are there (at work). The bonds and relationships with people. You do things outside of work too. (His location) has a pretty good night life, so it can take your mind off work. I also went fishing with one of the (staff members) from work, so doing stuff outside of work can make it feel better – I think without that, if I was just (at his location) for work, I wouldn’t have survived very well’

A ‘future focus’ effect was also evident toward the end of his first year and first rotation - or as Daniel expressed it ‘I was looking forward to getting out’. Although a main turning point, or serendipitous remediation, came toward the end of his first year when his manager changed, which led to a better quality supervisory relationship and a better type of work being provided, thus fulfilling the breached balanced contract beliefs (development and performance support dimensions) particularly. Daniel’s second rotation also then provided him with what he had been seeking in his first. The people in his new work area were ‘trying

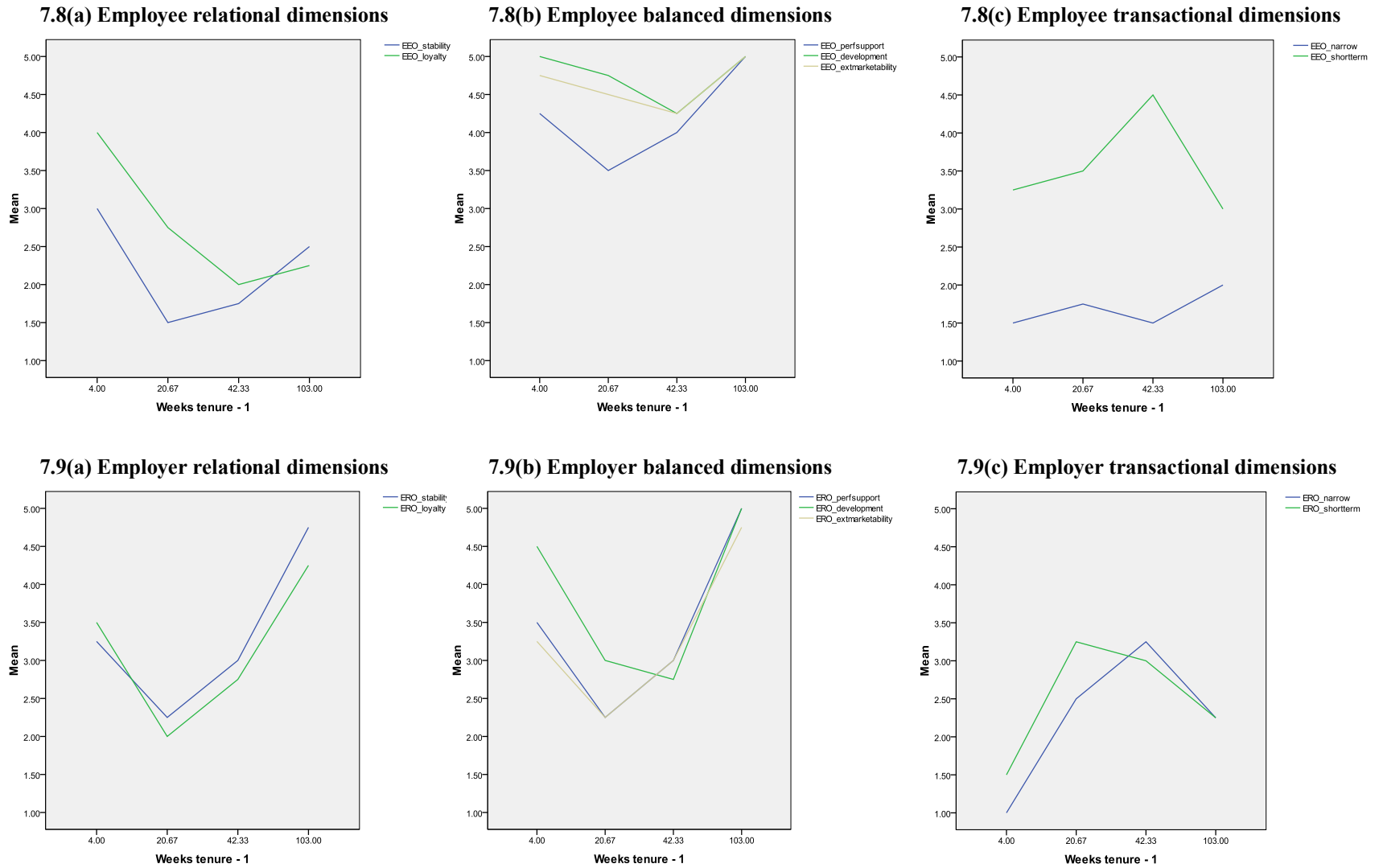
to throw me into everything, which is good’ and his new manager was clear that ‘we’ll look after you here and do everything in your best interests’. As such, this new situation provided a direct and virtually full repair for his previous experiences and, so, repaired the contract. In comparing his two experiences, Daniel made clear how he now views the exchange relationship:

‘I’ve been staying back at work and working on (a higher-level piece of work) and I’m not dirty about it, I’m like well it needs to be done and I find it enjoyable and I can understand how it’s going to enrich my career. Whereas back in the other example (first rotation) I was just like, get it done and that’s it, not think about it. So I was like, well I’ll work from 8am-4pm, after 4pm I’ll go to the beach, I’ll go to the pub’

Daniel’s plots (Figures 7.8(a-c)-7.9(a-c)) demonstrate how his first 12 months (up until Time 3) largely resulted in overall decreases in employee and employer relational (Figures 7.8(a)-7.9(a)) and balanced (Figures 7.8(b)-7.9(b)) contract dimension beliefs and increases in transactional contract dimension beliefs (Figures 7.8(c)-7.9(c)). Once he shifted to a new work area and the accumulation of breaches stopped, his beliefs in these obligations returned to (Figures 7.8(b)-7.9(c)), and in some cases were above (Figures 7.8(a)-7.9(b)), pre-breach event levels.

Lisa’s case is similar, although her circumstances did not result in the same degree of contract (nor breach) repair as Daniel. While her first two breaches, a lack of meaningful work (relating to the balanced contract, development dimension) and a conflict situation with a manager outside of her team (relating to the relational contract broadly and balanced contract, performance support dimension), were directly remedied over time with the assistance of her manager and team, it was the third identified breach event which had a more lasting effect on her perceptions of the employment exchange. Here, Lisa and other fellow graduates were told that they were not guaranteed permanent positions in the organisation and had to apply for them, despite believing that they did have permanent tenure. This constitutes a breach of the relational contract (stability dimension):

Figures 7.8(a-c) and 7.9(a-c): case: Daniel contract dimension plots (strong negative reaction to breach experience)



'We, most of the grads, were quite disappointed because most of us actually remembered that when we signed the (employment) contract that (a) manager actually told us that we were promised a permanent role. Quite a few people remember it so I don't think we just made it up. But anyway, at the end of the rotations it was actually a different story. We had to go out and find our own roles'

While there was initial support from the corporate human resources area in assisting individuals to find permanent roles, the officer responsible for this subsequently left the organisation:

'It (the HR person leaving) did make it very hard for us, because even when we wanted to talk to someone about our frustrations there was nobody for us to actually talk to'

Lisa's 'self-initiated compensatory' effect for this breach was focusing upon performing to the best of her ability in order to secure a permanent role. When asked if she found this breach situation de-motivating, she commented:

'I guess I still keep working because I know that my performance ... if you don't perform well, people would actually notice. The people in (the organisation) are very conscious about networking, so your performance in this team will eventually go into the ear of your future (manager) someday. So I think you should always perform at your best. Maybe it's not useful in this team, but it's hard to say in the future'

While enacting this remediation effect resulted in Lisa subsequently securing a permanent role, there existed neither breach repair (an effective remedy) nor a great degree of contract repair (although there was some effective buffering), because of ongoing issues of trust. Specifically, although trust within her team environment appeared to remain, that did not appear to be the case in a broader organisational sense. In speaking about how she now perceives her employment relationship, she spoke very positively about her team and its culture (a 'workplace social relationships' buffer):

‘The people around you and the (manager), they do value you as an asset and they also care for you. They care about your health and those kinds of things. So they make you feel like you belong to the team ... there is a belonging. They make you feel valued and also the people really treat you with respect’

However, Lisa made quite different comments regarding organisational-level commitments to employees:

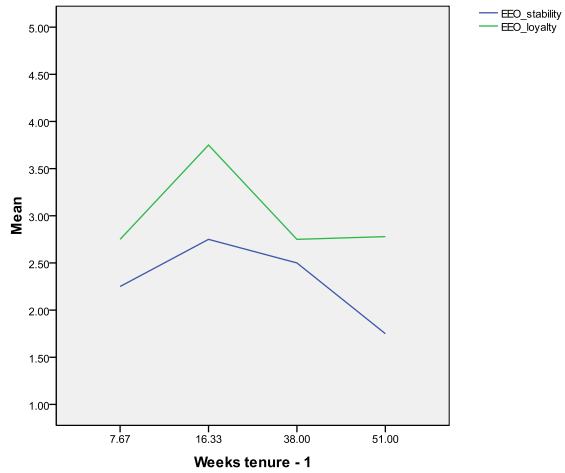
‘The thing is that I think the senior people in the company actually put the profit of the company higher than people. One hand holds the profit of the company and in the other hand is peoples’ feelings about being kicked out of the company - I think it is always the profit one that is higher. I don’t think it is right, but it is happening everywhere. So maybe I’m thinking about when I’m older I will probably apply for a job to work with the government instead of the private companies’

Lisa’s plots somewhat mirror Daniel’s trajectories, except the degree of repair for, in particular, the final breach mentioned was imperfect (repair would have occurred between Times 3 and 4). In terms of employer obligations, the degree of contract repair is demonstrated through the relational (Figure 7.11(a)) and balanced contract (Figure 7.11(b)) dimensions increasing, although not to near pre-breach levels. This is perhaps the result of the somewhat successful ‘workplace social relationships’ buffer mentioned above. The lack of full contract repair, however, is evident in that while the employer transactional short-term dimension (Figure 7.11(c)), particularly, remained steady between Times 3 and 4, it remained well above pre-breach levels. The increases in Lisa’s own beliefs about her balanced contract dimensions (Figure 7.10(b)) perhaps indicates her belief in the need to take on these obligations more and more, as her beliefs in her employer’s obligations to do so reduce and it is also likely the result of her intent to perform at her best in order to secure a permanent role.

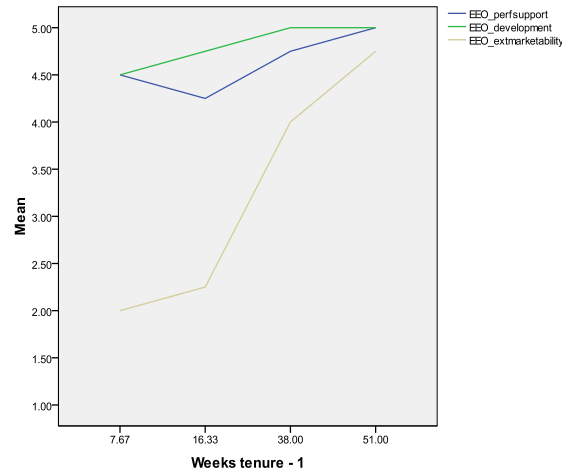
Finally, Angus’ case was similar to the previous two, in that he experienced multiple breach events, although there are contrasts in his experience, including no discernible breach or contract repair as the various remediation effects employed to address the breaches were

Figures 7.10(a-c) and 7.11(a-c): case: Lisa contract dimension plots (strong negative reaction to breach experience)

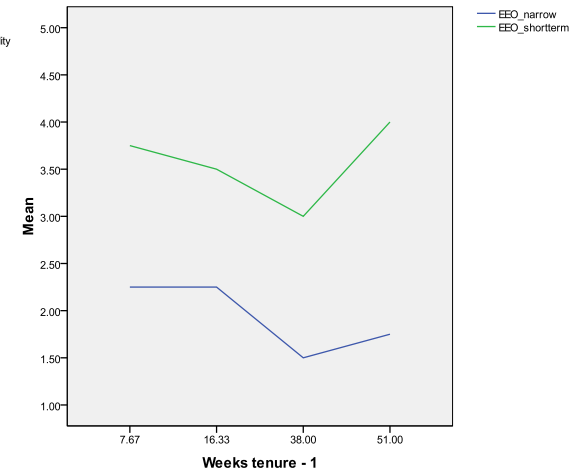
7.10(a) Employee relational dimensions



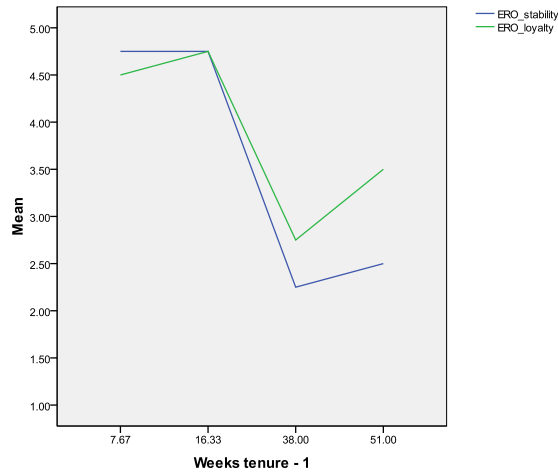
7.10(b) Employee balanced dimensions



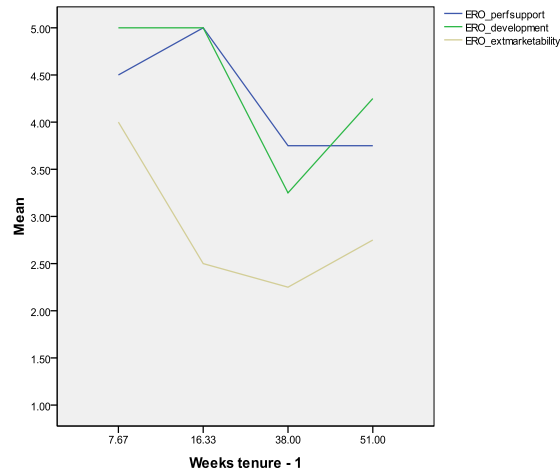
7.10(c) Employee transactional dimensions



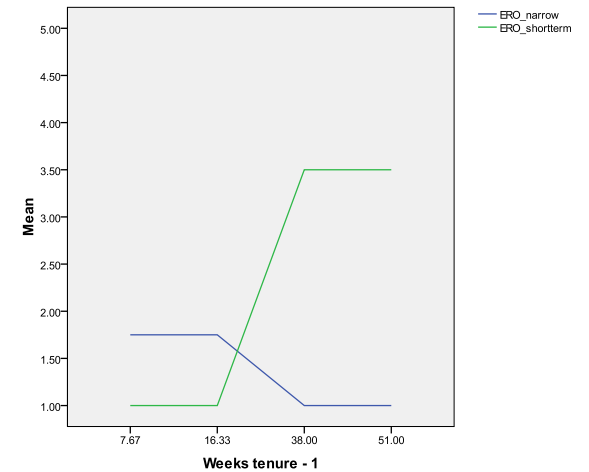
7.11(a) Employer relational dimensions



7.11(b) Employer balanced dimensions



7.11(c) Employer transactional dimensions



ineffective. Angus' situation was such that his role changed in accordance with project demand. Despite this work structure, Angus spoke of organisational assurances that graduates would have input into their work placements in order to develop their experience and identify a career path. His first breach occurred when he moved into his second placement, describing the type of work as not matching his skill set and that he had no input into the placement (a lack of fulfilment of the balanced contract, development dimension):

'No, no (I didn't have a choice). That's something that I've learnt, that (the company) likes to profess that you get a choice in your path or direction but you don't get that at all, nor do you get forewarning of it (a role change) which I don't like ... (and) to me is just not acceptable'

The perceived lack of fairness in the situation, the breaking of a core organisational promise for Angus and 'despising' the work he was doing, saw him speak of de-motivation at this time ('it was a struggle coming to work') and 'it was to the point where I was actively pursuing other roles (outside of the company)'. This reflects increased beliefs in transactional contract (short-term dimension) obligations. Although Angus had a designated mentor for career-related issues, access to the corporate human resources area and a direct manager, he spoke of a lack of support for the transition into this second role and it was through communications with colleagues that he came to understand this as 'standard practice' and an 'initiation into the company'. Beyond trying to understand the situation through managers and colleagues via a 'direct query' remediation effect, which was not effective, there was no successful repair for this breach or the contract itself.

The second breach event mirrors the previous cases and relates to receiving 'brain-numbing, grunt work' (referring to balanced contract, development dimension beliefs) upon returning to his original team after his second work placement. Angus' 'self-initiated compensatory' remediation efforts were two-pronged and involved initiating discussions with both his mentor and manager in an attempt to gain more varied project experience, although at the time of the interview those discussions were 'still a work in progress':

'At the moment I've engaged my (mentor) ... I've quite strongly impressed on (him or her) that I would like varied project experience, because that's what was said when the job was sold to me and when I was brought on board and that hasn't happened and I'd like to push for that'

He had also identified an area within the organisation which interested him and matched his skill set and he had been pursuing moving there, since about six months into his tenure, although he recently found out that this was no longer an option which 'pushed (him) back into that place (of negativity)'. As such, there were no currently successful remediation effects for this breach.

The third breach event involved two related strands, incidents which Angus described as 'quite integral to my attitude toward the company'. The first incident involved witnessing an 'incompetent and highly under-performing' colleague being shifted from one project to another, which Angus described as:

'... the squeaky wheel gets the attention. And I've seen that happen a few times here. If you're good at what you do and you don't complain, then nothing happens for you'

In conjunction with this, the second incident involved perceived unfairness and deception in the performance review process that each team member undertakes with the manager. This involved one of Angus' similarly-performing colleagues receiving a very high rating compared to his rating and the under-performing colleague receiving a rating that was 'not so much worse' than his, leaving him feeling 'highly dissatisfied'. With the actual performance assessment process outside of his control, Angus instigated a 'direct query' remediation effect by querying his result with the manager responsible for the reviews. This in fact led to another breach, with the manager providing what Angus perceived as deceptive reasoning for the review outcomes. Again, this resulted in no effective repair for either the initial breach or the broader contract.

Overall, there was also evidence of a 'future remedy' effect in this case; however, it appeared to operate more as a buffer than a direct remedy. That is, Angus sought to re-focus

upon the positive aspects of his organisation, by identifying that the type of organisational work was still attractive to him and he still saw a career path there. As with the other cases, Angus also spoke of receiving support at the team level during these times. That is, while his team members could not do anything specific to address his breach situations (i.e. a remedy) because ‘they’re not in a position to’, they provided him with social support and they’re people that he ‘can take motivation from’ and that he finds can ‘redeem the company’ (i.e. a buffer). In contrast to the other cases, at an organisational level, Angus also spoke of ‘enticements’ which, while not directly remedying his perceived breach events, appeared to operate in more of a buffering capacity as they kept him working there and their fulfilment acted as something of a ‘pull’ factor. Specifically, while his core contract beliefs were breached, these enticements appeared to constitute more peripheral contract elements and included practices such as extended unpaid leave being available for staff with a certain length of tenure and being sent on international training courses. These ‘pull’ factors appeared to operate as a variant form of a ‘compensatory’ remediation effect:

‘There was something, there was a carrot keeping me here, kind of dangling in front of you and it’s almost easier to stay than change. So an incentive like that kind of had a bit more of an appeal ... they (the inducements) are kind of the perks that suck you in and keep you on board. So they act as a bit of a buffer (to breach events)’

Overall, while there were ‘self-initiated compensatory’ effects and some other buffering effects (through positive workplace social relationships and broader compensatory factors), there were no effective repairs for any of Angus’ breach events or, indeed, his broader psychological contract. This resulted in the following feelings toward the organisation and his employment relationship:

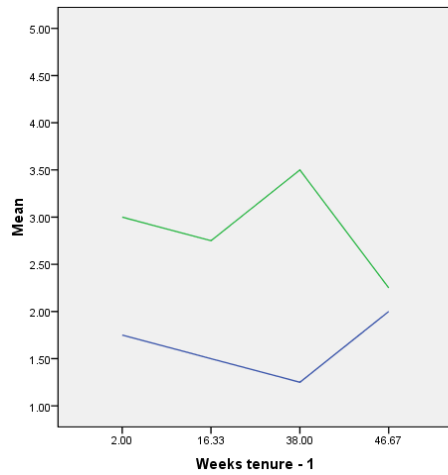
‘The first few months (of tenure) were different ... I was of the mindset to add as much value as I could and I was doing, I guess you could describe them as, extra-curricular type activities. But after that I felt much more like a resource to be thrown around ... and now I’m totally de-motivated and I’m pushing back and saying ‘nah’ I’m not going to put any more effort in than I need to because it’s not recognised’

Angus' plots tell something of a mixed story (Figures 7.12(a-c)-7.13(a-c)) and perhaps show some of the complexity of the effects of multiple breach events, and attempts at remediation, on contract change. The time of his first breach event was around the Time 2 survey and may explain, in particular, the increase in employee and employer transactional contract dimension beliefs between Times 1-2 (Figures 7.12(c)-7.13(c)) as Angus began engaging in some withdrawal behaviours, evidenced particularly by increasing his own transactional contract (narrow and short-term dimensions) beliefs. The employee balanced contract dimensions (Figure 7.12(b)) also increased between Times 1-2, possibly suggesting that Angus saw a need to take more control of his learning and career development as the organisation was viewed as not fulfilling this belief. This is mirrored in the Times 2-3 reduction in employer balanced contract dimension results (Figure 7.13(b)). At this time Angus would have been well into his second work placement and perhaps perceiving that the organisation was not holding up its end of the bargain in terms of providing challenging and meaningful work (which would be reflected in the balanced contract, particularly development, dimensions).

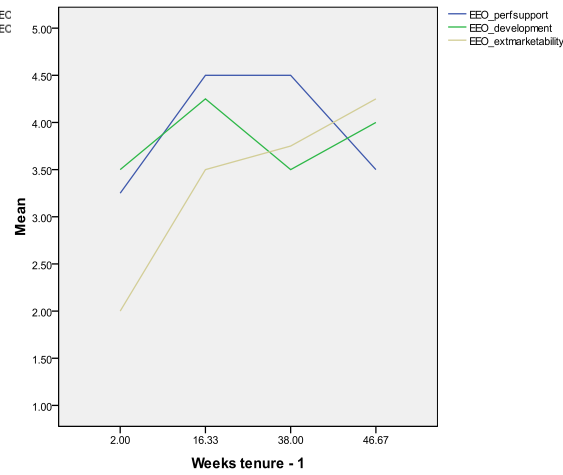
The continuing lack of meaningful work (after returning to his initial work placement), despite individual-level attempts to remedy this, would have occurred between Times 3-4, reflecting the fairly steady reduction in Angus' beliefs about his employer's relational contract obligations (particularly the loyalty dimension (Figure 7.13(a)), probably as he perceived that the organisation was not taking his needs and interests into account in decision-making processes. The sharp increase in employer balanced obligations at this time may also relate to actions Angus took to remedy this situation, when he sought assistance from his manager and mentor and thus perceived that the employer should also be maintaining their end of the bargain to support him and his career goals at this time (Figure 7.13(b)). While the Study 2 surveys were completed prior to the third breach events (relating to the performance review issues), it is likely that they would have seen an increase in Angus' perceptions of both employee and employer transactional contract obligations and perhaps a decrease in the relational and balanced contract dimensions. Finally, given that the one possible option for contract repair, moving into another work area, was no longer an option for Angus at the time of the interview (but only realised post-final survey completion), this may have also precipitated a reduction in his overall employee and

Figures 7.12(a-c) and 7.13(a-c): case: Angus contract dimension plots (strong negative reaction to breach experience)

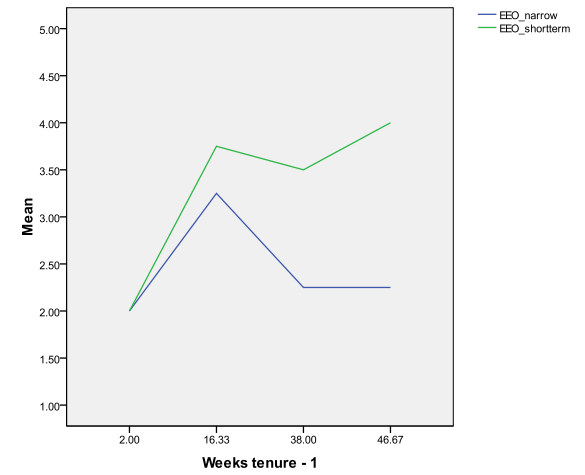
7.12(a) Employee relational dimensions



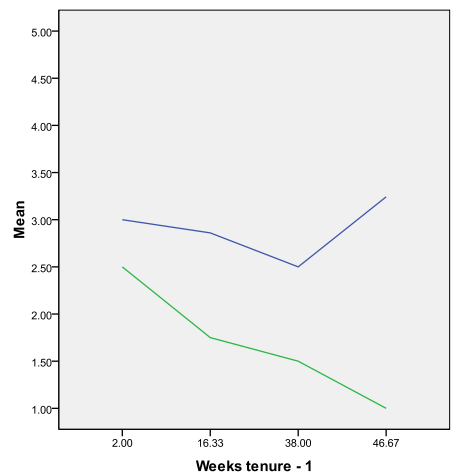
7.12(b) Employee balanced dimensions



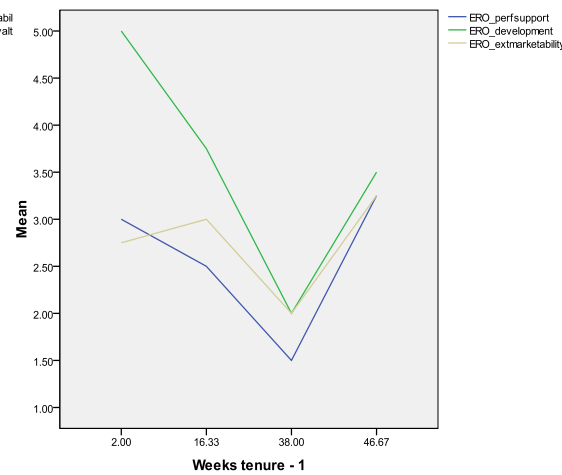
7.12(c) Employee transactional dimensions



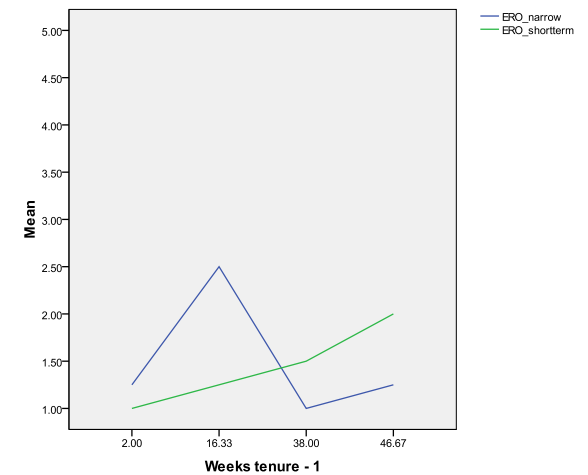
7.13(a) Employer relational dimensions



7.13(b) Employer balanced dimensions



7.13(c) Employer transactional dimensions



employer balanced and relational contract dimension scores and hence resulted in no sustainable repair in his broader contract trajectories.

7.2 Discussion of Study 3 findings

The purpose of Study 3 was to investigate why individuals demonstrated varying contract trajectories over time and, in particular, to examine the roles of perceived contract breach and violation in shaping these different trajectories (research question 2(d)). First, this section discusses the triangulation of the Study 3 data with that obtained in Studies 1 (interviews) and 2 (surveys) and then focuses upon the implications for the broader contract literature of the findings presented in both Chapters 6 and 7.

7.2.1 Data triangulation with the results from Studies 1 and 2

The triangulated findings confirm and extend the literature in three key ways: by confirming, and empirically demonstrating, the centrality and durability of certain contract beliefs over time; highlighting how the immediate effects of breach and its outcomes (depending upon the effectiveness of remediation) result in individuals revising their contract beliefs; and offering preliminary empirical evidence that the notion of contract mutuality is a concept likely to be more accurately understood longitudinally and only once the contract becomes enacted.

First, the Study 3 findings demonstrate that the key employment exchange expectations identified in Study 1, and confirmed through the Time 1 (Wave 0) surveys from Study 2, remained salient for interviewees in Study 3. Specifically, in terms of employer obligations, individuals continued to focus upon balanced contract dimensions (performance support and development) and relational contract dimensions (particularly loyalty). Respectively, these related to being provided with meaningful, challenging and interesting work and other development opportunities and a reasonable level of support and guidance from managers and colleagues, including a personable work environment. However, in particular, the relational contract dimensions of loyalty and stability appeared to become more important for many individuals over time, with increased organisational experience. The loyalty dimension beliefs related to a need for recognition, effective leadership during times of organisational uncertainty and change and developing high quality workplace social relationships. The stability dimension beliefs related to ensuring job and wage security, given the effects and uncertainty

surrounding the period of the GFC. Transactional contract components remained largely unmentioned. In terms of employee obligations, individuals continued to focus upon balanced contract dimensions (particularly performance support and development), which related to working hard, learning and continuing to up-skill.

These findings offer evidence that, in terms of their own and their employers' obligations, employees appear to have consistently focused upon some core beliefs (such as balanced and relational contract dimensions) with a consistent lesser focus upon others (such as transactional contract dimensions). From Study 1, newcomers' employment exchange schemas were characterised as relatively simple and non-complex, given the few items that appeared to constitute them. However, the Study 3 findings are contra to theorising that these less complex schemas are more apt to change (Rousseau, 2001). Rather, the results align with Ng and Feldman's (2009) proposition that individuals will perceive central and important contract elements and peripheral, less critical, contract elements. While the Study 2 results showed that adjustments in beliefs about employer obligations generally followed a quadratic curve, with relative stability in beliefs about employee obligations, the Study 3 findings further add that certain central contract elements or beliefs, particularly regarding balanced and relational contract dimensions, remained salient for individuals 16 months after they first identified them at organisational entry.

Second, the Study 3 findings also shed further light on the Study 2 results demonstrating quadratic growth curves across, mostly, beliefs about employer obligations and, some, employee obligations. Again confirming the Study 1 and Study 2 (Time 1 survey) findings, the majority of Study 3 interviewees described a psychological contract at organisational entry that was constituted by quite high balanced and relational employee and employer obligation beliefs and relatively low transactional contract beliefs. Then, usually, individuals described some type of breach event/s or experience/s occurring between 5-12 months from entry (around Times 2-4 of the Study 2 surveys). At the time of the breach event/s individuals described an increase in their own transactional contract obligations and a decrease in balanced and relational contract obligations, by focusing on 'just doing what needs to be done' (transactional contract, narrow dimension) and not wanting to perform to the best of their abilities and go 'above and beyond' in the role (balanced contract, performance support and development dimensions) and/or

questioning their continuing tenure (transactional contract, short-term dimension). This was reflected in Study 2 with beliefs about the employee short-term dimension increasing linearly and beliefs about both the employee stability and development dimensions decreasing initially (via a convex curve).

The breach event/s often related to a perceived lack of the provision of meaningful work and adequate support, and possibly both, in conjunction with a poor supervisory relationship. These situations were described by interviewees as resulting in feelings of frustration, dissatisfaction and sometimes anger at the perceived lack of employer obligation fulfilment and, sometimes, a lack of recognition on the employer's side that this was occurring. These interview findings accord with the Study 2 findings which showed that at the time that employees' beliefs about some of their own obligations were adjusting (as outlined above), there was a concomitant decrease in beliefs about employers' obligations regarding these same balanced (performance support and development dimensions) and relational (loyalty and stability dimensions) contract elements and an increase in perceived transactional contract obligations (narrow and short-term dimensions).

Then, depending upon whether effective remedial actions ensued following the breach event/s, in Study 3 individuals spoke of returning to feeling motivated in their roles, wanting to do a good job and continuing to see a future with their particular organisation. This was reflected in the Study 2 surveys by the convex nature of the quadratic curves for the contract components cited above. That is, effective remedial actions usually served to increase the relational and balanced contract elements and reduce the transactional elements back to, or near to, and even in some cases above (in terms of the relational and balanced contract elements), pre-breach event levels. In enhancing the Study 2 results, these Study 3 findings support emerging qualitative work on contract breach (Parzefall & Coyle-Shapiro, 2011; Pate, 2006) which suggests that there is not a solely linear relationship between breach and outcomes and that the ongoing, repeated exchange nature of the employment relationship can serve to create ongoing contract belief adjustments for individuals. This is explored further in the discussion of the results in light of this study's specific research question (section 7.2.2).

Finally, it was identified in Study 1 that the broad and fairly non-specific nature of the contract beliefs cited by both graduates and managers, while generating the outward appearance of agreement and mutuality, may lead to discrepancies in the actual understanding, enactment and meeting of these beliefs over time. The potential for this was particularly noted for one of the core beliefs cited by both graduates and managers, that of the provision of challenging and meaningful work. From Study 3, there was some evidence that the lack of specificity did result in later employee perceptions of contract breach on this issue. It should be noted that these are framed as preliminary findings, as manager interviews did not occur in Study 3 and so a complete picture of this phenomenon is not available. However, some employees did reference an acknowledgement that, over time, it was clear that what they perceived as challenging and interesting work did not align with managers' perceptions.

For example, one individual described his manager as 'process-focused, with regards to the day-to-day running (of the unit)' and that 'there wasn't anything above that'. While, from the interviewee's perspective, it appears that the manager viewed this type of work as meaningful and important, it was viewed as 'repetitive' by the interviewee. Therefore, this is an example of just one contract item where the actual fulfilment of its content, or lack thereof, becomes more complex as contract enactment unfolds in practice. This may be particularly so for organisational newcomers, who are also new to employment relationships generally, and who will know what 'boring' work is when experiencing it, but may not necessarily be able to elucidate what more interesting work would be in the context of their particular role and work unit. These preliminary findings have theoretical support (e.g. Rousseau, 2010), but offer challenges to past empirical work on mutuality which uses survey instruments to capture employee and organisational agent perceptions of the contract (e.g. Tekleab & Taylor, 2003). This is because content dimensions captured via survey measures may appear similar across contract parties, but what the parties understand these dimensions to mean may be quite different in practice.

7.2.2 Why do individuals have varying contract trajectories and what is the role of contract breach and violation in understanding this variance? (research question 2(d))

The findings relating to research question 2(d) contribute to the literature by undertaking one of the few qualitative studies to explore why individuals' contract content changes

and, specifically, the roles of perceived breach and violation in this process. Overall, these findings extend the nascent research on breach and violation as unfolding, and often complex, processes that are intertwined with other elements of the exchange relationship. Specifically, the conclusions drawn here broaden the current literature by confirming the central roles of breach and violation in driving contract content change and extending the literature to identify how the effectiveness of various types of ‘remediation effects’, which act to address these occurrences, generally guide individuals’ contract changes to greater or lesser degrees.

7.2.2.1 The roles of breach and violation in driving contract change

In the contract literature, while breach and violation are viewed as important constructs and their occurrences and, often negative, consequences are much-investigated in their own right, they often aren’t explicitly, at least empirically, linked to changes in psychological contract content. However, the overall response to this research question is that individuals’ perceptions of breach and violation events triggered revisions of their contract content, as described above in the data triangulation discussion. The evidence from Study 3 confirms that breach and violation are, as suggested in the literature, key drivers of contract change. While the research question left open the possibility of the existence of other change mechanisms, no substantial evidence was found to elucidate what these other mechanisms may be. The interview data showed that something needed to happen, a trigger, which required individuals to re-assess their beliefs about the employment exchange, suggesting that change generally wasn’t incremental. As Rousseau (1995) states, individuals are not constantly scanning their environment to re-adjust their contract beliefs and so something needs to occur to generate this cognitive effort. Here, this trigger appeared to be the employer not providing something which the employee believed should be provided – a contract breach. Although the existence of a ‘recognition and modification’ effect was found for a fairly small group of individuals, which resulted in an adjustment of contract beliefs generally following changed employment circumstances, this effect was still usually triggered by a breach event.

While the fulfilment of contract beliefs was also discussed with interviewees, it was generally found that when beliefs were met they were simply viewed as such; that is, as being met. While there were some core contract beliefs identified, relating to challenging and meaningful work (again, see the data triangulation discussion), which appeared to

create for employees a surplus of organisational ‘goodwill’ and a ‘motivational push’ when they were fulfilled, in the main when beliefs were met it didn’t appear to instigate a change in psychological contract content. Although the apparent effects of fulfilling core contract beliefs is an interesting finding in itself, it will not be discussed further here as it was not a focus of this study and was not investigated in depth (see Chapter 8 - Overall Discussion and Conclusions). Conway and Briner (2002) offer some theorising regarding the greater impact of breach and violation upon outcomes. They suggest that the relationship between the continuum of contract fulfilment (ranging from broken to met to exceeded promises) and outcomes may be curvilinear. That is, contract fulfilment has a linear relationship with outcomes as it varies from broken to kept promises, but then reaches a plateau as contract fulfilment goes beyond ‘metness’ (i.e. over-fulfilment), which does not lead to any significant changes in outcomes. This study’s qualitative findings would support these ideas, as breach and violation appear to instigate greater cognitive attention (akin to sense-making) and trigger accompanying changes to contract content, more so than do perceptions of contract fulfilment.

It was also found that following the initial perception of a breach or violation, the centrality or importance of the belief to the individual further impacted upon the degree of change in individuals’ contract beliefs. The findings indicate that the more salient and strongly held the belief, the stronger the feelings of violation that were described. For this sample these salient beliefs particularly related to balanced and, to a lesser extent, relational contract elements (as reinforced through the Study 1 and Study 2 findings). These reactions were reflected in ‘deeper’ dips in contract content scores relating to balanced and relational obligations and increases in beliefs about transactional obligations (as per the Study 2 results). The role of the weight, or importance, ascribed to certain contract beliefs has only recently begun to be theoretically discussed (Schalk & Roe, 2007; Ng & Feldman, 2009) and is not generally considered when contracts are empirically investigated (Conway & Briner, 2002). Although, Conway and Briner (2002) are an exception and did find that the perception of promise importance consistently emerged as the most significant predictor of emotional reactions to broken or exceeded promises. The Study 3 findings add further weight to the theoretical claims that breaches and violations of more critically held contract beliefs appear to lead to quite strong and negative initial reactions. However, the findings also demonstrate that breach and violation perceptions, in and of themselves, were not sufficient to drive contract content

change and that the effectiveness of the remedial actions employed to address these occurrences also played a role.

7.2.2.2 The role of remediation effects in driving contract change

The Chapter 7 results section of this study identified an appraisal model (see Figure 7.1) which outlined the employee actions and reactions which occurred following breach and violation perceptions. Following the initial perception stage, it was then the effectiveness of the various ‘remediation effects’ which could be employed to address the breach or violation which further impacted upon the degree of change in individuals’ contract beliefs. While it is not controversial to find evidence for negative employee reactions *immediately following* episodes of breach and violation, the Study 3 findings extend the literature by exploring the complexity of the *ongoing* exchange interactions between employer and employee following a breach or violation. Overall, two types of remediation effects were evident: remedies and buffers. Remedies directly addressed the breach and so could repair both the breach and the broader contract. Buffers were the most commonly activated remediation effect and while not addressing the breach directly, they represented various cognitive strategies which individuals could utilise in order to re-assess the breach situation, including drawing upon the more positive aspects of the employment relationship, such as workplace social relationships. These buffering effects, while not repairing the specific breach, could still instigate broader contract repair. At least for the timeframe under study, these types of remediation effects (if successful) served to either keep individuals’ contract beliefs stable (a no-change trajectory) and possibly stave off a perception of violation, or where violations were subsequently perceived, they could then begin to return individuals to near pre-breach event contract belief levels (following the ‘dips’ discussed in the data triangulation section).

Some of these conclusions have also been drawn in the contract literature. For example, Parzefall and Coyle-Shapiro (2011) found that individuals could identify a breach, but not necessarily reciprocate negatively if overall working conditions were satisfactory. In this study, this was found to particularly be the case for individuals who experienced ‘compensatory’ and ‘future remedy’ effects for one-off type breach events. Further, these findings offer support for the notion of a zone of tolerance (or acceptance), which reflects what the employee feels is acceptable variation within the agreed-upon contractual

obligations (Schalk & Roe, 2007). The findings here offer evidence for the existence of these ‘zones’, such that employees can identify clear breaches but, with the assistance of remediation effects including overall positive workplace experiences, not necessarily identify lasting negative effects upon the employment relationship.

However, a number of individuals identified multiple breach and violation events, often intertwined, and which may have, but not necessarily, eventually been addressed through successful remediation effects. In particular, this is the only study known to this author to explicitly conceptualise a distinction between actions which can repair a breach itself and those which can repair the psychological contract more broadly. The findings also extend the current breach and violation literature by showing that it is generally the *individual* who enacts either direct remedy or more indirect buffering strategies in order to deal with a breach event or experience. Overall, these findings confirm the suggestion of an increasing number of authors that breach is not necessarily a discrete event, as operationalised in the majority of contract studies, and ‘is more complex than an employee balancing the lack of inducements with a reduction in subsequent contributions’ (Parzefall & Coyle-Shapiro, 2011, p. 22). More specifically, the findings from the interviews offer three further insights for the literature in this area.

First, a number of individuals, even those experiencing strong feelings of violation and possibly multiple occasions of it, continued to engage as active parties to the employment exchange following these events and, further, could engage in quite constructive responses to breaches and violations, including looking beyond immediate organisational agents, such as managers, for assistance (e.g. ‘self-initiated compensatory’ effects). While these findings are contra Turnley and Feldman (1999b) who suggest that employees generally prefer not to engage in active ‘voice’ responses to breach, as it can have adverse consequences for the employee, the results do offer support and extension to Seeck and Parzefall’s (2008) ideas that individuals will likely actively construct and manage their psychological contracts, rather than simply reciprocate by reacting to their employers’ perceived exchange behaviour.

The second set of insights for the literature is that even for individuals facing multiple breach and violation events, when effective remedies or buffers ensued, they often returned to speaking very positively about their particular organisation, role and ongoing

tenure. This suggests that simple cause-effect models in which breach has deleterious effects on various work attitudes and behaviours (Conway & Briner, 2002) must be expanded in order to capture the way that ongoing exchanges *post*-breach can return individuals to more positive and productive work attitudes and behaviours, which has also been demonstrated by Pate (2006). However, conversely, when there are no effective remedies or buffers, individuals continue to adjust their beliefs in line with the triangulation discussion (i.e. lower relational and balanced contract beliefs and higher transactional contract beliefs), but with no ongoing return to the pre-breach contract belief levels identified by those individuals experiencing successful remediation effects. Here, a key factor was the failure of organisational agents or the individual themselves to enact an effective remedy, which could then: result in further perceptions of breaches; compound the subsequent negative employee reactions; and, with no ‘circuit-breaker’ of a remedy or even buffers, the accretion of events could result in ongoing and possibly entrenched employee negativity toward the organisation and its agents.

Further, these findings offer evidence for another important theorised aspect of the contract, the notions of social exchange and reciprocity and anticipated future actions by the other party. It was when individuals experienced multiple breaches and violations, and with no successful remediation effects, that the strongest negative reactions to breaches and violations often ensued. Unlike individuals who experienced effective remedies or buffers, which could involve the organisation or managers continuing to offer even something compensatory, the sense of inequity was compounded for this group of individuals because they believed that what they were giving or offering to the organisation was not being at all reciprocated. This reinforces the basis of social exchange which requires trusting others to reciprocate and that individuals develop expectations, or beliefs about norms, regarding ‘fair rates of exchange between ... benefits and the returns individuals deserve for the investments made to produce these benefits’ (Blau, 1964, p. 155). This study’s findings suggest that it is when individuals perceive that the employment exchange has become highly imbalanced that a stronger sense of contract violation ensues, which appears to be compounded further when attempts to remediate the imbalance fail. This also reinforces Parzefall and Coyle-Shapiro’s (2011, p. 22) call to extend the current view of breach as an isolated ‘exchange event’ and shows that ongoing perceived exchange imbalance is likely to have a

compounding and, overall, negative effect on employees' perceptions of the exchange relationship.

The final insight for the literature refers to the buffering effect of positive workplace social relationships against the negative emotions stemming from a breach or violation. While not a remediation effect that could necessarily directly remedy a breach, these relationships were still often referred to by individuals as particularly important for buffering acute negative feelings and, in some cases, from more seriously considering exiting the organisation following a breach or violation. These social relationships could also facilitate, support and offer advice on other possible remediation effects which could more actively and directly address the breach or violation. Dulac et al. (2008) also found that the quality of an individual's social relationships can buffer the effects of a breach and lessen the likelihood of the strong, negative feelings associated with violations. However, this study's findings also go further and demonstrate that while an individual's workplace social relationships may not effectively remedy a breach or violation event *per se*, the supportive role they play can assist individuals in continuing to find positive aspects in the workplace and, in fact, can serve to instigate broader contract repair following a breach or violation.

7.3 Summary

Overall, these findings confirm what is increasingly theoretically and empirically recognised in the contract literature, that 'not all responses to breach are the same' (Dulac et al., 2008, p. 1079). Individuals' reactions, and subsequent actions, will differ for a number of reasons. Those reasons, as identified in this study, particularly relate to the centrality of the breached contract belief to the individual and the subsequent success of the various types of remediation effects which can be employed by the individual. In sum, within the breach and violation area of the contract literature it is important to recognise that individuals are engaged in multiple exchanges with their employers over time and the breach or violation of one component of the contract occurs in the context of a range of other exchanges that are occurring and which may, or may not, remedy or buffer the effects of one particular breach or violation experience. Further, this pattern is not necessarily linear, with potential cycles of remediation effects occurring until the individual perceives the situation to be addressed or instead continues to adjust their contract beliefs to reflect the changed situation. The following, and final, chapter will

draw together the findings across the full research program and outline the theoretical and practical implications. The key limitations of the research are also outlined and potential areas for future research are then presented.

Chapter 8: Overall Discussion and Conclusions

Both historical and contemporary researchers agree that the psychological contract is dynamic and while it has been demonstrated that contracts change over time (Robinson et al. 1994; De Vos et al., 2003, 2005), there remains little exploration of how, when and why this process unfolds (Conway & Briner, 2005). The overall purpose of this thesis was to explore how and why individuals' psychological contracts change over time. In order to meet these objectives, address some of the methodological limitations within the contract field and to draw upon the strengths of both qualitative and quantitative modes of inquiry, a longitudinal and sequential mixed methods approach, constituted by three studies, was utilised.

Specifically, using Rousseau's (2000) relational, balanced and transactional typology to categorise contract content, the research studies each focused upon different components of the change process. First, through semi-structured interviews, Study 1 sought to identify the content of individuals' reciprocal psychological contract beliefs at organisational entry, the sources of information from which those beliefs developed and the degree of mutuality with managers' reciprocal contract beliefs. Second, building on this context and through a four-wave survey design, Study 2 focused upon understanding the change in individuals' contract content over time and explored the roles of corporate reputation and LMX (offering organisational- and dyadic-level contract-relevant cues respectively) and affect and hardiness (offering individual difference variables relevant to contract change). Finally, again using semi-structured interviews, Study 3 sought to provide an in-depth understanding of why contract changes occurred, or otherwise, by sampling participants with high, moderate and minimal levels of change as identified through Study 2. In particular, the roles of contract breach and violation in driving these changes were explored.

The remainder of this chapter firstly summarises the findings relevant to each research question and identifies the theoretical implications (sections 8.1-8.3). These outcomes are summarised in Table 8.1. The practical implications of the findings are then presented (section 8.4), followed by an outline of the limitations of the studies (section 8.5). Finally, potential areas of focus for future research are highlighted (section 8.6).

Table 8.1: Overview of research program – studies, literature gaps, research questions, findings and contributions

Study and method	Literature gaps	Research questions	Overview of findings	Overview of contributions to the literature
Study 1 - qualitative method	<ul style="list-style-type: none"> . At the early stage of employment, there is relatively little investigation of exactly how individuals develop their initial contract beliefs. Are they based upon intra- and/or extra-organisational information sources? . There remains relatively little understanding of what a key organisational agent group for newcomers – their managers - understand the employment exchange agreement to be and, thus, the degree of mutuality in contract beliefs. 	<p>1. What is the content of the psychological contract beliefs of new entrants to the organisation? (a) How did individuals develop these psychological contract beliefs? and (b) What is the degree of mutuality between individuals' beliefs and their managers' beliefs about the employment exchange?</p>	<ul style="list-style-type: none"> . The reciprocal contract content of graduates and managers focused upon balanced and, to a lesser extent, relational contract components. . Prima facie, there was an initially high degree of mutuality between the contract beliefs of each party. . In developing these beliefs, employees utilised a mix of social network information (regarding broader employment expectations) and perceptions of various elements of an organisation's reputation (for more firm-specific expectations). Individuals used 'rational appeal' (Fombrun et al., 2000) aspects of a firm's reputation (perceptions of market position, size and sector) to construct beliefs regarding balanced contract content. Individuals also used 'emotional appeal' (Fombrun et al., 2000) aspects of a firm's reputation (perceptions of employer marketing material and recruitment processes) to construct beliefs regarding broader, relational contract content. 	<ul style="list-style-type: none"> . Fairly broad, generic and non-organisational specific employment-related schemas appeared to be driving newcomers' contract content (as theoretically suggested by Rousseau, 2001). . It was shown that employees utilised a mix of both social network information (regarding broader employment expectations) and perceptions of various elements of an organisation's reputation (for more firm-specific expectations) in order to construct different components of their contracts. As such, intra- and extra-organisational informational cues did not necessarily serve to construct the contract as a whole, but were variously drawn upon to construct different components of the contract's content. . While a high degree of mutuality in contract beliefs appeared to exist, a lack of belief specificity suggested that it will only be over time that what these beliefs mean in practice will be agreed upon and understood.
Study 2 - quantitative, four-wave	<ul style="list-style-type: none"> . There remains little understanding of what information sources, operating at different levels such 	<p>2. How does an individual's psychological contract</p>	<ul style="list-style-type: none"> . There were differences in the general change patterns across perceived employer and employee obligations (generally 	<ul style="list-style-type: none"> . While beliefs about employer obligations demonstrated some change over time, the

<p>survey method</p>	<p>as organisationally, dyadically and intra-individually, are most important in shaping contract content over time and whether they impact uniformly or differentially across different contract content dimensions.</p> <ul style="list-style-type: none"> There is minimal investigation of the ‘shape’ of contract change trajectories, particularly non-linear ones. 	<p>change, across perceived employee and employer obligations, over time? Specifically: (a) How do corporate reputation perceptions impact upon perceived employee and employer obligations over time? (b) How does the quality of the manager-employee relationship impact upon perceived employee and employer obligations over time? (c) How do the individual difference variables of affect and hardiness impact upon perceived employee and employer obligations over time?</p>	<p>quadratic versus generally no-change patterns respectively).</p> <ul style="list-style-type: none"> There were also variable change patterns for content dimensions <i>within</i> contract types. Both organisational- and dyadic-level cues were focused upon by employees to construct employer obligation beliefs, while organisational-level cues and individual difference variables were focused upon to construct employee obligation beliefs. 	<p>predominant no-change trajectory for employees’ beliefs about their own obligations suggests that these are perhaps not as prone to change.</p> <ul style="list-style-type: none"> As the contract sub-dimensions did not change uniformly, this indicates greater diversity in how individuals construct and understand components of the same contract type than is currently suggested in the literature. In terms of who or what the employee is ‘contracting’ with in the employment exchange - the findings suggest that individuals appear to be ‘contracting’ at more of an organisational level. This challenges the generally accepted notion that the manager is likely to be the most salient organisational agent in the contracting process.
<p>Study 3 - qualitative method</p>	<ul style="list-style-type: none"> The mostly cross-sectional studies of breach and violation do not investigate the processes subsequent to these phenomena, which are likely to be relevant in understanding contract change. Empirical investigations of breach and violation remain focused upon a fairly discrete, cause-and-effect approach, where these events 	<p>2. How does an individual’s psychological contract change, across perceived employee and employer obligations, over time? Specifically: (d) Why do individuals have varying contract</p>	<ul style="list-style-type: none"> The findings demonstrated the central roles of breach and violation and remediation effects in guiding individuals’ contract changes to greater or lesser degrees. Following a breach or violation event, individuals acted to reduce their perceptions of employer obligations for both balanced and relational contract types, while increasing transactional 	<ul style="list-style-type: none"> Contract breaches and violations were found to be the most important mechanisms for driving contract change, in conjunction with the effectiveness of employees’ attempts to ‘remediate’ the outcomes of these occurrences. To elucidate this, a post-breach and violation employee appraisal and reaction process

	<p>occur, negative employee attitudes ensue and the outcome is adverse workplace behaviours.</p>	<p>trajectories and what is the role of contract breach and violation in understanding this variance?</p>	<p>contract perceptions. These changes occurred to a lesser extent for perceived employee obligations.</p> <ul style="list-style-type: none"> . Following a breach or violation event, two types of remedial actions were evident: remedies (which directly addressed the breach) and buffers (individuals' cognitive strategies to re-assess the situation). While the former repaired the breach and the contract, the latter only repaired the contract more broadly. . There could be ongoing cycles of remediation effects occurring until the individual perceived the situation to be addressed, or the individual instead continued to adjust his or her contract beliefs to reflect the changed situation. 	<p>model is developed.</p> <ul style="list-style-type: none"> . The findings offer new evidence for a clear distinction between actions which repair a breach itself, and thus the contract (remedies), and actions which only repair the contract more broadly (buffers). . It is shown that it is generally the <i>individual employee</i> who enacts either direct remedy or more indirect buffering strategies following a breach. This demonstrates that employees do engage as active parties to the exchange following these events and can engage in quite constructive responses to them, rather than simply reciprocating perceived negative employer behaviour.
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8.1 Research questions 1 and 1(a-b)

In order to investigate contract belief change, the general ‘starting point’ of individuals’ contract content around the time of organisational entry was examined. As such, the purpose of Study 1 was to identify the content of the expectations that graduates (research question 1) and managers (research question 1(b)) had of each other upon graduate entry into the organisation, the information sources which assisted graduates in developing these beliefs (research question 1(a)) and whether there was ‘fit’ or mutuality between these sets of beliefs (research question 1(b)).

The results from Study 1 found that, overall, while interviewees were able to articulate a few key expectations of their employers and themselves, these were quite broad and sometimes elicited through prompting. However, while the beliefs cited were general and few in number, the focus upon them appeared to be quite strong. In terms of perceived employer obligations, individuals’ contract content was comprised predominantly of both development and performance support dimensions of the balanced contract and, to a lesser extent, beliefs relating to the loyalty dimension of the relational contract. In terms of their own obligations to their employers, individuals’ contract content was comprised predominantly by both development and performance support dimensions of the balanced contract. Beliefs which could be described as transactional contract components, generally, were not mentioned. In terms of how these contract beliefs developed, individuals spoke of drawing upon information provided through their social networks, such as family and friends, and from various aspects of an organisation’s reputation. While the social network sources offered fairly general guidance on workplace experiences and expectations, the information derived from aspects of reputation offered more organisation-specific cues which were relevant to the development of both balanced and relational contract beliefs. The type of psychological contract content identified by managers did mirror that of the graduate interviewees, although the apparently high degree of mutuality was tempered by a lack of specificity and certainty by both graduates and managers in identifying reciprocal contract content. This suggested that the actual understanding and enactment of the contract, over time, will be more complex.

The first set of theoretical contributions from these findings relate to the relatively nascent literature on understanding how the contracting process begins, including the types of contract beliefs individuals hold at organisational entry and, more specifically, how these developed and the degree of mutuality with managers' contract beliefs. While pre-employment schemas, or mental models of how employment relationships operate (Rousseau, 2001), have been a major theoretical mechanism utilised to understand newcomers' contracts, researchers' understanding of the content, specificity and development of these employment-related schemas remains largely conceptual. The Study 1 findings showed that organisational newcomers, particularly those with limited full-time professional work experience, do indeed hold a few quite broad, generic and non-organisational specific beliefs within their employment-related schemas (as suggested by Rousseau, 2001) and that these schemas are driving what individuals perceive to be the most important contract beliefs at this point in their organisational tenure. However, both the Study 1 and Study 3 qualitative findings offer a more in-depth understanding of how these schemas, and the initial contract beliefs they inform, operate. That is, the findings show that while, for inexperienced newcomers, these schemas may be simple and not constituted by a great number of items, at the outset of employment these beliefs appeared to be quite strongly held and, further, they remained strongly held and important to individuals over the 16 month period of tenure under study. For this sample of individuals, these most strongly held beliefs particularly related to balanced, and to a lesser extent relational, contract components.

To date, contract theory suggests that simple schemas are more apt to change (Rousseau, 2001) and researchers also point to the socialisation literature which suggests that individuals will adapt their initial contract beliefs to organisational reality following entry (Louis, 1980). While it has been shown that this belief adaptation does indeed occur (Thomas & Anderson, 1998; De Vos et al., 2003), the Studies 1 and 3 findings offer a challenge to these conclusions and suggest that there will be particular contract beliefs, even quite broad ones, which will continue to remain important for individuals over time. It is also possible that as tenure increases, the initially quite broad beliefs become more refined and specific, but the importance of these beliefs remains. The Study 3 findings did provide evidence that, when compared to Study 1, individuals were able to articulate clearer ideas about what challenging work actually looks like in practice and detail a better understanding of how important social relationships were to them, and why

they were important, in the workplace. This notion supports a relatively new and under-explored area in the contract literature which suggests that individuals will hold both central and important contract beliefs, as well as more peripheral ones (Ng & Feldman, 2009; Conway & Briner, 2002; Schalk & Roe, 2007).

This theoretical link is inferred from the qualitative and quantitative findings across Studies 1-3, which showed that individuals continually spoke of balanced contract (development dimension) beliefs, such as undertaking meaningful and skill-enhancing work, as being of the utmost importance to them and, often, it was these beliefs which were most often cited as being breached. This also suggests that individuals were more vigilant in assessing fulfilment of these core beliefs. Peripheral contract beliefs could be inferred more from what Study 1 and Study 3 interviewees did not say. For example, employer obligations relating to work-life balance and other broader employee well-being policies (relational contract, loyalty dimension) and beliefs about the employer being required to enhance individuals' extra-organisational employability (balanced contract, external marketability dimension) were negligibly cited by employees across all studies. This offers evidence that while beliefs about these types of obligations may have existed to some degree, they did not appear to be as explicitly focused upon, or their fulfilment as closely monitored, as were other apparently more importantly held beliefs.

Regarding how these initial contract beliefs developed, the literature is replete with a variety of possible predictors, ranging from personality factors (DelCampo, 2008) to extra-organisational socio-cultural influences (Westwood et al., 2001). However, there is much less empirical work, particularly qualitatively, to identify the most salient information sources for various cohorts of employees and their impact upon the development of different elements of contract content. Study 1 offered evidence that individuals draw upon two main sources of information in constructing their initial contract beliefs, which offer signals or cues to the development of different contract content components. The first source of information was the use of social network information, which informed individuals about broad conceptions of what to expect in the workplace and from an employer in a particular industry which, while not explicitly linked to specific contract content, appeared to feed more into individuals' general employment schemas.

The second source of information was derived from perceptions of an organisation's broader reputation which appeared to then provide more specificity to individuals' contract beliefs. It was found that, following Fombrun et al.'s (2000) categorisation of reputation elements, individuals used 'rational appeal' aspects of a firm's reputation (drawn from perceptions of a company's market position, size and sector) to draw inferences about, and construct beliefs regarding, the development and performance support dimensions of the balanced contract. Further, the findings offered evidence that individuals also used 'emotional appeal' aspects of a firm's reputation (drawn from inferences about employer marketing material and recruitment and selection processes) to construct beliefs regarding broader, relational contract content. This extends the literature by showing that informational cues do not necessarily serve to construct the contract as a whole, but are variously drawn upon to construct different components of the contract's content. This latter finding also has broader theoretical and operational implications for how contract content is studied. Specifically, this evidence supports the theoretical claim that the contract is multi-dimensional (Freese & Schalk, 2008) and that even one, broad type of information source, such as reputation, which individuals may draw upon to construct their contracts, will have a variable effect upon developing different contract content components. In terms of operationalisation, this suggests that researchers should not measure and investigate the contract at an aggregated employee and employer obligations-level, but rather at the theorised dimension-level of contract content.

While the Study 1 findings demonstrated that individuals utilised corporate reputation perceptions as a source of information to construct their initial contract beliefs before actually entering the organisation, the Study 2 findings further extend this work. These findings showed that the informational cues drawn from reputation perceptions continue to be utilised over time and indeed serve to predict contract content across both employer and employee obligations. Together, these findings empirically support what has, to date, been an often tangentially identified theoretical link between corporate reputation and psychological contract content. While more organisationally-controllable communications, relating to recruitment and selection and marketing material, were utilised to develop relational contract content, perceptions of broader firm attributes such as size, sector and market position appeared to develop the balanced contract dimensions. This important role of corporate reputation perceptions in shaping contract content will

be further highlighted when research questions 2(a-c) are discussed, as the relevant findings demonstrate that these perceptions may in fact be more important than contract-relevant cues derived from an immediate manager.

The qualitative findings from both Studies 1 and 3 also shed some empirical light on the degree of mutuality between individuals' and their managers' reciprocal contract beliefs at organisational entry and how this appears to operate over time. The literature has oscillated between whether *perceived* mutuality is more important than *actual* mutuality in constructing the contract (see Guest, 1998; and Rousseau, 1998 in reply), although there is increasing agreement that greater congruence between manager and employee contract beliefs is preferable and can lead to positive outcomes such as reduced breach and violation perceptions on the part of the employee (e.g. Tekleab & Taylor, 2003; Morrison & Robinson, 1997). However, the findings from this thesis extend these ideas by suggesting that while a high degree of actual mutuality in reciprocal contract beliefs between graduates and managers at organisational entry appeared to exist, it was only over time that what both parties understood these beliefs to mean in practice was understood. For example, what an experienced manager perceives to be interesting work or understands organisational loyalty to be is likely to be quite different to the understanding of an inexperienced, younger employee and this will likely only become clear as the employment relationship unfolds. Because manager interviews were not conducted in Study 3, these findings are inferred from the graduate interviews. For example, some individuals did reference an acknowledgement that, over time, it was clear that what they perceived as challenging and interesting work did not align with managers' perceptions. These preliminary findings offer challenges to past empirical work on mutuality which uses survey instruments to capture employee and organisational agent perceptions of the contract (e.g. Tekleab & Taylor, 2003). This is because content dimensions captured via survey measures may appear similar across contract parties, but what the parties then understand these dimensions to mean in practice may be quite different.

8.2 Research questions 2 and 2(a-c)

How these initial contract beliefs then changed over the following 14 months of tenure became the focus of Study 2. Specifically, the purpose of Study 2 was to: (1) understand how individuals' psychological contracts change, by assessing the 'shape' of individuals'

change trajectories across the content of perceived employee and employer obligations (research question 2 overall); and (2) investigate the effects of four of the five hypothesised predictors of change, representing various levels of information sources or cues, on these perceived obligations (corporate reputation, LMX, affect and hardiness) (research questions 2 (a-c)). The results showed that individuals' contract content did change, with beliefs about employer obligations predominantly changing via a quadratic growth curve and beliefs about employee obligations following a predominantly no-change trajectory (or remaining stable). More specifically, four employer contract dimensions, loyalty (relational contract), performance support and development (balanced contract) and narrow (transactional contract), exhibited quadratic change trajectories. For the relational and balanced contract dimensions this resulted in an initial reduction and then increase in these beliefs over time (a convex curve), while the converse was the case for the transactional contract dimension (a concave curve). The remaining dimensions exhibited negative, linear curves (stability (relational contract) and external marketability (balanced contract)) and a positive linear curve (short-term (transactional contract)). For the employee obligations, the only dimensions which did not exhibit a no-change trajectory were the relational (stability) and balanced (development) contract dimensions, which exhibited significant convex quadratic trends. This means that beliefs in these dimensions initially decreased, but then returned to higher levels again. One transactional contract dimension (short-term) also exhibited a significant and positive linear slope, indicating that beliefs in this dimension generally increased over time.

Of the theorised variables of interest, the organisationally-derived contract-relevant cues (corporate reputation and LMX perceptions) demonstrated more of an effect upon beliefs about employer obligations than did the individual difference predictors. The organisationally-derived cue of corporate reputation also played the greatest role in sending messages to individuals regarding their own employment obligations, in conjunction with the individual difference variables of positive affect and hardiness. However, unlike the employer obligations' findings, LMX played no significant role in influencing individuals' own perceived obligations over time.

The second set of theoretical contributions from this thesis extend the literature by being one of the few studies to longitudinally examine contract content and explore non-linear

change trajectories to demonstrate the shape of individuals' reciprocal contract beliefs over time and to then identify the salience of particular organisational- and dyadic-level cues and individual difference variables in predicting contract content over time. Generally, quadratic and no-change trajectories characterised the change patterns for employer and employee obligations respectively. The discussion section in the Study 2 results chapter (Chapter 5) highlighted some specific contextual factors relevant to this sample, such as graduate program participation and ongoing work unit rotations, which may help to explain these particular patterns. At an overall level, the results demonstrate that beliefs about employer obligations clearly demonstrated some change over time, confirming that individuals do indeed adjust their perceptions across all types of employer obligation dimensions. However, the predominant no-change trajectory regarding employees' beliefs about their own obligations suggests that these beliefs are perhaps not as prone to change. The existing longitudinal contract work offers mixed findings as to the direction of change for employees' own perceived obligations. Earlier studies found that these beliefs tend to decrease over time, while De Vos' (2005) more recent work found that, during the first year of employment, newcomers increased their perceptions of the promises they had made to their employers (perceived employee obligations). Some authors suggest that once psychological contract beliefs are developed, they should remain relatively stable (Shore & Tetrick, 1994; Rousseau, 2001). It is possible that because individuals exert more control over their actions in the workplace, they may have clearer and better-developed perceptions of their required employment obligations, thus making them generally more stable. However, this may not be the case for perceived employer obligations, which remain in a greater state of flux. While a plausible explanation, it becomes an empirical question as to whether this no-change pattern for employee obligations is replicable across studies or is more specific to this sample.

A further contribution to the literature is the finding that contract type sub-dimensions do not change uniformly. For example, in terms of employer obligations, individuals' beliefs regarding the loyalty dimension of the relational contract changed quadratically (convex curve), while beliefs relating to the stability dimension changed linearly (negatively). These findings raise questions regarding how contract content is both conceptualised and operationalised, particularly relating to Rousseau's (2000) content typology. It appears that while certain contract beliefs can, theoretically, be justified as comprising an overall

relational contract, individuals' beliefs regarding them do not necessarily follow a similar change pattern. This indicates greater diversity in how individuals construct and understand the components of the same contract type than is currently suggested in the literature. While Rousseau's (2000) higher-order contract types, relational, balanced and transactional, offer analytical parsimony, these findings suggest that the typology should, at least longitudinally, be investigated at the lower-order dimension-level. While, theoretically, the case can be made that certain contract dimensions 'fit' under a particular contract type, they appear to operate differently enough to be assessed separately. Without this level of analysis, otherwise new and more nuanced understandings of how these contract dimensions change may be forfeited.

The identified roles of the theorised predictors in driving contract change also offer insights for the literature, particularly in relation to the question of who or what the employee is 'contracting' with in the employment exchange (Conway & Briner, 2009; Coyle-Shapiro & Kessler, 2000)? Overall, it was individuals' perceptions of their particular organisation's reputation which drove both perceived employer and employee obligations over time. While cues drawn from the quality of the managerial relationship similarly impacted upon perceptions of employer obligations, they played no significant role in shaping beliefs about employee obligations. These findings offer evidence that individuals appear to be 'contracting' at more of an organisational-level, which challenges the generally accepted notion that the manager is likely to be the most salient organisational agent in the contracting process (Shore & Tetrick, 1994). While Rousseau's (1989) early work, in particular, cautioned against identifying the organisation as having, or being a party to, a psychological contract, there is acknowledgement that individuals may indeed aggregate their perceptions of an organisation in a process of 'anthropomorphisation' (Conway & Briner, 2009, p. 84; Robinson & Morrison, 1995), which then sends cues regarding contract content. This is an idea which the findings of this thesis support.

Further, the findings regarding the broad role of reputation perceptions in influencing both perceived employer and employee obligations, the role of LMX as influencing only employer obligations and the role of the individual difference variables of positive affect and hardiness as largely influencing only beliefs about employee balanced obligations, also serve to complement the Study 1 findings regarding how various sources of

information influence different contract content components. Here, when reciprocal contract beliefs are investigated, the findings show that different informational cues and individual dispositions influence overall perceived employer and employee obligations differently and sometimes not at all.

8.3 Research question 2(d)

Finally, in order to explore the patterns of change identified through Study 2, the purpose of Study 3 was to investigate why individuals demonstrated varying contract trajectories over time and, in particular, to examine the roles of perceived contract breaches and violations in shaping these different trajectories (research question 2(d)). The findings demonstrated the central roles of breach and violation and remedial actions, or what have been termed in this thesis as ‘remediation effects’, in guiding individuals’ contract changes to greater or lesser degrees. More specifically, following a breach or violation event, two types of remediation effects were evident: remedies and buffers. Remedies directly addressed the breach and so could repair both the breach and the broader contract. Buffers were the most commonly activated remediation effect and while not addressing the breach directly, they represented various cognitive strategies which individuals could utilise in order to re-assess the breach situation, including drawing upon the more positive aspects of the employment relationship, such as workplace social relationships. These buffering effects, while not repairing the specific breach, could still instigate broader contract repair.

The findings showed that following perceptions of breach or violation, individuals generally reduced their beliefs in relational and balanced contract content, across both employer and employee obligations, and increased their beliefs in transactional contract obligations. Generally, the more strongly held the contract belief and the more ineffective the remedial actions employed following it, the greater the described perception of violation and associated feelings of anger and frustration. However, following effective remedial actions, which were generally initiated by employees themselves, individuals’ contract beliefs trended back toward pre-breach and violation levels to demonstrate varying degrees of contract repair. Ineffective remediation resulted in contract beliefs generally failing to return to previous levels.

These findings offer the final major contribution to the literature, which is to extend researchers' understanding of why individuals' contract content changes over time and the roles of breach and violation in this process. Much of the current contract literature utilises the notions of breach and violation to explore the negative consequences of these phenomena, such as reduced job satisfaction, higher intentions to turnover and reduced organisational citizenship behaviours. However, they are rarely examined in relation to their effect upon contract content (see Shore & Tetrick, 1994 for an exception). The combined Study 2 and Study 3 findings extend the literature in this area to confirm the central role of breach and violation perceptions in prompting individuals to revise their contracts, but also to offer evidence of their effect upon contract content. Following the perception of a breach or violation, individuals acted to reduce their perceptions of employer obligations along both balanced and relational contract types and increased perceptions of transactional contract employer obligations. These changes occurred to a lesser extent regarding perceived employee obligations.

Therefore, following a breach or violation experience, individuals tended to feel less obligated to their employers and they also believed that their employers were less obligated to them. This apparent 'withdrawal' from the employment relationship accords with Morrison and Robinson's (1997) and Shore and Tetrick's (1994) propositions regarding the negative effects of breach and violation upon trust and good faith and that individuals will likely feel less willing to continue contributing to the relationship following these experiences. It is also possible that individuals are reducing their beliefs in employer obligations (what the employer should be providing) because what they are *actually receiving* from their employers is being reduced or not provided at all, because of the breach or violation, and so their own contributions are not perceived as being reciprocated. De Vos et al.'s (2003) findings do show that changes in newcomers' perceptions of their promises to the employer changed due to perceptions of both their contributions made and employer inducements received and, also, the perceptions of employer promises were generally affected by individuals' perceptions of employer inducements received. However, because only perceived reciprocal obligations were examined in this thesis, no conclusive statements can be made regarding the potentially interactive role of perceptions of inducements and contributions made and received, although other research suggests that these are also potentially important contributing factors to contract change.

Further, the findings showed that these changes in contract content were driven to greater or lesser degrees by the importance of the breached belief to the individual and the effectiveness of remedial actions employed following a breach or violation event. These findings contribute to the understanding of why individuals can perceive breaches and violations quite differently and relate to the notions of contract zones of tolerance (or acceptance). These notions suggest that boundaries exist regarding what an employee feels is acceptable variation within agreed-upon contractual obligations (Schalk & Roe, 2007; Rousseau, 1995). For example, while some individuals identified clear employer breaches, sometimes of importantly held obligations, they did not react negatively or experience much contract content change because of buffering remediation effects, such as: an overall positive work experience; the provision of other employer inducements which may have compensated for the loss associated with the breach; or there was potential future fulfilment of the breach. Here, it appeared that contract zones of tolerance were not exceeded. However, when these remediation effects were not successful and strongly held contract beliefs were breached, these occurrences did appear to exceed tolerance zones and resulted in perceptions of violation and subsequent revisions of contract content. However, perhaps of greater importance to the literature is that these downward revisions were not necessarily permanent, as effective remedial actions, usually wholly initiated by individuals themselves, could instigate a type of breach and/or contract repair, with beliefs returning to pre-breach levels.

Finally, the main extension of the literature from the findings for this set of research questions relates to what occurs for individuals *post-* a breach or violation event and, in particular, the aforementioned ‘repairing’ role of remediation effects. While there remains much work to be done in this area of the contract literature, the findings from this thesis offer new evidence for a clear distinction between actions which repair a breach itself (and thus the contract) and actions which only repair the psychological contract more broadly. Further, it was shown that it is generally the *individual employee* who enacts either direct remedy or more indirect buffering strategies in order to deal with a breach event or experience. In fact, even when these types of events elicited very strong and negative employee reactions, individuals continued to engage as active parties to the employment exchange and could engage in quite constructive responses to breaches and violations, including looking beyond immediate organisational agents, such as managers,

for assistance (e.g. ‘self-initiated compensatory’ effects). This demonstrates what has only recently begun to be explicitly discussed in the literature; that is, that individuals will likely actively construct and manage their psychological contracts rather than simply reciprocate by reacting to their employers’ perceived exchange behaviour (Seeck & Parzefall, 2008). Overall, it was found that even when facing multiple breach and violation events, when effective remedies and/or buffers ensued, these often returned individuals to speaking very positively about their particular organisation, role and ongoing tenure.

In sum, these findings confirm the suggestion of an increasing number of authors that breach is not necessarily a discrete event, as operationalised in the majority of contract studies, and ‘is more complex than an employee balancing the lack of inducements with a reduction in subsequent contributions’ (Parzefall & Coyle-Shapiro, 2011, p. 22). Further, the extant cause-effect models in which breach has deleterious effects on various work attitudes and behaviours (Conway & Briner, 2002) must be expanded in order to capture the way that ongoing exchanges, *post*-breach, can return individuals to more positive and productive work attitudes and behaviours, which has also been demonstrated by Pate (2006). Overall, the cumulative findings of each study illuminate how individuals initially construct their contract beliefs and how and why these beliefs then change over time.

8.4 Practical implications

The findings also offer a range of insights for managers and other organisational representatives regarding the management of the employment relationship. First, it is clear that individuals will use a range of signals or cues to construct what they perceive to be organisational, and their own, obligations in the employment exchange. A firm’s size and sector, how an individual’s family and friends perceive it and the messages conveyed by recruiters and selection panels all send contract-relevant cues. For example, larger-sized firms appeared to signal the provision of more development opportunities, smaller-sized firms appeared to signal the provision of a more personable work environment and private sector organisations generally signalled the opportunity to do more challenging and meaningful work. These examples show that an individual’s beliefs about employment obligations will not always be based upon specific, organisationally-promulgated or controlled messages. For employers, this means that the

messages they deliver need to be clear and consistent about what will be offered and expected in return in the employment relationship. Otherwise, ambiguity may ensue if individuals focus upon social network or reputational cues to construct their contract beliefs, which may not necessarily accurately reflect what the employer can, or is willing to, offer and potentially paves the way for later employee perceptions of contract breaches.

Second, and more specifically for organisations operating graduate programs, the nature of these initiatives appears to direct individuals less toward focusing on a single manager for an understanding of the employment relationship and more towards what they believe the organisation as a whole can offer them. While the critical role of managers in shaping individuals' employment experiences should not be diminished, it is also important to recognise that when individuals are encouraged to be mobile across an organisation and are exposed to different types of work and colleague experiences, such as through graduate program initiatives, individuals may well use these aggregated perceptions as the basis for what they believe they should be giving and receiving in the employment exchange. Given that the quality of employee-manager relationships can be variable, fostering this type of organisational-level focus may be an effective strategy for organisations to encourage retention. That is, it may encourage a belief in individuals that if they are dissatisfied or unhappy in one area of an organisation, there are potentially more suitable opportunities in another area and that breach or violation experiences in one area will not necessarily occur in others.

Third, it is clear that individuals will sometimes, and perhaps often, experience a situation where a belief in an employer obligation goes unfulfilled. Where this breach affects a strongly held belief by an individual, it may well result in some initial negative and withdrawal behaviours by the employee. But if managers and teams can have in place conditions which encourage the 'repair' of these situations, individuals can return to their previous states and sometimes with no lasting negative effects, such as cynicism or ongoing dissatisfaction, on the employment relationship. These conditions include: fostering positive and supportive managerial and team environments; having designated individuals that employees can turn to for advice and support outside of the immediate team, such as mentors, buddies or intra-organisational peer networks; having effective senior management communication of organisation-wide changes; and even allowing

individuals, within operational and performance constraints, some latitude in how they conduct their work. This final point appeared to be particularly salient for this sample of employees, as being exposed to challenging and meaningful work was a key expectation of their organisations over time. Overall, employees will have some core and strongly held beliefs about what they should be giving and receiving in the employment relationship and the critical role of the manager is to understand, over time, what these beliefs are and create the conditions for them to be met. Or where these beliefs cannot be consistently met, to work with employees to identify ways in which they may be met in the future or offer alternatives which can be currently met.

Finally, and related to the previous point, the research findings suggest that if broad support mechanisms are in place beyond the immediate team, to offer advice and guidance to individuals as they navigate the organisation and their careers, these mechanisms should be effective. There were a number of interview examples where, as part of their graduate programs, organisations had instigated quite elaborate buddy, peer and mentoring networks for individuals to access for advice. However, for some individuals, these avenues were actually ineffective in having their grievances, such as breach events, remedied and sometimes even acknowledged. In these instances, rather than creating conditions for ‘repairing’ what are perceived as unmet obligations, the situation can in fact be worsened, with further breaches identified and feelings of negativity compounded. Here, even one effective avenue such as access to an available and organisationally-experienced manager or colleague will be more successful in remediating the effects of a breach than a raft of ineffective organisation-wide networks.

8.5 Limitations

While the longitudinal, mixed methods approach employed in this thesis sought to offer an innovative methodology to address the over-reliance on cross-sectional, quantitative studies in the contract literature (Conway & Briner, 2005), as with all research limitations remained. First, it has been noted (e.g. Ng & Feldman, 2009) that the contract literature would benefit from expanding empirical research beyond samples of newly-graduated, organisational newcomers. Ideally, in order to increase the generalisability of the findings from this thesis, a more age-diverse sample would have been advantageous. Second, as this was a 16-month longitudinal study, the attrition of some sample members was not ideal and may have impacted upon the data obtained across the final two studies.

Although the individual growth modelling technique applied to the Study 2 data allowed for the use of all available data for an individual, there remained a relatively small sample for analysis. The impact of attrition upon Study 3 resulted in the interview sample not capturing members who had exited the organisation prior to the study taking place. While the difficulties in tracking exited members of an organisation made interviewing these individuals impractical, ideally, including their data may have offered further insights into the contract change process, beyond employees who remained with their organisations.

Third, within Study 2 the psychological contract, corporate reputation and positive and negative affect scales did not exhibit ideal factor structures in terms of meeting required fit indices over time. Each of the scales have been used in various other studies and have been shown to be robust cross-sectionally. Thus, while the confirmatory factor analysis results from Study 2 are potentially due to sample attrition over the course of the four-wave survey design, the limitation is acknowledged. Fourth, within Study 3, it is possible that the ordering of the questions could have impacted upon the findings. Specifically, individuals were asked to initially think about their overall employment experiences to date, what they expected when they began with their organisations and what they expected currently. It is possible that the recalling of initial expectations may have influenced how respondents then answered questions regarding current expectations. However, given that a key element of Study 3 was requiring individuals to reflect upon their overall tenure with the organisation and the events which shaped their employment exchange beliefs, the potential influence of this is expected to be minimal.

Fifth, as Singer and Willett (2003) caution, despite being a longitudinal study the issue of potential reciprocal causation remains. In the context of this study, this would mean that individuals' contract beliefs, rather than being influenced by the predictor variables, are in fact themselves influencing the levels of the predictor variables. Turning to theory as a guide (as suggested by Singer & Willett, 2003), while both perceptions of psychological contract breach, violation and fulfilment have been suggested as variables which may predict outcomes such as job satisfaction and intention to turnover, the role of actual contract content in predicting outcomes is not explicitly theorised. Theoretically, and very broadly, the literature refers to a range of intra- and extra-organisational factors as influencing individuals' contract content. Intuitively, it seems less plausible that, say, an

individual's strong belief in balanced contract content will predict a better managerial relationship or a better perception of the organisation's reputation. However, whether an employee perceives contract content fulfilment or violation may indeed predict these outcomes. However, the latter was not the main focus of Study 2 and so contract theory would suggest that reciprocal causation effects are less of an issue here. Ideally, to further reduce the likelihood of potential reciprocal causation effects, lagged-time predictors could be used in order to link prior status on a predictor to current status on an outcome (Singer & Willett, 2003). However, the relatively short timeframe for this study and the number of waves of data collected did not offer an ideal data set from which to derive time-lagged predictors. As such, while the quantitative data analysis technique employed in this thesis does not conclusively rule out the possibility of reciprocal causation, theoretical indicators would suggest that the issue does not pose a fatal flaw to the research findings and subsequent conclusions drawn.

Sixth, despite being longitudinal in nature, a longer study with a greater number of data waves would have been preferable, in order to capture contract changes beyond the initial year and a half of employment and in order to explore the possible existence of more complex, higher-order polynomial growth trajectories. Finally, it is also instructive to briefly discuss the reconciliation of findings between the studies, as they employed different research methods. Specifically, while the Study 2 results identified a somewhat homogenous pattern of contract content change across the sample, the Study 3 results (and to a lesser extent Study 1) identified more specific and distinctive patterns regarding how people both developed and changed their psychological contracts. The results are reconcilable because although the Study 2 findings offered evidence for relatively uniform change patterns for this sample, the sample size did restrict the ability to test for random slope effects; that is, to assess whether there were significantly different individual change trajectories from the average. Notwithstanding this, given that the relatively homogenous change patterns identified in Study 2 provided evidence that most individuals followed similar change trajectories, Study 3, particularly, was able to identify nuances in these findings. Specifically, different trajectories did occur when certain types of events, such as experiences of contract breaches and violations, occurred. Study 1 also identified that there are certain salient sources of information which individuals draw upon to initially develop their contract content. Overall, in being

underpinned by a critical realist philosophy, each study's method served to complement and strengthen the findings from the others.

Despite these limitations, the thesis does provide meaningful contributions to the psychological contract literature, including using an innovative methodological design to investigate contract change.

8.6 Future research directions

The findings from this thesis offer a range of areas for further research. Related to the results from Study 1, future research could seek to more explicitly investigate the influence of individuals' social networks and perceptions of corporate reputation upon the contract beliefs held at organisational entry. While social network theory has been integrated into post-organisational entry contract literature (e.g. Ho & Levesque, 2005), the effect of extra-organisational social networks upon individuals' psychological contracts has not been explored. In particular, the use of more diverse samples, for example in terms of age, work experience and industry sector, may indicate a differential use of these information sources in constructing contract beliefs. For example, more mature-age individuals may rely less on family and friend-based networks and more upon professional networks for contract-relevant information, which may in turn influence their perceptions of different organisations' reputations. Further, particularly through qualitative work, it would be instructive for researchers to better understand how individuals speak of their contract beliefs and so identify the complexity, or otherwise, of their employment schemas. For this sample of organisational newcomers, the generality of their schematic mental models regarding employment appeared to be driven, at least in part, by general societal perceptions of what constitutes 'a good and meaningful job' and 'a good workplace' and also what is generally expected by individuals at such an early career stage. Again, more diverse research samples may shed light on what increasingly complex employment schemas entail and the specificity and detail with which individuals speak about them. It was also identified through both Studies 1 and 3 that the concept of mutuality in contract beliefs between employees and organisational agents is likely to be more complex than its current operationalisations would suggest and possibly only fully understood as the contracting process unfolds over time. More qualitative work in this area would offer an in-depth exploration of what contracting parties actually

understand their reciprocal obligations to mean in practice and if discrepancies are identified, perhaps through perceptions of breach, how these are addressed by the parties.

Related to the results from Study 2, it is clear that more longitudinal research is needed within the contract literature regarding revisions of reciprocal contract content over time. The current paucity means that there is no established theorising regarding patterns of change or the shape that change trajectories may take. This research has demonstrated the existence of non-linear change trajectories and to further explore this, it would be ideal for researchers to look toward collecting increasing waves of data over longer periods of time than has currently been undertaken. While it is not unusual for researchers in the education, psychology and health science fields to collect data over a number of years and with multiple waves, this type of data collection is far less employed in the psychological contract field, despite individuals having jobs and careers over much of their adult lives. Further, given the relatively small sample size for Study 2, attempts to replicate the curvilinear, linear and no-change trajectories found regarding contract content would be beneficial. Again, more diverse samples could reveal that, for example, employees in different sectors and with different levels of organisational experience demonstrate different types of contract change trajectories. Also, given that the Study 2 findings showed that, using Rousseau's (2000) contract typology, the underlying dimensions of each contract type demonstrated differential patterns of change, more qualitative work may supplement the current quantitative measure and guide researchers in better understanding how individuals understand these different contract components and why it is that they do not appear to be construed uniformly over time.

Finally, the results showed that individuals do indeed draw upon organisational- and dyadic-level informational cues and individual difference variables in guiding contract content over time. Studying these effects in tandem offers important insights into how these cues and personal characteristics operate together or individually, and which are more important and more drawn upon, in shaping employer and employee obligation perceptions across different contract content dimensions. Other variables at each of these levels, and potentially broader extra-organisational ones, would also be worth investigating to assess their relative effects. In particular, given the overarching role of reputation perceptions as a predictor of contract content over time as identified in this thesis, variables which capture the employee's relationship to the organisation, such as

perceived organisational support, would be especially valuable to include in any longitudinal model. Findings of this sort would then add further weight to the arguments presented in this thesis that the employee-organisation relationship may sometimes, and possibly often, be more important than relationships with human organisational agents when constructing contract beliefs over time.

In terms of the Study 3 results, the ongoing area of research interest is how the processes of breach and violation continue to unfold, over time, for individuals. The complexity of this process is beginning to be explored more fully through qualitative work in particular (see Parzefall & Coyle-Shapiro, 2011; Pate, 2006); however, much remains to be understood regarding how individuals recover from breach and violation events. For example, the importance of the underlying contract belief is often not investigated in the predominantly quantitative studies of breach and violation (Conway & Briner, 2002), yet it has been demonstrated in this thesis that this has an effect upon individuals' reactions and subsequent responses to these phenomena. Also, the role that an individual plays in actively seeking to manage, remedy or buffer a breach or violation event has only recently begun to be theoretically discussed (see Seeck & Parzefall, 2008). One framework which offers the opportunity to broaden the scope, and understanding, of employees' responses to events such as breach and violation in future research is Lazarus and Folkman's (1984) transactional process theory of stress.

As one of the most influential theories to emerge in the stress and coping literature, the theory takes a cognitive-behavioural perspective to explain individual differences in responses to stressful situations (Edwards, Keeffe & Ashkanasy, 2006), such as employee experiences of breach and violation. The theory suggests that following appraisal processes of a situation, individuals assess and engage in coping responses categorised as: problem-focused (attempts to directly address the stressor); social coping (seeking guidance and support from others); and avoidant coping (individuals' attempts to distance themselves from the stressor) (Moskowitz, 2001). In relation to psychological contract theory, integrating such a framework, particularly through recognising the potential for constructive, problem-focused strategies, allows us to heed Seeck and Parzefall's (2008) call to consider the employee as an active party to the contract and the employment relationship. For example, where an employee perceives that the employer has breached an obligation to provide meaningful work, Lazarus and Folkman's (1984)

process-oriented and iterative framework would allow researchers to develop propositions about whether an employee may firstly engage in problem-focused coping responses, such as seeking to modify his or her own work roles and tasks, or may instead, or as well as, activate social coping responses such as influencing superiors and colleagues to remedy the breach directly. Relatedly, the Study 3 results also found evidence for the buffering remediation effect of positive workplace social relationships in reducing an individual's negative reactions to a breach or violation event and also repairing the individual's broader contract (the use of social coping resources to use Lazarus & Folkman's (1984) terminology). Further, as Dulac et al. (2008) have also suggested, it would be beneficial to explore how durable and ongoing this type of buffering effect is, given that these social relationships may not necessarily directly address the breach or violation itself and so may only offer a temporary remediation effect. This type of research could also fruitfully extend to exploring the durability of the other buffering remediation effects identified through Study 3, when compared to the remedies which directly address breaches.

The final potential research direction of note relates to the Study 3 preliminary finding that when speaking of contract fulfilment individuals described some contract beliefs as simply being met, but then described the fulfilment of their more strongly held contract beliefs, particularly related to balanced contract components such as the provision of meaningful work, in a way which suggested their fulfilment generated a surplus of something akin to organisational 'goodwill'. This again relates to the notion of the central versus the more peripheral nature of some contract beliefs (Ng & Feldman, 2009). Therefore, while this thesis offered evidence that the breach and violation of these strongly held, central contract beliefs resulted in more intense and negative employee reactions, it may be the converse case that the fulfilment of these beliefs serves to offer an extra 'motivational push' for individuals to reach their best performance levels and a generation of 'goodwill' toward their teams and broader organisations. While some contract research has begun to more fully explore the role of belief fulfilment in the contracting process over time (Conway et al., 2011; Parzefall & Hakanen, 2010), the relatively stronger focus upon breach and violation outcomes means that this facet of the construct remains comparatively under-explored. While only preliminary suggestions are offered on this point in this thesis, it may be worth exploring the potentially motivating

outcomes of core contract belief fulfilment, as another way of exploring the central-peripheral contract belief notion.

8.7 Conclusion

Overall, this thesis has aimed to shed empirical light on a relatively under-explored area of psychological contract research – the dynamic nature of the construct. Through employing a mixed method, longitudinal research design, the findings have offered theoretical and empirical insights into the contract beliefs individuals enter organisations with, how these beliefs developed, their initial mutuality with managers' beliefs and then how and why these beliefs subsequently changed over time. In particular, the change process is driven by variables at a range of organisational-, dyadic- and individual difference levels. Through ongoing and iterative processes individuals and their organisational agent counterparts work through the fulfilment, breach and violation and the effective, or otherwise, remediation of the latter and/or the broader contract in order to enact the employment exchange over time. This thesis has also offered some avenues for the practical application of these findings and suggested a range of areas for future scholarship in this important field in the organisational behaviour and human resource management literatures.

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Appendices

Appendix 2.1: Key contract authors' contract belief conceptualisations and operationalisations (since Rousseau, 1989) – full table

Author block ^a	1. Overarching belief conceptualisation/ operationalisation	2. Specific authors	3. Contract belief conceptualisation – what is the psychological contract?	4. Contract belief operationalisation – type of scale, or interview questions, used ^b
Rousseau et al.	1. Promises	Rousseau, 1989	'... key issues here include the belief that a promise has been made and a consideration offered in exchange for it ...' (p. 123)	n/a
	2. Promises/obligations	Rousseau, 1990	'An individual's belief regarding reciprocal obligations ... psychological contracts differ from the more general concept of expectations in that contracts are promissory and reciprocal' (p. 390)	Survey questions refer to the extent of employer and employee obligations (p. 394)
	3. Includes references to promises, obligations and expectations	Rousseau and Greller, 1994	'In simple terms, the psychological contract encompasses the actions employees believe are expected of them and what response they expect in return from the employer' (p.386). Promise (e.g. p. 392) and obligations (e.g. p. 388) terminology are also used.	n/a
	4. Promises	Rousseau and Wade-Benzoni, 1994	'Psychological contracts refer to beliefs that individuals hold regarding promises made, accepted, and relied upon between themselves and another' (p. 466)	n/a
	5. Promises	Rousseau, 1995	'The basic building block of contracts in organizations is the individual employee's, employer's, or customer's psychological contract. Contracts are created by promises, reliance, acceptance, and a perception of mutuality' (p. 22)	n/a
	6. Promises	Rousseau and Tijoriwala, 1998	'Psychological contracts originate when individuals infer promises that give rise to beliefs in the existence of reciprocal obligations' (p. 680 – citing Rousseau, 1989)	n/a
	7. Promises	Rousseau, 2001	'A (psychological) contract is promise-based' (p. 512)	n/a

	8. Includes references to promises, obligations and commitments/ obligations	Dabos and Rousseau, 2004	'... refers to the system of beliefs that an individual and his or her employer hold regarding the terms of their exchange agreement'. Individuals create 'meaning around promises and commitments (made) and interpretations of the scope of obligations' (p. 53)	Respondents were asked about 'the extent to which (their manager) had made commitments or obligations to them' and vice versa (p. 56)
	9. Promises/obligations	Hui, Lee and Rousseau, 2004	'Psychological contracts constitute beliefs concerning the reciprocal obligations between employees and their employer', further, 'these beliefs are based on the perceptions that promises have been exchanged and accepted by both parties' (p. 312)	The survey measures asked individuals to 'identify the extent to which their employers have made the following obligations to them' (p. 315)
	10. Obligations/ obligations	Bal, Jansen, van der Velde, de Lange and Rousseau, 2010	'Terms of an individual's psychological contract include that person's understandings of his or her own as well as the employer's obligations' (p. 475)	Various types of employee obligations were measured (p. 477)
	11. Obligations/ obligations	Rousseau, 2010	'A psychological contract is an individual's system of beliefs, based on commitments expressed or implied, regarding an exchange agreement with another' (p. 191).	'Obligations are preferred over expectations and promises in assessing a psychological contract's content' (p. 210)
Robinson et al.	12. Promises/obligations	Robinson, Kraatz and Rousseau, 1994	'Perceived obligations compose the fabric of the psychological contract' and obligations are defined as 'beliefs, held by an employee or employer, that each is bound by promise or debt to ... a course of action. These obligations may derive from explicit or implicit promises' (p. 138)	'To what extent (is your) employer obligated to provide (a range of items)?' (p. 143)
	13. Promises/promises	Robinson and Rousseau, 1994	'Entails a belief in what the employer is obliged to provide, based on perceived promises of reciprocal exchange' (p. 246)	Survey instructions focus respondents upon 'promised obligations' (p. 251)
	14. Obligations/promises	Robinson and Morrison, 1995	'Beliefs about mutual employment obligations, as seen by either an employee or an employer, constitute a psychological contract' (p. 290)	Survey items assessed the explicitness of promises comprising employees' contracts (p. 293)
	15. Promises/promises	Robinson, 1996	'The present conceptualisation focuses on individuals' beliefs in and interpretation of a promissory contract' (p. 575)	Survey instructions focus respondents upon their perceptions of their employers' implicit and explicit promises (p. 581)
	16. Promises	Morrison and Robinson, 1997	'Psychological contracts are based on perceived promises' (p. 228)	n/a
	17. Promises/promises	Robinson and Morrison, 2000	The authors focus upon breach: 'an employee's perception that the organization has breached his or her psychological contract, or in other words, not adequately fulfilled promised obligations' (p. 526)	Breach of promises and the 'implicitness of promises' were assessed (p. 535)

Kickul et al.	18. Promises/promises	Kickul and Lester, 2001	'... an employee's belief about the mutual obligations that exist between the employee and his/her organisation. This employee's belief is based on the perception that an employer promise has been made' (p. 192 – citing Rousseau, 1989, 1998)	Respondents were asked to indicate: 'those obligations that the organization had promised to them' (p. 198)
	19. Promises/promises	Kickul, 2001(a)	Employees' contract beliefs are 'based upon the perception that an employer promise has been made and an employee obligation offered in exchange for it' (p. 289)	In the survey instrument 'employees were asked to provide their beliefs about the promises their organization has made to them' (p. 295)
	20. Promises/promises	Kickul, 2001(b)	'An individual's beliefs about the terms and conditions of an agreement' (with the) employer. 'The types of promises in (the) contract can be explicitly or implicitly communicated' (p. 321)	'Participants were asked to indicate those obligations that the organization has promised to them' (p. 324)
Coyle-Shapiro et al.	21. Obligations/obligations	Kessler and Coyle-Shapiro, 1998	'An individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between that person and another party; employee perceptions of their obligations to their employer and employer obligations to them (p. 366 - citing Rousseau, 1989)	Survey questions focus upon reciprocal fulfilment of obligations (p. 372)
	22. Obligations/obligations	Coyle-Shapiro and Kessler, 2000	'An individual's belief about mutual obligations' (p. 905)	'Respondents were asked to indicate the extent to which they believed their employer was obligated to provide a range of items' (p. 912)
	23. Promises/obligations	Coyle-Shapiro, 2002	Contract breach is defined as: 'a sense of discrepancy between what is promised and what is fulfilled' (p. 927).	Survey respondents were asked to identify: 'the extent to which they believed their employer was obligated to provide a range of items' (p. 933)
	24. Promises/obligations	Coyle-Shapiro and Kessler, 2002	'Psychological contracts are based on perceived promises, that is, a communication of future intent' (p. 80 – citing Rousseau, 1989)	'Employees were asked to indicate the extent to which they believed their employer was obligated to provide a range of items' (p. 87)
	25. Obligations/obligations	Coyle-Shapiro and Kessler, 2003	'... capture(s) employee beliefs regarding the mutual obligations that exist in the context of the employee-employer relationship' (p. 215)	'Respondents were asked to indicate the extent to which they believed their employer had fulfilled its obligations' (p. 218)
	26. Promises/promises	Dulac, Coyle-Shapiro, Henderson and Wayne, 2008	'The psychological contract accounts for the perceived promises that employees believe their organizations have made to them' (p. 1079)	Employees provide an overall assessment of 'how well their organization has fulfilled their contract', with items including promise terminology' (p. 1086)

	27. Obligations and promises/obligations	Parzefall and Coyle-Shapiro, 2011	'Contract breach is the cognition that the organization has failed to fulfil one or more of its obligations' (p. 13 – citing Morrison and Robinson, 1997). But also that 'breach can be viewed as an interruption to the ongoing fulfilment of promises' (p. 15)	'Interviewees were then asked to describe an incident when they thought their employer had failed to fulfil an obligation towards them' (p. 16)
Montes et al.	28. Promises/promises	Montes and Irving, 2008	'... employees are implicitly and explicitly promised various things ... together, such promises form employees' psychological contract' (p. 1367 – citing Coyle-Shapiro and Kessler, 2000)	'Respondents were asked to rate the extent to which their employer promised to provide them with (certain inducements)' (p. 1371)
	29. Promises/promises	Montes and Zweig, 2009	'Recent theoretical developments have emphasized the promissory nature of psychological contracts'. Further, 'it is underscored that the beliefs comprising the contract are promissory in nature' (p. 1243)	'Participants were asked to indicate the extent to which the organization promised to provide them with (certain inducements)' (p. 1248)
Restubog et al.	30. Promises/promises	Restubog, Hornsey, Bordia and Esposito, 2008	'A psychological contract is essentially an employee's mental model of the mutual obligations of the parties to the employment relationship in which the employees agree to perform their role in exchange for the fulfilment of the promises they were made by their organization (p. 1378 - citing Rousseau, 1995)	'Employees (provided an) overall evaluation of the extent to which the organization has fulfilled (or breached) its obligations to them', with items including promise terminology' (p. 1383)
	31. Promises/promises	Zagenczyk, Gibney, Kiewitz and Restubog, 2009	'Perceived promises form the basis of psychological contracts' (p. 237)	'Participants assessed the extent to which they believed the organisation provided, relative to what they were promised, for each (contract item)' (p. 244)
	32. Promises/promises	Restubog, Bordia, Tang and Krebs, 2010	'A psychological contract is generally understood as a mental model which constitutes the terms and exchange agreement between the employee and his or her employing organization (p. 423 – citing Rousseau, 1995). Breach is defined as the 'perception that there is a discrepancy between what was promised and what was actually delivered' (p. 423).	The scale assessed the degree of contract fulfilment and uses promise terminology (p. 427)
Conway and Briner et al.	33. Promises/promises	Conway and Briner, 2002	The authors focus upon breach which is: 'the breaking of promises made to the employee by the organization' (p. 297)	Respondents were asked to: 'describe each and every explicit and implicit promise the organization had broken on that day' (p. 292)
	34. Promises	Conway and Briner, 2005	'Since Rousseau's article in 1989 researchers tend to define the psychological contract in terms of implicit and explicit promises. Promises offer more conceptual clarity and precision than obligations and expectations and are also more closely	n/a

			aligned with the idea of a contract. For these reasons we will use promises as the main belief constituting psychological contracts' (p. 26)	
	35. Promises/promises	Conway, Guest and Trenberth, 2011	'Breach has been defined as non-fulfilment or less than complete fulfilment of promises' (p. 268)	Contract breach-fulfilment assessed 'the extent to which the organization had kept its promises on different aspects of work' (p. 269)
De Vos et al.	36. Promises/promises	De Vos, 2005	'An individual perception of the terms and conditions of the exchange relationship ... this perception is based on promises' (p. 373)	The survey includes items on 'perceived employer and employee promises' and 'evaluations of promises' (p. 378)
	37. Promises/expectations	De Vos, Buyens and Schalk, 2005	'The psychological contract is conceived as a type of schema that individuals hold regarding their employment relationship ... it guides the interpretation and recollection of promises exchanged during the employment relationship' (p. 42)	The focus was information-seeking behaviours. Individuals 'were asked to indicate the frequency with which they ... sought information about what they could expect from their employer regarding particular inducements' (p. 46).
	38. Promises/promises	De Vos, Buyens and Schalk, 2003	'Newcomers' psychological contracts are comprised of beliefs about the inducements they have been promised by their employer and the contributions they have promised to make in return' (p. 539)	Respondents were asked to indicate the extent to which their employer 'had made promises to them - implicitly or explicitly' and vice versa (p. 544)
Schalk et al.	39. Obligations/obligations	Freese and Schalk, 1996	'An individual's beliefs regarding reciprocal obligations' (p. 501 - citing Rousseau, 1990)	'My organization provides sufficiently for this' (Yes/No) and 'My organization should provide for this' (Yes/No) (p. 503)
	40. Promises/obligations	Linde and Schalk, 2006	'The psychological contract of employees ... refers to the experience of perceived promises made and kept' (citing Rousseau 1995, p. 112)	The survey contained 'questions on specific employer and employee obligations'. 'Broken promises' also appeared to be assessed.
	41. Promises	Schalk and Roe, 2007	'Contracts encompass the perceptions that employees have of the implicit and explicit reciprocal promises that exist between them and their organizations, and their perceptions of what each party is entitled to receive as a function of those promises' (p. 168)	n/a
	42. Promises/promises	van den Heuvel and Schalk, 2009	'The psychological contract focuses on implicit and largely unspoken promises between an employer and an employee' (p. 284)	'Respondents were presented with fifteen promises' and identified whether the promise had been made and then fulfilled (p. 292)

Ho et al.	43. Promises/promises	Ho, Weingart and Rousseau, 2004	'The fundamental notion underlying the contract is the element of promise, given that a psychological contract is formed when a contracting party perceives that the other has made a promise to do (or not to do) something' (p. 277)	Survey items assessed perceptions of 'broken promises' (p. 283)
	44. Promises	Ho, 2005	'Employees' psychological contracts with the organization consist of their perceptions of what the organization has promised them. Promises constitute the key element of psychological contracts' (p. 115)	n/a
	45. Promises/promises	Ho and Levesque, 2005	'An individual's beliefs about the terms of an exchange agreement between the individual and the organization', with contract fulfilment the 'employees' evaluation of whether the organization has fulfilled its promised obligations' (p. 275)	'Respondents were provided with (a) list of four promises and indicated ... how well they thought the firm had fulfilled them' (p. 279)
	46. Obligations/obligations	Ho, Rousseau and Levesque, 2006	'An individual's beliefs regarding his or her obligations to the employer and obligations the employer owes in return' (p. 460)	Respondents were asked to identify 'the extent to which he or she believed the organization was obligated to provide each of the items to him or her' (p. 468)
Feldman et al.	47. Includes references to promises, obligations and expectations	Turnley and Feldman, 1999(a)	'An individual's perception of what he/she owes the employer and the inducements the individual believes that he/she is owed in return' (p. 367 – citing Rousseau, 1989)	n/a
	48. Refers to 'beliefs'/promises	Turnley and Feldman, 1999(b)	'Beliefs employees hold regarding the terms of the informal exchange agreement between themselves and their organizations' (p. 897 - citing Rousseau, 1989, 1990)	Respondents indicated the 'importance' of various contract items (p.903) and then compared these to what the employer actually provided (scale anchors were 'received much less/much more than promised') (p. 904)
	49. Promises/promises	Ng and Feldman, 2008	'Psychological contracts consist of employees' beliefs regarding what employers owe them and what they owe their employers in turn ... previous studies have found that fulfilment of promises on the part of employers is positively related to employees' organizational commitment' (p. 269)	The survey required respondents to assess whether the organisation 'promises' them certain contract content items (p. 272)
	50. Promises	Ng and Feldman, 2009	'Psychological contracts consist of employees' expectations about what they owe their employers and about what their employers owe them in return (p. 1053 - citing Rousseau, 1989, 1995). The concept of breach severity is then defined as: 'the extent to which employees perceive that the most important promises in their psychological contracts have gone unfulfilled' (p. 1056)	n/a

Sparrow et al.	51. Includes references to promises, obligations and expectations	Sparrow and Cooper, 1998	'... a set of unwritten reciprocal expectations, beliefs, or perceptions that characterize both mutual behaviour delivered within the employment relationship and implied obligations or promises' (p. 360)	n/a
	52. Expectations	Sparrow, 1998	'... the set of expectations held by the individual employee that specifies what the individual and the organization expect to give and receive in the working relationship' (p. 30)	n/a
	53. Promises/promises and obligations	Westwood, Sparrow and Leung, 2001	'... the perceived obligations that organizations are deemed to have are contingent upon promises that the organization is perceived to have conveyed to the individual, either implicitly or explicitly' (p. 625 – citing Rousseau, 1989, 1995).	Survey items assessed managers' 'perceptions of organizational commitments and promises' made to employees and what they believed employees' 'obligations' were to the organisation (p. 630)
	54. Promises	Arshad and Sparrow, 2010	'Rousseau (1995) argues that psychological contracts arise when individuals infer promises that lead to subsequent beliefs about the existence of reciprocal obligations. These promissory beliefs act as the foundation of employment relationships and work arrangements' (p. 1808).	n/a (scale did not directly measure contract content, breach or violation)
Suazo et al.	55. Promises/promises	Suazo, Turnley and Mai-Dalton, 2005	'A central element in the psychological contract is the employee's belief that the organization will live up to its promises and commitments' (p. 24)	Breach/violation measures asked respondents to 'assess the extent to which an organization has lived up to its promises' (p. 30)
	56. Promises/promises	Suazo, Turnley and Mai-Dalton, 2008	'One key issue in the psychological contract is the employees' expectation that the organization will live up to its promises' (p. 295)	Contract breach is assessed through items asking respondents whether employer promises had been kept or broken (p. 301)
	57. Promises	Suazo, Martinez and Sandoval, 2009	'Only those expectations that result from an employee's perception of the organization's implicit or explicit promises are part of the psychological contract' (p. 155)	n/a
	58. Promises/ obligations and promises	Suazo and Turnley, 2010	'The psychological contract is based on the promises made between the employee and employer that determine what each party is expected to provide to and receive from the other' (p. 1808 – citing Rousseau, 1995)	The breach instrument 'assesses employees' perceptions regarding the extent to which an organization has lived up to its obligations and promises in a number of areas' (p. 1801)
Tekleab et al.	59. Obligations/ obligations	Tekleab and Taylor, 2003	'(An employee's) perceptions of the organization's obligations to the employee and the latter's obligations to the organization' (p. 586)	Respondents were asked to identify employees' and their organisations' 'obligations' to each other (p. 591)
	60. Promises/obligations	Tekleab, Takeuchi and	'In psychological contract theory both the types of promises the two parties exchange and the extent to which they are met	The survey measure focused upon contract breach and whether 'obligations' had been

		Taylor, 2005	or violated are important determinants of the ... bond between employee and organization' (p. 148).	met (p. 152)
	61. Promises/promises	Tekleab and Chiaburu, 2011	'Contract fulfilment describes obligations promised and delivered by the organization or its agents' (p. 461)	The survey assessed contract fulfilment and used promise terminology (p. 462)
Bellou et al.	62. Promises/obligations	Bellou, 2007	'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 to provide future benefits has been created' (p. 69 – citing Rousseau, 1989).	'Participants were asked to indicate the extent to which their employer was obligated to provide them with certain items' (p. 74)
	63. Promises/obligations	Bellou, 2009	'Psychological contracts consist of unwritten agreements on direct or indirect promises, depending upon the way that individuals interpret them' (p. 810).	Individuals assessed the importance of various employer obligations (p. 817)

^a The author frequently cited as the first author of a work is used as the lead name of each 'author block'

^b n/a means the paper is conceptual or review-based or the work is a book

Appendix 4.1: Study 1 - interview schedule

Admin/introduction

- Briefly about the study
- I'm conducting interviews with a range of graduates and their managers in organisations across the private sector, which will feed into the first part of the study.
- With your permission, the interview will be recorded.
- I can assure you of the confidentiality and anonymity of the interview data being collected.
- I will collate and analyse the data gathered from a number of interviews and the findings will be presented in such a way that individuals and organisations will not be identifiable.
- I would really appreciate your full and open participation.
- BUT, your participation is completely voluntary. You may decline to participate in the interview altogether or you may decline to answer any question.

Graduate interview questions

1. Background of interviewee:

- Degree/university attended
- To date, what work experience have you had?

2. Organisational and role attraction:

- What attracted you to this graduate opportunity and this organisation?
 - Role
 - Organisational attributes
 - Sector
 - Profession
- Did you specifically look for private sector roles? Why/why not?

3. Employees' expectations of the organisation:

- What are your expectations of the organisation that you are entering? Prompts:
 - Training/development/career development
 - Type of work – broad/narrow?
 - Type of supervision
 - A supportive environment – e.g. understanding, can ask questions freely, constructive feedback provided/recognition
 - Certain pay and conditions
 - Stability of employment
- Do you have any specific expectations of your manager and what they should be providing to you?

4. Employees' own expectations (what they should be providing to the organisation):

- What do you think the organisation expects of you? Prompts:
 - A level of technical/generic skills
 - Work output – broad/narrow?/working hard
 - Certain number of years tenure
 - Up-skill quickly (take on higher-level work)/advance upwards fairly quickly
 - Being proactive, e.g. in terms of seeking out development opportunities

5. Belief formation:

- How have these expectations formed? Prompts:
 - Recruitment process
 - General perceptions
 - Family, friends, etc
- What information sources did you use? (prompts as above)

Manager interview questions

1. Background of interviewee:

- What is your role in the organisation?
- How long have you been managing graduates?
- How have you found this experience?

2. Managers' expectations of graduates:

- What expectations do you have of graduates? What should they be providing to the organisation? Prompts:
 - A level of technical/generic skills
 - Work output – broad/narrow?/working hard
 - Certain number of years tenure
 - Up-skill quickly (take on higher-level work)/advance into higher-level roles fairly quickly
 - Being proactive, e.g. in terms of seeking out development opportunities
 - Attitudinal
 - Interpersonal interaction/team interaction

3. Managers' beliefs about graduates' expectations of the organisation and them (the manager):

- What do you think graduates expect of the organisation generally? What do you think they expect the organisation to be providing to them? Prompts:
 - Training/development/career development
 - Type of work – broad/narrow?
 - Type of supervision
 - A supportive environment – e.g. understanding, can ask questions freely, constructive feedback provided/recognition
 - Certain pay and conditions
 - Stability of employment
- Do you think these (expectations) are realistic?
- What do you think graduates expect of you, or managers in general, when they enter the organisation? Prompts:
 - Career progression advice
 - Support/mentoring/guidance
 - Feedback
- What do you think you need to be providing to graduates, as their manager?

Appendix 5.1: Study 2 - justification for Study 2 sample adjustment

Initial analysis of the original, full data set through the individual growth model-building process (see Study 2 Results and Discussion chapter (Chapter 5)), specifically the initial unconditional means and growth models, indicated that for a number of dependent variables (psychological contract dimensions) neither a linear nor quadratic growth curve adequately described the data (results not reported). Some of the models also suffered from estimation problems, with the more complex models, such as those including a quadratic growth parameter, unable to be fully estimated. However, visual inspection of individuals' empirical growth plots to assess the possible shape of the Level-1 growth curves, although clearly not a conclusive test, provided evidence both of possible linear change and/or quadratic curvature across a number of dependent variables (see Figures 1-6 below). Given that the full data set being used included individuals who only completed the survey once or twice, this raised the concern that this portion of the sample may be 'masking' the identification of a suitable Level-1 individual growth sub-model, defined by either a linear or possibly quadratic growth curve. In total, 131 people (of a total of 238 individuals who completed surveys over the course of the study) completed the survey only once or twice.

Figures 1-6: Empirical growth plots (for the full, original sample) based upon contract types

Figure 1: Employee relational contract means

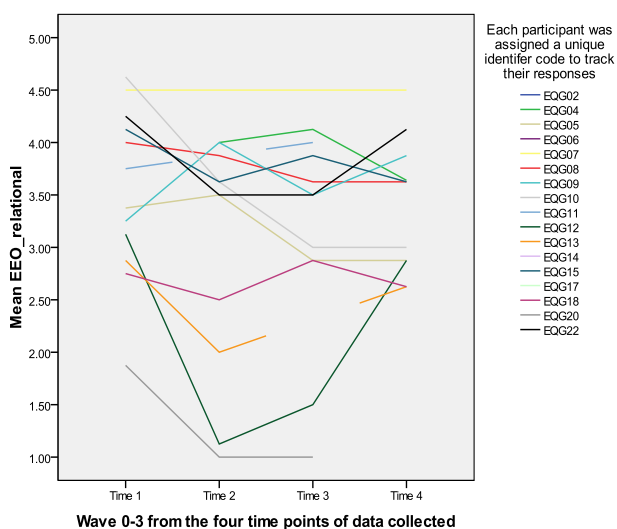


Figure 2: Employee balanced contract means

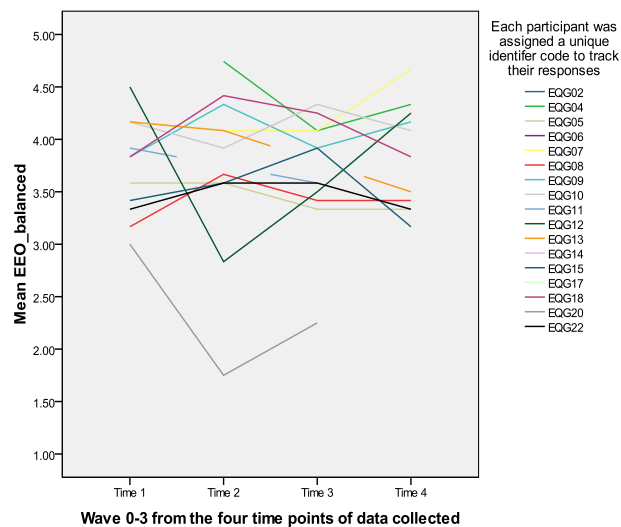


Figure 3: Employee transactional contract means

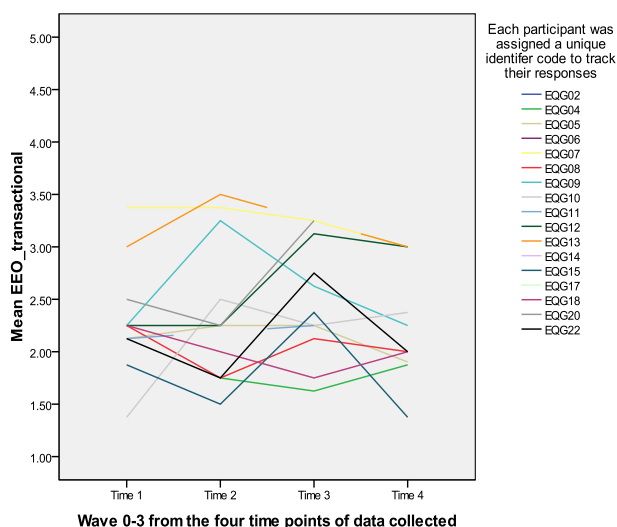


Figure 4: Employer relational contract means

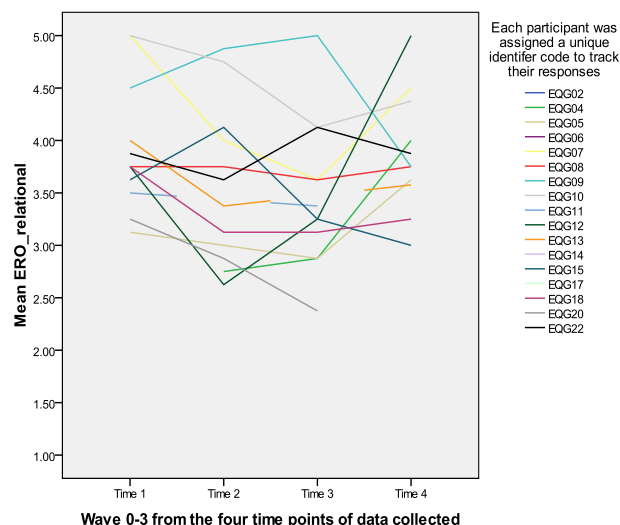


Figure 5: Employer balanced contract means

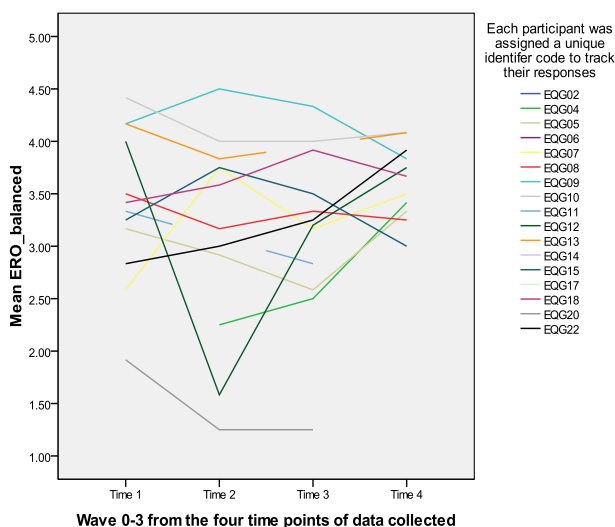
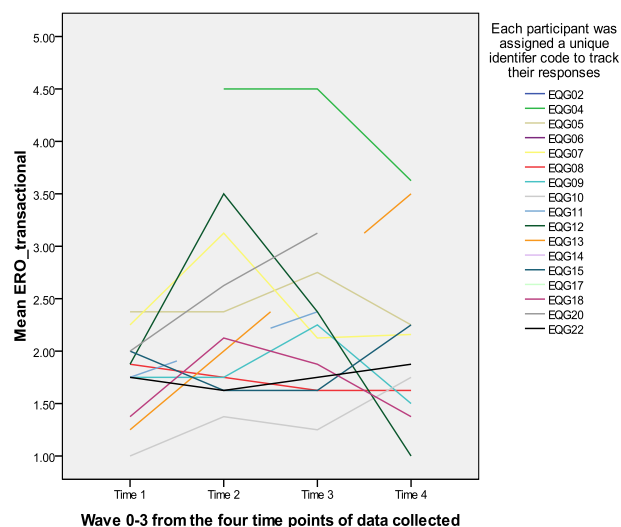


Figure 6: Employer transactional contract means



Singer and Willett (2003) caution that when undertaking individual growth modelling the estimation of variance components (individuals' intercept and slope variations from the sample average) requires that enough people have sufficient data to allow quantification of within-person residual variation. That is, if too many people have too little data, any residual variability cannot be quantified (Singer & Willett, 2003). Further, because investigating quadratic growth curves requires at least four completed time points of data, notwithstanding that the SPSS Linear Mixed Models procedure will use whatever data is available to estimate individuals' growth curves, it was decided to remove individuals who completed the survey

only once or twice. To ensure the appropriateness of this sample adjustment, an independent samples t-test was conducted, as described in Chapter 5 (Study 2 Results and Discussion chapter), which indicated no significant differences on any of the variables between the samples (see Appendix 5.2 for the results table), except for the employer relational obligations component of the psychological contract which was only marginally significant ($p = 0.046$) when unadjusted for Type I error inflation due to multiple comparisons. Further, Appendix 5.3 highlights the characteristics for the entire, full sample and the sample of individuals who completed the survey only once or twice. Through visual inspection in conjunction with Table 5.3 in Chapter 5 (showing the reduced sample's demographic characteristics), it was assessed that there were no obvious, significant differences between the groups. As such, the final Study 2 sample consisted only of individuals who completed the survey three or four times.

Appendix 5.2: Study 2 - independent samples t-test results

Variable	Grouping variable ^a	N	Mean	Std. Deviation	t	Sig.
EEO_relational	0 = 1/2 surveys	131	3.55	0.59	1.90	0.059
	1 = 3/4 surveys	107	3.39	0.70		
EEO_balanced	0 = 1/2 surveys	131	3.90	0.53	0.42	0.677
	1 = 3/4 surveys	107	3.87	0.52		
EEO_transactional	0 = 1/2 surveys	131	2.17	0.52	-0.14	0.891
	1 = 3/4 surveys	107	2.18	0.50		
ERO_relational	0 = 1/2 surveys	131	3.70	0.72	-2.01	0.046
	1 = 3/4 surveys	107	3.87	0.60		
ERO_balanced	0 = 1/2 surveys	131	3.71	0.67	-0.32	0.749
	1 = 3/4 surveys	107	3.74	0.62		
ERO_transactional	0 = 1/2 surveys	131	1.86	0.58	1.38	0.168
	1 = 3/4 surveys	107	1.76	0.56		
CR	0 = 1/2 surveys	131	5.70	0.85	-1.67	0.097
	1 = 3/4 surveys	107	5.86	0.57		
LMX	0 = 1/2 surveys	50	3.64	0.75	-0.64	0.526
	1 = 3/4 surveys	11	3.79	0.72		
Positive affect	0 = 1/2 surveys	50	3.57	0.61	-0.92	0.362
	1 = 3/4 surveys	11	3.74	0.39		
Negative affect	0 = 1/2 surveys	50	1.84	0.50	0.57	0.568
	1 = 3/4 surveys	11	1.74	0.66		
Hardiness	0 = 1/2 surveys	50	4.15	0.44	-0.30	0.767
	1 = 3/4 surveys	11	4.19	0.49		

^a Groupings were for '1 or 2 times completed' and '3 or 4 times completed' survey respondents

Appendix 5.3: Study 2 - sample characteristics (full, original data set)

Sample characteristics – full, original data set

Characteristic	Time 1	Time 2	Time 3	Time 4
No. of respondents	176	154	125	99
Gender	Female – 40.3% Male – 59.7%	Female – 37% Male – 63%	Female – 38% Male – 62%	Female – 41.4% Male – 58.6%
Age (years)				
20-28	94.3%	92.2%	93.6%	88.9%
29-39	5.1%	7.1%	5.6%	11.1%
40 or over	0.6%	0.6%	0.8%	0%
Highest level of education	Undergraduate – 73.3% Postgraduate - 26.7%	Undergraduate – 75.3% Postgraduate – 24.7%	Undergraduate – 68% Postgraduate – 31.2% Missing - 0.8%	Undergraduate – 72.7% Postgraduate – 27.3%
Marital status	Single – 73.9% Living with partner – 21.6% Married – 4.0% Missing - 0.6%	Single – 77.3% Living with partner – 18.8% Married - 3.9%	Single – 70.4% Living with partner – 21.6% Married – 6.4% Missing – 1.6%	Single – 70.7% Living with partner – 20.2% Married – 9.1%
Employment status^a	Perm FT – 92% Perm PT – 0% Temp FT – 8% Temp PT – 0%	Perm FT – 94.2% Perm PT – 0.6% Temp FT – 5.2% Temp PT – 0%	Perm FT – 92.8% Perm PT – 0.8% Temp FT – 6.4% Temp PT – 0%	Perm FT – 92.9% Perm PT – 1% Temp FT – 5.1% Temp PT – 0% Missing – 1%

^a Perm = permanent; Temp = temporary; FT = full-time; PT = part-time

Sample characteristics – for those individuals who completed only one or two surveys (at some combination of time points)

Characteristic	Time 1	Time 2	Time 3	Time 4
No. of respondents	81	53	28	22
Gender	Female – 44.4% Male – 55.6%	Female – 41.5% Male – 58.5%	Female – 46.4% Male – 53.6%	Female – 59.1% Male – 40.9%
Age (years)				
20-28	97.5%	94.3%	100%	95.5%
29-39	2.5%	5.7%	0%	4.5%
40 or over	0%	0%	0%	0%
Highest level of education	Undergraduate – 72.8% Postgraduate – 27.2%	Undergraduate – 83% Postgraduate – 17%	Undergraduate – 67.9% Postgraduate – 28.6% Missing – 3.6%	Undergraduate – 77.3% Postgraduate – 22.7%
Marital status	Single – 77.8% Living with partner	Single – 84.9% Living with partner	Single – 71.4% Living with partner	Single – 81.8% Living with partner

	- 19.8% Married - 1.2% Missing - 1.2%	- 13.2% Married - 1.9%	- 17.9% Married - 3.6% Missing - 7.1%	- 4.5% Married - 13.6%
Employment status^a	Perm FT - 91.4% Perm PT - 0% Temp FT - 8.6% Temp PT - 0%	Perm FT - 98.1% Perm PT - 0% Temp FT - 1.9% Temp PT - 0%	Perm FT - 96.4% Perm PT - 0% Temp FT - 3.6% Temp PT - 0%	Perm FT - 90.9% Perm PT - 4.5% Temp FT - 0% Temp PT - 0% Missing - 4.5%

^a Perm = permanent; Temp = temporary; FT = full-time; PT = part-time

Appendix 5.4: Study 2 - complete survey content

Development and Changes in the Psychological Contract

About the study

Attracting and retaining graduates is critical for many organisations. Your employer is one organisation joining with the Queensland University of Technology to support a study looking at:

- The expectations that private sector graduates have of their organisations
- Whether these expectations match those of the organisation
- How these expectations compare with those of graduates in the public sector
- How these expectations change over time, and
- How organisations can best address the needs of graduates.

This study is part of a PhD project through QUT. The study will occur over a 16 month period beginning in January 2008.

Expected benefits

The research aims to provide new insights into how the employment relationship develops and changes and how graduates and managers experience it.

Confidentiality

All comments and responses are anonymous and will be treated confidentially. Only the QUT researcher will have access to the data. General findings will be reported to the participating organisations, with no individual being identifiable. An identifying code will be requested in the survey only to allow the 'tracking' of responses over time to help with the final part of the study.

Voluntary participation

- Your participation in this study is completely voluntary. You're under no obligation to participate and there'll be no negative consequences if you choose not to. Should you participate, you can withdraw your participation at any point.
- Surveys will be distributed at different times during the 16 month period of the study and will take 20-30 minutes to complete. The return of the completed survey is accepted as your consent to participate in the study.

Questions/further information

If you have any questions or concerns please feel free to contact the QUT research team: Sarah Bankins (email: s.bankins@student.qut.edu.au) or Dr Jenny Waterhouse (email: j.waterhouse@qut.edu.au)

Concerns/complaints

QUT is committed to researcher integrity and the ethical conduct of research projects. If you have any concerns or complaints about the ethical conduct of the study, just contact the QUT Research Ethics Officer on 3138 2340 or ethicscontact@qut.edu.au. The Research Ethics Officer is not connected with the study and can facilitate a resolution.

Thanks for your participation – it's greatly appreciated!

Part 1

The first set of questions focus on what you believe *your* obligations are to your current employer. There are no right or wrong answers, it is about your perceptions.

To what extent have you made the following commitment or obligation to your employer?
Please answer each question using the following scale:

1	2	3	4	5
Not at all	Slightly	Somewhat	Moderately	To a great extent

Accept increasingly challenging performance standards
 Perform only required tasks
 Only perform specific duties I agreed to when hired
 Leave at any time I choose
 Seek out assignments that enhance my employability elsewhere
 Protect this organisation's image
 Seek out developmental opportunities that enhance my value to this employer
 Make personal sacrifices for this organisation
 Build skills to increase my future employment opportunities elsewhere
 Build contacts outside this firm that enhance my career potential
 Respond positively to dynamic performance requirements
 Build skills to increase my value to this organisation
 Remain with this organisation indefinitely
 Make no plans to work anywhere else
 I am under no obligation to remain with this employer
 Quit whenever I want
 Actively seek internal opportunities for training and development
 Adjust to changing performance demands due to business necessity
 Accept new and different performance demands
 Make myself increasingly valuable to my employer
 Fulfil a limited number of responsibilities
 Commit myself personally to this organisation
 Do only what I am paid to do
 Continue to work here
 Increase my visibility to potential employers outside the firm
 Take this organisation's concerns personally
 Plan to stay here a long time
 I have no future obligations to this employer

Part 2

The next set of questions focus on what you believe your *current employer's* obligations are to you. Again, there are no right or wrong answers, it is about your perceptions.

To what extent has your employer made the following commitment or obligation to you?
Please answer each question using the following scale:

1 **2** **3** **4** **5**
Not at all **Slightly** **Somewhat** **Moderately** **To a great extent**

- Be responsive to my personal concerns and well-being
- A job for a short time only
- A job limited to specific, well-defined responsibilities
- Stable benefits for employees' families
- Short-term employment
- Training me only for my current job
- A job only as long as the employer needs me
- Potential job opportunities outside the firm
- Concern for my personal welfare
- Help me respond to ever greater industry standards
- Opportunities for promotion
- Opportunity for career development within this firm
- Concern for my long-term well-being
- Makes no commitments to retain me in the future
- Developmental opportunities with this firm
- Support me in meeting increasingly higher goals
- Contacts that create employment opportunities
- Advancement within the firm
- Limited involvement in the organisation
- Enable me to adjust to new, challenging performance requirements
- Help me develop externally marketable skills
- Require me to perform only a limited set of duties
- Wages and benefits I can count on
- Secure employment
- Job assignments that enhance my external marketability
- Support me to attain the highest possible levels of performance
- Make decisions with my interests in mind
- Steady employment

Part 3

The next set of questions focus on what you think about your current employer's reputation. You may have formed opinions about your employer's reputation through your experiences in the workplace, the services it provides, how it markets itself and how it is portrayed in the media. Again, there are no right or wrong answers, the purpose is to understand your perceptions.

How would you describe your current organisation, based on the items below? Please answer each question using the following scale:

1 **2** **3** **4** **5** **6** **7**

Does not describe my perception well **Somewhat describes my perception** **Describes my perception very well**

- I have a good feeling about the organisation
- It tends to outperform its competitors
- The organisation is well-managed
- It looks like a good organisation to work for
- It develops innovative products and services
- The organisation has excellent leadership
- It recognises and takes advantage of market opportunities
- It looks like a low risk investment
- I trust this organisation
- It offers products and services that are good value for money
- It is an environmentally responsible company
- It looks like a company with strong prospects for future growth
- It maintains high standards in the way it treats people
- It offers high quality products and services
- I admire and respect the organisation
- The organisation stands behind its products and services
- It looks like an organisation that would have good employees
- The organisation supports good causes
- It has a clear vision for its future
- The organisation has a strong record of profitability

Part 4

The next set of questions are about the quality of your working relationship with your current direct supervisor. Please answer the following questions using the following scale:

- | | | | | |
|--------------------------|-----------------|----------------|--------------|-----------------------|
| 1 | 2 | 3 | 4 | 5 |
| Strongly disagree | Disagree | Neutral | Agree | Strongly agree |

I know where I stand with my supervisor ... I usually know how satisfied he/she is with what I do

My supervisor understands my job problems and needs

My supervisor recognises my potential for advancement within the organisation

Regardless of how much formal authority he/she has built into their position, my supervisor would use his/her power to help me solve problems in my work

Again, regardless of the amount of formal authority my supervisor has, he/she would 'bail me out' at his/her own expense

I have enough confidence in my supervisor that I would defend and justify his/her decision if he/she was not present to do so

I would characterise my working relationship with my supervisor as extremely effective

Part 5

Below are some statements about organisational life that people often feel differently about.

Use the following scale to indicate how you feel about each one and how much you think each one is true in general. There are no right or wrong answers, just give your own honest opinions.

1 **2** **3** **4** **5**
Never **Rarely** **Sometimes** **Often** **Always**

Despite setbacks, I remain committed to accomplishing job tasks
 When necessary I am willing to work extra hard
 When a problem occurs at work, I am usually able to deal with it
 I am in control of most things that happen to me at work
 I enjoy facing new challenges at work
 I am able to cope with unexpected problems at work

Part 6

The next set of questions focuses on general mood and feelings.
 Use the following scale to indicate the number which best describes how much you generally have the feelings listed below:

1 **2** **3** **4** **5**
Not at all **A little** **Moderately** **Quite a bit** **Extremely**

Distressed	Irritable
Excited	Alert
Upset	Jittery
Guilty	Attentive
Scared	Nervous
Hostile	Active
Strong	Ashamed
Interested	Inspired
Enthusiastic	Determined
Proud	Afraid

Part 7

The last set of questions ask you for some demographic information. This is just to ensure a representative sample has been obtained.

What is your gender?

- Male
- Female

What is your age at the end of the year?

- 20-22
- 23-25
- 26-28
- 29-31
- 32-35
- 36-39
- 40-44
- 45-49

50 and over

Is this your first professional role?

Yes

No

What is the highest level of education you have attained?

Undergraduate degree

Honours/Diploma

Masters degree

Doctorate

What is your marital status?

Single

Living with partner

Married

Other _____

Please indicate which range best represents your annual income

Less than \$20,000

\$20,001 to \$30,000

\$30,001 to \$40,000

\$40,001 to \$50,000

\$50,001 to \$60,000

\$60,001 to \$70,000

Greater than \$70,000

What is your employment status?

Permanent, full-time

Permanent part-time

Temporary, full-time

Temporary, part-time

Do you identify with any of the following Equal Employment Opportunity target groups?

Aboriginal and Torres Strait Islander

Women

People from a Non-English Speaking Background

People with a Disability

I choose not to answer

How long have you been working in your current organisation (in years and months)?

Appendix 5.5: Study 2 - the final corporate reputation scale items retained following confirmatory factor analyses

Final two corporate reputation factors and scale items:

CR_emotional

I have a good feeling about the organisation
It looks like a good organisation to work for
I trust this organisation
It maintains high standards in the way it treats people
I admire and respect the organisation
It looks like an organisation that would have good employees
The organisation supports good causes

CR_rational

It has a clear vision for its future
The organisation has a strong record of profitability
It develops innovative products and services
It recognises and takes advantage of market opportunities
It tends to outperform its competitors
It looks like a company with strong prospects for future growth

Appendix 5.6: Study 2 - full model-building tables for each dependent variable and one detailed results write-up

Employer loyalty obligations refer to an employee's beliefs about what his or her employer ought to be providing to him or her, as an employee, along 'relational' psychological contract lines. This sub-dimension focuses upon whether an employee feels that his or her employer has committed to supporting the well-being and interests of employees and their families (Rousseau, 2000). Table 1 shows the estimates for each sequential model built for this dependent variable. Each table shows the fixed effects (in the top half) and random effects, or variance components, (in the bottom half). The fixed effects section shows the unstandardised estimates and significance levels for each main effect. The variance components section includes Wald Z-statistics and significance levels for variances for intercepts, slopes and their covariance (for a linear growth curve) and variances for intercepts, slopes, curvature and the covariances between them (for a quadratic growth curve) (all at Level-2). Three goodness-of-fit statistics, the deviance statistic (or -2 restricted log likelihood), AIC and BIC, are also shown at the bottom of each table. The text describing the results for this dependent variable details the locations in the results table regarding where the statistics of interest can be found, which provides a guide for interpreting the subsequent tables.

Within the 'Stage 1' modelling process, the intra-class correlation (ICC) shows that 52.29% of the variation in employer loyalty scores resides within-individuals and 47.71% of the variation is between-individuals (see 'Model 1' column and Level 1 and 2 'Variance components' rows). From the unconditional growth models estimated, the initial quadratic model failed to converge (although the estimates calculated are reported – see 'Model 3' column). After investigating different error covariance structures, a quadratic model with both the linear and quadratic terms fixed (only allowing a random intercept) and with a simpler covariance structure (VC, DIAG) was adopted (see column 'Model 3a'). This model was a significantly better fit than the 'no-change' model at $p < 0.005$ ($\chi^2 = 40.68$, df 5), as well as a better fit than the other alternative models run (compare columns for 'Model 1' and 'Model 3a' in the 'Goodness-of-fit' statistics rows). Further, the Level-2 variance component

result for the intercept shows that this quadratic model is explaining more variation in individuals' intercept scores over and above the original linear model (by 23%) (compare columns for 'Model 2' and 'Model 3a' in the 'Variance components, Level-2, Initial status' rows). The fixed effects show that, on average, individuals have an initial score of 3.97 ($p < 0.001$) on the 5-point scale on this dependent variable (see column 'Model 3a' in the 'Fixed effects, initial status' row). Further, on average, the linear term shows that while individuals' scores first decrease ($p = 0.001$) for this dependent variable, they then accelerate over time (curvature parameter, $p < 0.01$) (see column 'Model 3a' in the 'Fixed effects, rate of change (linear and quadratic)' rows). This means that the growth curve is convex to the time axis (i.e. there is a 'trough' in the curve). The moment when the quadratic trajectory curve 'flips over' at its trough ($-\pi_{1i} / 2\pi_{2i}$) (Singer & Willett, 2003, p. 216) is at 105.4 weeks from entry. The variance components also demonstrate that, from the average, there is significant individual variability in the intercepts ($p < 0.001$) (see column 'Model 3a' in the 'Variance components, Level-2, initial status' row). Because both the linear and quadratic terms were fixed in the analyses, it cannot be identified whether there is also significant variation in individuals' linear and quadratic slopes; however, the original linear model did offer evidence to support variation in the slope parameter (but only at $p = 0.057$) and the original quadratic model could not estimate this variance component (see column 'Model 3a' in the 'Variance components, Level-2, linear and quadratic term' rows). This means that while individuals have significantly different starting points on this dependent variable, there is no clear evidence of significant (at $p < 0.05$) individual variation on the slope parameters (in this case, no significant variation from a convex quadratic growth curve).

In the 'Stage 2' modelling process, the six predictors were added to attempt to explain some of the variation in intercepts (see columns 'Model 4', 'Model 6' and 'Final model'). In the 'Final model' (see last column of the table), it was determined that both corporate reputation variables and LMX were having significant effects on individuals' levels of employer loyalty scores. Specifically, the average effect, over time, of a 1-unit higher score in the corporate reputation (emotional factor) results in a 0.41 ($p < 0.001$) higher employer loyalty obligations score. Conversely, a 1-unit higher score on corporate reputation (rational factor) results in a 0.25 ($p < 0.001$) decrease, on average over time, in the employer loyalty score. Finally, a 1-unit higher score on LMX results in a 0.38 increase, on average over time

($p < 0.001$), in employer loyalty scores. In adding these time-varying covariates, the effect of time becomes non-significant in the 'Final model'. This is because the effect of time is now likely 'working through' these covariates in the model and hence becoming non-significant in its own right. Overall, with all of the covariates added, this 'Final model' explains a total of 77.62% more within-individual variation and 47.22% more between-individual variation in employer loyalty scores than the quadratic-only model (compare columns 'Model 3a' and 'Final model' and 'Level-1 Variance components, within-person' row and 'Level-2 Variance components, initial status' row). The deviance statistic confirms that this 'Final model' is a significantly better fit to the data than the quadratic-only model ($p < 0.005$) (see column 'Final model' and 'Goodness-of-fit statistic' rows). However, there remains significant intercept variation to be explained, equating to just under half a scale point of unexplained variation¹⁶, ($Z = 0.19$, $p < 0.001$) (see column 'Final model' and 'Level-2 Variance components, initial status' row).

¹⁶ The scale point interpretation is derived from calculating the square root of the 'initial status' coefficient.

Table 1: Stage 1 and 2 growth modelling results (dependent variable: ERO_loyalty)

	Parameter	Model 1 No change	Model 2 Linear change	Model 3 Quadratic change#	Model 3a Quadratic change (revised covariance)	Model 4 As per Model 4 equation +	Model 6 As per Model 6 equation	'Final' model	
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	3.60*** (0.06)	3.92*** (0.08)	3.99*** (0.09)	3.97*** (0.08)	3.68*** (0.12)	3.68*** (0.12)	3.68*** (0.12)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	n/a	-0.009*** (0.001)	-0.02** (0.006)	-0.02*** (0.003)	-0.003 (0.004)	-0.004 (0.005)	-0.004 (0.005)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	n/a	n/a	0.0002 (9.94E-5)	9.49E-5** (3.14E-5)	1.01E-5 (3.83E-5)	1.53E-5 (3.93E-5)	1.53E-5 (3.93E-5)
CR_emotional		γ_{30}					0.46*** (0.07)	0.41*** (0.07)	0.41*** (0.07)
CR_rational		γ_{40}					-0.23** (0.07)	-0.25*** (0.07)	-0.25*** (0.07)
LMX		γ_{50}					0.41*** (0.07)	0.38*** (0.07)	0.38*** (0.07)
P-A		γ_{60}						0.13 (0.09)	0.13 (0.09)
N-A		γ_{70}						-0.17~ [0.063] (0.09)	-0.17~ [0.063] (0.09)
HRD		γ_{80}						-0.04 (0.11)	-0.04 (0.11)
Variance components									
Level-1:	Within-person (\mathcal{E}_{ij}) (with repeated measures)	σ_E^2	0.33*** (0.03)	Var (wave=0): 0.13* (0.06)	Var^ (wave=0): 0.18** (0.05)	Var^ (wave=0): 0.20*** (0.04)	Var^ (wave=0):	Var^ (wave=0):	Var^ (wave=0):
				Var (wave=1): 0.34*** (0.06)	Var (wave=1): 0.21*** (0.04)	Var (wave=1): 0.32*** (0.06)	Var (wave=1): 0.20*** (0.04)	Var (wave=1): 0.19*** (0.04)	Var (wave=1): 0.19*** (0.04)
				Var (wave=2): 0.25*** (0.06)	Var (wave=2): 0.05 (0.04)	Var (wave=2): 0.22*** (0.05)	Var (wave=2): 0.22*** (0.05)	Var (wave=2): 0.20*** (0.04)	Var (wave=2): 0.20*** (0.04)

				Var (wave=3): 0.32*** (0.08)	Var (wave=3): 0.81 (0.96)	Var (wave=3): 0.43*** (0.08)	Var (wave=3): 0.28*** (0.06)	Var (wave=3): 0.31*** (0.06)	Var (wave=3): 0.31*** (0.06)	
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.30*** (0.06)	0.47*** (0.10)	0.38** (0.11)	0.36*** (0.06)	0.19*** (0.04)	0.19*** (0.04)	0.19*** (0.04)	
	Linear term									
	variance (ζ_{1i})	σ_1^2	n/a	6.33E-5~ [0.057] (3.32E-5)	-	n/a	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.003~ [0.078] (0.002)	0.002 (0.005)	n/a	n/a	n/a	n/a	n/a
	Quadratic term									
	variance (ζ_{2i})	σ_2^2	n/a	n/a	-	n/a	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	-8.34E-5 (9.15E-5)	n/a	n/a	n/a	n/a	n/a
covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	-	n/a	n/a	n/a	n/a	n/a	
Goodness-of-fit	Deviance statistic (-2RLL)		794.19	757.40	807.92	753.51	486.37	480.35	480.35	
	AIC		800.19	775.40	833.92	769.51	506.37	506.35	506.35	
	BIC		811.94	810.65	884.84	800.84	542.54	553.37	553.37	

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

+ Models, 4, 6 and 'final' are only adding predictors to attempt to explain variability in the intercepts

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

The revised error covariance structure for this model is: VC (random effects), DIAG (repeated effects)

Table 2: Stage 1 and 2 growth modelling results (dependent variable: ERO_stability)

	Parameter	Model 1 No change	Model 2 Linear change	Model 3 Quadratic change#	Model 4 As per Model 4 equation	Model 5 As per Model 5 equation	Model 6 As per Model 6 equation	Model 7 As per Model 7 equation	'Final' model	
Fixed effects										
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	3.65*** (0.05)	3.89*** (0.07)	3.94*** (0.07)	3.71*** (0.08)	3.70*** (0.08)	3.71*** (0.08)	3.70*** (0.08)	3.71*** (0.08)
(a) Rate of change (π_{1i})	TIME (linear term)	γ_{10}	n/a	-0.007*** (0.002)	-0.01** (0.005)	-0.002 (0.002)	-0.001 (0.002)	-0.002 (0.002)	-0.001 (0.002)	-0.002 (0.002)
(b) Rate of change (π_{2i})	TIME ² (quadratic term)	$\gamma_{20} + \zeta_{2i}$	n/a	n/a	0.0001 (7.09E- 5)	n/a	n/a	n/a	n/a	n/a
CR_emotional		γ_{30}				0.42*** (0.06)	0.41** (0.13)	0.45*** (0.07)	0.45** (0.14)	0.45*** (0.07)
CR_rational		γ_{40}				-0.03 (0.07)	-0.14 (0.14)	-0.04 (0.07)	-0.20 (0.14)	-0.04 (0.07)
LMX		γ_{50}				0.12~ [0.062] (0.06)	0.27* (0.13)	0.13* (0.07)	0.32* (0.14)	0.13* (0.07)
P-A		γ_{60}						-0.13 (0.08)	-0.17 (0.17)	-0.13 (0.08)
N-A		γ_{70}						0.04 (0.09)	-0.08 (0.17)	0.04 (0.09)
HRD		γ_{80}						0.10 (0.11)	-0.008 (0.22)	0.10 (0.11)
CR_emotional x time		γ_{80}					0.0003 (0.003)		0.0002 (0.003)	
CR_rational x time		γ_{10}					0.002 (0.003)		0.004 (0.003)	
LMX x time		γ_{11}					-0.004 (0.003)		-0.005 (0.003)	
P-A x time		γ_{12}							0.0008 (0.004)	
N-A x time		γ_{13}							0.004 (0.003)	
HRD x time		γ_{14}							0.003 (0.004)	

Variance components										
Level-1:	Within-person (\mathcal{E}_{ij}) (with repeated measures)	σ_E^2	0.30*** (0.03)	Var (wave=0): 0.15** (0.05)	Var^ (wave=0): 0.005 (0.03)	Var (wave=0):	Var (wave=0):	Var (wave=0):	Var (wave=0):	Var (wave=0):
				Var (wave=1): 0.17*** (0.04)	Var (wave=1): 0.26*** (0.06)	Var (wave=1): 0.17** (0.05)	Var (wave=1): 0.17** (0.05)	Var (wave=1): 0.18** (0.05)	Var (wave=1): 0.19** (0.06)	Var (wave=1): 0.18** (0.05)
				Var (wave=2): 0.25*** (0.05)	Var (wave=2): 0.08* (0.04)	Var (wave=2): 0.18*** (0.04)	Var (wave=2): 0.19*** (0.04)	Var (wave=2): 0.19*** (0.04)	Var (wave=2): 0.20*** (0.04)	Var (wave=2): 0.19*** (0.04)
				Var (wave=3): 0.21** (0.07)	Var (wave=3): 0.57 (0.36)	Var (wave=3): 0.27*** (0.06)	Var (wave=3): 0.25*** (0.06)	Var (wave=3): 0.26*** (0.06)	Var (wave=3): 0.24*** (0.06)	Var (wave=3): 0.26*** (0.06)
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.19*** (0.04)	0.34*** (0.08)	0.42*** (0.08)	0.16 (0.13)	0.14 (0.14)	0.13 (0.14)	0.10 (0.14)	0.13 (0.14)
	Linear term									
	variance (ζ_{1i})	σ_1^2	n/a	0.0001** (4.21E-5)	0.001*** (0.0001)	5.24E-5 (5.22E-5)	5.26E-5 (5.29E-5)	4.58E-5 (5.32E-5)	4.24E-5 (5.49E-5)	4.58E-5 (5.32E-5)
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.004** (0.002)	-0.01*** (0.004)	-0.001 (0.003)	-0.001 (0.003)	-0.001 (0.003)	-0.001 (0.003)	-0.001 (0.003)
	Quadratic term									
	variance (ζ_{2i})	σ_2^2	n/a	n/a	-	n/a	n/a	n/a	n/a	n/a
covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	0.0001~ [0.053] (5.33E-5)	n/a	n/a	n/a	n/a	n/a	

	covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	-1.49E-5 *** (1.03E-6)	n/a	n/a	n/a	n/a	n/a
Goodness-of-fit	Deviance statistic (-2RLL)		732.41	689.85	730.67	455.85	453.38	452.91	447.96	452.91
	AIC		738.41	707.85	756.67	477.85	481.38	480.91	487.96	480.91
	BIC		750.16	743.10	807.58	517.64	532.02	531.54	560.29	531.54

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

Table 3: Stage 1 and 2 growth modelling results (dependent variable: ERO_performance support)

	Parameter	Model 1 No change	Model 2 Linear change	Model 3 Quadratic change#	Model 3a Quadratic change (revised covariance)	Model 4 As per Model 4 equation +	Model 6 As per Model 6 equation	'Final' model	
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	3.84*** (0.06)	3.96*** (0.08)	4.11*** (0.08)	4.06*** (0.08)	3.88*** (0.11)	3.83*** (0.11)	3.83*** (0.11)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	n/a	-0.004** (0.001)	-0.02** (0.005)	-0.01*** (0.003)	-0.003 (0.004)	-0.002 (0.004)	-0.002 (0.004)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	n/a	n/a	0.0002* (8.19E-5)	9.64E-5** (2.93E-5)	4.04E-5 (3.28E-5)	2.29E-5 (3.30E-5)	2.29E-5 (3.30E-5)
CR_emotional		γ_{30}				0.39*** (0.06)	0.32*** (0.06)	0.32*** (0.06)	
CR_rational		γ_{40}				-0.05 (0.06)	-0.06 (0.06)	-0.06 (0.06)	
LMX		γ_{50}				0.31*** (0.06)	0.24*** (0.06)	0.24*** (0.06)	
P-A		γ_{60}					0.23** (0.08)	0.23** (0.08)	
N-A		γ_{70}					0.04 (0.08)	0.04 (0.08)	

HRD		γ_{80}						0.20* (0.10)	0.20* (0.10)
Variance components									
Level-1:	Within-person (\mathcal{E}_{ij}) (with repeated measures)	σ_E^2	0.26*** (0.02)	Var (wave=0): 0.21*** (0.05)	Var^ (wave=0): 0.19** (0.06)	Var^ (wave=0): 0.26*** (0.05)	Var^ (wave=0):	Var^ (wave=0):	Var^ (wave=0):
				Var (wave=1): 0.24*** (0.05)	Var (wave=1): 0.18*** (0.04)	Var (wave=1): 0.25*** (0.05)	Var (wave=1): 0.17*** (0.03)	Var (wave=1): 0.17*** (0.03)	Var (wave=1): 0.17*** (0.03)
				Var (wave=2): 0.20*** (0.04)	Var (wave=2): 0.12*** (0.03)	Var (wave=2): 0.16*** (0.04)	Var (wave=2): 0.15*** (0.03)	Var (wave=2): 0.14*** (0.03)	Var (wave=2): 0.14*** (0.03)
				Var (wave=3): 0.24*** (0.07)	Var (wave=3): 0.40* (0.19)	Var (wave=3): 0.33*** (0.07)	Var (wave=3): 0.19*** (0.04)	Var (wave=3): 0.19*** (0.04)	Var (wave=3): 0.19*** (0.04)
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.25*** (0.05)	0.41*** (0.09)	0.32* (0.13)	0.28*** (0.05)	0.14*** (0.03)	0.13*** (0.03)	0.13*** (0.03)
	<i>Linear term</i>								
	variance (ζ_{1i})	σ_1^2	n/a	4.41E-5 ~ [0.084] (2.55E-5)	0.001*** (0.0002)	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.003* (0.001)	-0.003 (0.007)	n/a	n/a	n/a	n/a
	<i>Quadratic term</i>								
	variance (ζ_{2i})	σ_2^2	n/a	n/a	-	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	2.71E-5 (9.98E-5)	n/a	n/a	n/a	n/a
covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	-1.79E-5*** (1.63E-6)	n/a	n/a	n/a	n/a	

Goodness-of-fit	Deviance statistic (-2RLL)		707.96	692.62	709.50	687.37	404.39	387.82	387.82
	AIC		713.96	710.62	735.50	703.37	424.39	413.82	413.82
	BIC		725.71	745.86	786.41	734.70	460.55	460.83	460.83

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

+ Models, 4, 6 and ‘final’ are only adding predictors to attempt to explain variability in the intercepts

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

The revised covariance structure for this model is: VC (random effects), DIAG (repeated effects)

Table 4: Stage 1 and 2 growth modelling results (dependent variable: ERO_development)

	Parameter	Model 1 No change	Model 2 Linear change	Model 3 Quadratic change#	Model 3a Quadratic change (revised covariance)	Model 4 As per Model 4 equation +	Model 6 As per Model 6 equation	‘Final’ model	
Fixed effects									
Initial status (τ_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	3.92*** (0.06)	4.13*** (0.08)	4.24*** (0.10)	4.23*** (0.09)	3.98*** (0.13)	3.96*** (0.13)	3.96*** (0.13)
(a) Rate of change (τ_{1i})	TIME (linear)	γ_{10}	n/a	-0.006*** (0.002)	-0.02** (0.005)	-0.01*** (0.003)	-0.004 (0.005)	-0.003 (0.005)	-0.003 (0.005)
(b) Rate of change (τ_{2i})	TIME ² (quadratic)	γ_{20}	n/a	n/a	0.0002~ [0.071] (7.98E-5)	0.0001** (3.35E-5)	3.29E-5 (4.18E-5)	2.55E-5 (4.24E-5)	2.55E-5 (4.24E-5)
CR_emotional		γ_{30}				0.39*** (0.07)	0.34*** (0.08)	0.34*** (0.08)	
CR_rational		γ_{40}				0.03 (0.07)	0.02 (0.08)	0.02 (0.08)	
LMX		γ_{50}				0.24** (0.07)	0.21** (0.08)	0.21** (0.08)	
P-A		γ_{60}					0.15 (0.10)	0.15 (0.10)	
N-A		γ_{70}					-0.01 (0.10)	-0.01 (0.10)	
HRD		γ_{80}					0.03 (0.12)	0.03 (0.12)	

Variance components									
Level-1:	Within-person (\mathcal{E}_{ij}) (with repeated measures)	σ_E^2	0.36*** (0.03)	Var (wave=0): 0.29*** (0.07)	Var^ (wave=0): 0.15* (0.06)	Var^ (wave=0): 0.31*** (0.06)	Var^ (wave=0):	Var^ (wave=0):	Var^ (wave=0):
				Var (wave=1): 0.34*** (0.06)	Var (wave=1): 0.29*** (0.05)	Var (wave=1): 0.34*** (0.06)	Var (wave=1): 0.20*** (0.05)	Var (wave=1): 0.20*** (0.05)	Var (wave=1): 0.20*** (0.05)
				Var (wave=2): 0.30*** (0.06)	Var (wave=2): 0.08* (0.03)	Var (wave=2): 0.28*** (0.06)	Var (wave=2): 0.22*** (0.05)	Var (wave=2): 0.23*** (0.05)	Var (wave=2): 0.23*** (0.05)
				Var (wave=3): 0.36*** (0.09)	Var (wave=3): -	Var (wave=3): 0.42*** (0.08)	Var (wave=3): 0.38*** (0.08)	Var (wave=3): 0.38*** (0.08)	Var (wave=3): 0.38*** (0.08)
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.29*** (0.06)	0.38*** (0.11)	0.64*** (0.16)	0.32*** (0.06)	0.22*** (0.05)	0.23*** (0.05)	0.23*** (0.05)
	<i>Linear term</i>								
	variance (ζ_{1i})	σ_1^2	n/a	3.47E-5 (3.26E-5)	0.001*** (0.0002)	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.002 (0.002)	-0.02** (0.006)	n/a	n/a	n/a	n/a
	<i>Quadratic term</i>								
	variance (ζ_{2i})	σ_2^2	n/a	n/a	-	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	0.0003** (8.77E-5)	n/a	n/a	n/a	n/a
covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	-1.82E-5*** (1.27E-6)	n/a	n/a	n/a	n/a	
Goodness-of-fit	Deviance statistic (-2RLL)		817.69	801.19	837.78	793.58	522.99	520.00	520.00
	AIC		823.69	819.19	863.78	809.58	542.99	546.00	546.00
	BIC		835.44	854.43	914.69	840.91	579.16	593.02	593.02

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

+ Models, 4, 6 and ‘final’ are only adding predictors to attempt to explain variability in the intercepts

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

The revised covariance structure for this model is: VC (random effects), DIAG (repeated effects)

Table 5: Stage 1 and 2 growth modelling results (dependent variable: ERO_external marketability)

	Parameter	Model 1 No change	Model 2 Linear change	Model 3 Quadratic change#	Model 4 As per Model 4 equation	Model 5 As per Model 5 equation	Model 6 As per Model 6 equation	Model 7 As per Model 7 equation#	‘Final’ model	
Fixed effects										
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	2.97*** (0.06)	3.09*** (0.09)	3.09*** (0.10)	3.10*** (0.11)	3.11*** (0.11)	3.09*** (0.10)	3.05*** (0.11)	3.09*** (0.10)
(a) Rate of change (π_{1i})	TIME (linear term)	γ_{10}	n/a	-0.003* (0.002)	-0.004 (0.005)	-0.003 (0.002)	-0.003 (0.002)	-0.003 (0.002)	-0.002 (0.008)	-0.003 (0.002)
(b) Rate of change (π_{2i})	TIME ² (quadratic term)	$\gamma_{20} + \zeta_{2i}$	n/a	n/a	4.93E-6 (7.66E-5)	n/a	n/a	n/a	n/a	n/a
CR_emotional		γ_{30}			0.14~ [0.058] (0.08)	0.28~ [0.086] (0.16)	0.06 (0.08)	0.30~ [0.077] (0.17)	0.06 (0.08)	
CR_rational		γ_{40}			-0.007 (0.07)	-0.10 (0.17)	0.01 (0.07)	0.03 (0.17)	0.01 (0.07)	
LMX		γ_{50}			0.20** (0.07)	0.33* (0.16)	0.15* (0.07)	0.38* (0.17)	0.15* (0.07)	
P-A		γ_{60}					0.33** (0.10)	0.15 (0.21)	0.33** (0.10)	
N-A		γ_{70}					0.14 (0.10)	0.15 (0.21)	0.14 (0.10)	
HRD		γ_{80}					0.04 (0.12)	-0.05 (0.27)	0.04 (0.12)	
CR_emotional x time		γ_{80}				-0.003 (0.003)		-0.003 (0.004)		
CR_rational x time		γ_{10}				0.002 (0.003)		-0.001 (0.003)		
LMX x time		γ_{11}				-0.003 (0.003)		-0.004 (0.004)		

P-A x time		γ_{12}							0.004 (0.004)	
N-A x time		γ_{13}							-0.001 (0.004)	
HRD x time		γ_{14}							0.001 (0.005)	
Variance components										
Level-1:	Within-person (\mathcal{E}_{ij}) (with repeated measures)	σ_E^2	0.32*** (0.03)	Var (wave=0): 0.37*** (0.08)	Var [^] (wave=0): 0.32*** (0.06)	Var (wave=0):	Var (wave=0):	Var (wave=0):	Var (wave=0):	Var (wave=0):
				Var (wave=1): 0.30*** (0.06)	Var (wave=1): 0.27*** (0.04)	Var (wave=1): 0.20* (0.08)	Var (wave=1): 0.18* (0.08)	Var (wave=1): 0.20* (0.08)	Var (wave=1): 0.32*** (0.05)	Var (wave=1): 0.20* (0.08)
				Var (wave=2): 0.20*** (0.04)	Var (wave=2): 0.26*** (0.05)	Var (wave=2): 0.20*** (0.05)	Var (wave=2): 0.20*** (0.05)	Var (wave=2): 0.19*** (0.04)	Var (wave=2): 0.09 (0.08)	Var (wave=2): 0.19*** (0.04)
				Var (wave=3): 0.22** (0.07)	Var (wave=3): 0.001 (0.02)	Var (wave=3): 0.22** (0.06)	Var (wave=3): 0.22** (0.07)	Var (wave=3): 0.22*** (0.06)	Var (wave=3): 0.39* (0.15)	Var (wave=3): 0.22*** (0.06)
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.27*** (0.05)	0.42*** (0.11)	0.41*** (0.08)	0.52~ [0.051] (0.27)	0.57* (0.27)	0.49* (0.24)	-	0.49* (0.24)
	Linear term									
	variance (ζ_{1i})	σ_1^2	n/a	6.94E-5* (3.42E-5)	-	9.83E-5 (8.02E-5)	0.0001 (8.36E-5)	9.49E-5 (7.08E-5)	-	9.49E-5 (7.08E-5)
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.003~ [0.063] (0.002)	-0.01*** (0.002)	-0.005 (0.005)	-0.006 (0.005)	-0.005 (0.004)	-	-0.005 (0.004)
	Quadratic term									
variance (ζ_2)	σ_2^2	n/a	n/a	-	n/a	n/a	n/a	n/a	n/a	n/a

	2i) covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	0.0001*** (3.13E-5)	n/a	n/a	n/a	n/a	n/a
	covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	-1.69E-5*** (1.03E-7)	n/a	n/a	n/a	n/a	n/a
Goodness-of-fit	Deviance statistic (-2RLL)		777.29	758.21	897.69	525.49	521.96	710.13	741.92	710.13
	AIC		783.29	776.21	923.69	547.49	549.96	738.13	781.92	738.13
	BIC		795.04	811.45	974.60	587.28	600.60	788.77	854.25	788.77

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

Table 6: Stage 1 and 2 growth modelling results (dependent variable: ERO_narrow)

	Parameter	Model 1 No change	Model 2 Linear change	Model 3 Quadratic change#	Model 3a Quadratic change (revised covariance)	Model 4 As per Model 4 equation +	Model 6 As per Model 6 equation	'Final' model	
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	2.06*** (0.06)	1.92*** (0.07)	1.87*** (0.08)	1.86*** (0.08)	1.79*** (0.13)	1.80*** (0.13)	1.80*** (0.13)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	n/a	0.004** (0.001)	0.008 (0.006)	0.009** (0.003)	0.01* (0.005)	0.01* (0.005)	0.01* (0.005)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	n/a	n/a	-2.64E-5 (9.07E-5)	-6.11E-5* (2.98E-5)	-7.36E-5~ [0.063] (3.93E-5)	-7.32E-5~ [0.070] (4.01E-5)	-7.32E-5~ [0.070] (4.01E-5)
CR_emotional		γ_{30}					-0.19** (0.08)	-0.15~ [0.057] (0.08)	-0.15~ [0.057] (0.08)

CR_rational		γ_{40}					-0.02 (0.08)	-0.008 (0.08)	-0.008 (0.08)
LMX		γ_{50}					-0.16* (0.07)	-0.14~ [0.065] (0.08)	-0.14~ [0.065] (0.08)
P-A		γ_{60}						-0.11 (0.10)	-0.11 (0.10)
N-A		γ_{70}						0.09 (0.10)	0.09 (0.10)
HRD		γ_{80}						0.06 (0.12)	0.06 (0.12)
Variance components									
Level-1:	Within-person (\mathcal{E}_{ij}) (with repeated measures)	σ_{E^2}	0.29*** (0.03)	Var (wave=0): 0.23*** (0.06)	Var^ (wave=0): 0.26* (0.11)	Var^ (wave=0): 0.27*** (0.05)	Var^ (wave=0):	Var^ (wave=0):	Var^ (wave=0):
				Var (wave=1): 0.27*** (0.05)	Var (wave=1): 0.18 (0.13)	Var (wave=1): 0.27*** (0.05)	Var (wave=1): 0.22*** (0.05)	Var (wave=1): 0.22*** (0.05)	Var (wave=1): 0.22*** (0.05)
				Var (wave=2): 0.29*** (0.06)	Var (wave=2): 0.007 (0.16)	Var (wave=2): 0.28*** (0.05)	Var (wave=2): 0.28*** (0.06)	Var (wave=2): 0.28*** (0.06)	Var (wave=2): 0.28*** (0.06)
				Var (wave=3): 0.23*** (0.06)	Var (wave=3): 0.87 (3.47)	Var (wave=3): 0.28*** (0.06)	Var (wave=3): 0.25*** (0.06)	Var (wave=3): 0.25*** (0.06)	Var (wave=3): 0.25*** (0.06)
Level-2:	In initial status (ζ_{0i})	σ_{0^2}	0.25*** (0.05)	0.31*** (0.09)	0.19 (0.27)	0.26*** (0.05)	0.25*** (0.05)	0.25*** (0.05)	0.25*** (0.05)
	<i>Linear term</i>								
	variance (ζ_{1i})	σ_{1^2}	n/a	4.62E-5 (3.19E-5)	-	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.002 (0.002)	0.0007 (0.006)	n/a	n/a	n/a	n/a

		Quadratic term							
	variance (ζ_{2i})	σ_{2^2}	n/a	n/a	-	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	-5.82E-5 (7.60E-5)	n/a	n/a	n/a	n/a
	covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	-	n/a	n/a	n/a	n/a
Goodness-of-fit	Deviance statistic (-2RLL)		737.05	726.31	806.81	724.96	526.72	524.41	524.41
	AIC		743.05	744.31	832.81	740.96	546.72	550.41	550.41
	BIC		754.80	779.56	883.72	772.29	582.89	597.43	597.43

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

+ Models, 4, 6 and 'final' are only adding predictors to attempt to explain variability in the intercepts

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

The revised covariance structure for this model is: VC (random effects), DIAG (repeated effects)

Table 7: Stage 1 and 2 growth modelling results (dependent variable: ERO_short-term)

	Parameter	Model 1 No change	Model 2 Linear change	Model 3 Quadratic change#	Model 4 As per Model 4 equation	Model 5 As per Model 5 equation	Model 6 As per Model 6 equation	Model 7 As per Model 7 equation	'Final' model
Fixed effects									
Initial status (τ_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	1.72*** (0.06)	1.50*** (0.06)	1.46*** (0.06)	1.62*** (0.09)	1.64*** (0.09)	1.62*** (0.09)	1.62*** (0.09)
(a) Rate of change (τ_{1i})	TIME (linear term)	γ_{10}	n/a	0.007*** (0.001)	0.01* (0.004)	0.003~ [0.09] (0.002)	0.003 (0.002)	0.003 [0.084] (0.002)	0.003 (0.002)
(b) Rate of change (τ_{2i})	TIME ² (quadratic term)	$\gamma_{20} + \zeta_{2i}$	n/a	n/a	-3.37E-5 (6.75E-5)	n/a	n/a	n/a	n/a
CR_emotional		γ_{30}			-0.29*** (0.07)	-0.15 (0.14)	-0.31*** (0.07)	-0.21 (0.15)	-0.31*** (0.07)
CR_rational		γ_{40}			0.03 (0.07)	0.03 (0.14)	0.03 (0.07)	0.05 (0.15)	0.03 (0.07)

LMX		γ_{50}					-0.13* (0.06)	-0.25~ [0.066] (0.13)	-0.16* (0.06)	-0.26~ [0.065] (0.14)	-0.16* (0.06)
P-A		γ_{60}							0.09 (0.09)	0.12 (0.18)	0.09 (0.09)
N-A		γ_{70}							0.07 (0.09)	0.22 (0.18)	0.07 (0.09)
HRD		γ_{80}							0.12 (0.11)	0.32 (0.22)	0.12 (0.11)
CR_emotional x time		γ_{80}						-0.003 (0.003)		-0.003 (0.003)	
CR_rational x time		γ_{10}						0.0002 (0.003)		-0.0004 (0.003)	
LMX x time		γ_{11}						0.003 (0.003)		0.003 (0.003)	
P-A x time		γ_{12}								-0.0007 (0.003)	
N-A x time		γ_{13}								-0.003 (0.003)	
HRD x time		γ_{14}								-0.004 (0.004)	
Variance components											
Level-1:	Within-person (\mathcal{E}_{ij}) (with repeated measures)	σ_E^2	0.23*** (0.02)	Var (wave=0): 0.09** (0.03)	Var^ (wave=0): -	Var (wave=0):	Var (wave=0):	Var (wave=0):	Var (wave=0):	Var (wave=0):	Var (wave=0):
				Var (wave=1): 0.23*** (0.04)	Var (wave=1): 0.17*** (0.02)	Var (wave=1): 0.23*** (0.06)	Var (wave=1): 0.24*** (0.06)	Var (wave=1): 0.23*** (0.07)	Var (wave=1): 0.24*** (0.07)	Var (wave=1): 0.23*** (0.07)	Var (wave=1): 0.23*** (0.07)
				Var (wave=2): 0.18*** (0.04)	Var (wave=2): 0.04* (0.02)	Var (wave=2): 0.12*** (0.03)	Var (wave=2): 0.13*** (0.03)	Var (wave=2): 0.12*** (0.03)	Var (wave=2): 0.13*** (0.03)	Var (wave=2): 0.12*** (0.03)	Var (wave=2): 0.12*** (0.03)
				Var (wave=3): 0.08~ [0.05] (0.04)	Var (wave=3): -	Var (wave=3): 0.12* (0.05)	Var (wave=3): 0.12* (0.05)	Var (wave=3): 0.12* (0.05)	Var (wave=3): 0.12* (0.05)	Var (wave=3): 0.12* (0.05)	Var (wave=3): 0.12* (0.05)

Level-2:	In initial status (ζ_{0i})	σ_0^2	0.27*** (0.05)	0.27*** (0.06)	0.33*** (0.05)	0.21 (0.16)	0.20 (0.16)	0.21 (0.16)	0.18 (0.17)	0.21 (0.16)	
	Linear term										
	variance (ζ_{1i})	σ_1^2	n/a	0.0001*** (2.94E-5)	0.001*** (9.19E-5)	4.66E-5 (7.05E-5)	4.12E-5 (7.28E-5)	4.93E-5 (7.39E-5)	3.57E-5 (7.74E-5)	4.93E-5 (7.39E-5)	
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.002* (0.001)	-0.008** (0.003)	-0.0006 (0.003)	-0.0003 (0.003)	-0.0006 (0.003)	4.30E-5 (0.004)	-0.0006 (0.003)	
	Quadratic term										
	variance (ζ_{2i})	σ_2^2	n/a	n/a	-	n/a	n/a	n/a	n/a	n/a	
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	7.43E-5 (4.73E-5)	n/a	n/a	n/a	n/a	n/a	
	covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	-1.24E-5 *** (7.64E-7)	n/a	n/a	n/a	n/a	n/a	
	Goodness-of-fit	Deviance statistic (-2RLL)		671.89	620.68	678.60	457.12	454.98	453.83	450.16	453.83
		AIC		677.89	638.68	704.60	479.12	482.98	481.83	490.16	481.83
	BIC		689.64	673.93	755.51	518.91	533.62	532.46	562.49	532.46	

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

Table 8: Stage 1 and 2 growth modelling results (dependent variable: EEO_loyalty)

	Parameter	Model 1 No change	Model 2 Linear change#	Model 2a Linear change (revised covariance)	Model 3 Quadratic change#	Model 4 As per Model 4 equation +	Model 6 As per Model 6 equation	'Final' model	
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	3.58*** (0.06)	3.62*** (0.07)	3.62*** (0.07)	3.63*** (0.08)	3.60*** (0.09)	3.59*** (0.09)	3.59*** (0.09)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	n/a	-0.001 (0.001)	-0.001 (0.001)	-0.004 (0.005)	-7.32E-5 (0.001)	0.0001 (0.001)	0.0001 (0.001)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	n/a	n/a	n/a	3.93E-5 (7.50E-5)	n/a	n/a	n/a
CR_emotional		γ_{30}					0.27*** (0.06)	0.27*** (0.06)	0.27*** (0.06)
CR_rational		γ_{40}					-0.08 (0.06)	-0.07 (0.06)	-0.07 (0.06)
LMX		γ_{50}					0.04 (0.06)	0.02 (0.06)	0.02 (0.06)
P-A		γ_{60}						0.08 (0.08)	0.08 (0.08)
N-A		γ_{70}						0.19* (0.08)	0.19* (0.08)
HRD		γ_{80}						0.09 (0.10)	0.09 (0.10)
Variance components									
Level-1:	Within-person (\mathcal{E}_{ij}) (with repeated measures)	σ_E^2	0.17*** (0.02)	Var (wave=0): 0.20*** (0.04)	Var (wave=0): 0.24*** (0.04)	Var [^] (wave=0): 0.09* (0.05)	Var [^] (wave=0):	Var [^] (wave=0):	Var [^] (wave=0):
				Var (wave=1): 0.20*** (0.04)	Var (wave=1): 0.17*** (0.03)	Var (wave=1): 0.19*** (0.05)	Var (wave=1): 0.16*** (0.03)	Var (wave=1): 0.16*** (0.03)	Var (wave=1): 0.16*** (0.03)
				Var (wave=2): 0.14*** (0.03)	Var (wave=2): 0.14*** (0.03)	Var (wave=2): 0.09** (0.03)	Var (wave=2): 0.11*** (0.03)	Var (wave=2): 0.11*** (0.03)	Var (wave=2): 0.11*** (0.03)

				Var (wave=3): 0.10** (0.04)	Var (wave=3): 0.10*** (0.03)	Var (wave=3): 0.18* (0.08)	Var (wave=3): 0.10*** (0.03)	Var (wave=3): 0.10*** (0.03)	Var (wave=3): 0.10*** (0.03)	
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.33*** (0.05)	0.25*** (0.07)	0.35*** (0.06)	0.40** (0.12)	0.33*** (0.05)	0.31*** (0.05)	0.31*** (0.05)	
	Linear term									
	variance (ζ_{1i})	σ_1^2	n/a	5.43E-6 (1.65E-5)	n/a	n/a	0.001*** (0.0002)	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	0.001 (0.0009)	n/a	n/a	-0.009 (0.006)	n/a	n/a	n/a
	Quadratic term									
	variance (ζ_{2i})	σ_2^2	n/a	n/a	n/a	n/a	-	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	n/a	n/a	0.0001 (7.26E-5)	n/a	n/a	n/a
covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	n/a	n/a	-1.71E-5*** (1.21E-6)	n/a	n/a	n/a	
Goodness-of-fit	Deviance statistic (-2RLL)		612.70	601.11	603.78	652.15	420.22	413.87	413.87	
	AIC		618.70	619.11	617.78	678.15	438.22	437.87	437.87	
	BIC		630.45	654.35	645.20	729.06	470.77	481.27	481.27	

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

+ Models, 4, 6 and 'final' are only adding predictors to attempt to explain variability in the intercepts

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

The revised covariance structure for this model is: VC (random effects), DIAG (repeated effects)

Table 9: Stage 1 and 2 growth modelling results (dependent variable: EEO_stability)

	Parameter	Model 1 No change	Model 2 Linear change	Model 3 Quadratic change#	Model 3a Quadratic change (revised covariance)	Model 4 As per Model 4 equation +	Model 6 As per Model 6 equation	'Final' model	
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	3.11*** (0.08)	3.14*** (0.09)	3.26*** (0.10)	3.25*** (0.11)	3.23*** (0.14)	3.23*** (0.14)	3.23*** (0.14)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	n/a	-0.002 (0.002)	-0.009~ [0.09] (0.005)	-0.009** (0.003)	-0.008~ [0.09] (0.005)	-0.008~ [0.09] (0.005)	-0.008~ [0.09] (0.005)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	n/a	n/a	7.51E-5 (6.64E-5)	8.41E-5* (3.31E-5)	8.69E-5* (3.90E-5)	8.77E-5* (4.08E-5)	8.77E-5* (4.08E-5)
CR_emotional		γ_{30}					0.31*** (0.08)	0.31*** (0.08)	0.31*** (0.08)
CR_rational		γ_{40}					-0.08 (0.08)	-0.09 (0.08)	-0.09 (0.08)
LMX		γ_{50}					0.15* (0.07)	0.14~ [0.06] (0.07)	0.14~ [0.06] (0.07)
P-A		γ_{60}						-0.01 (0.10)	-0.01 (0.10)
N-A		γ_{70}						-0.03 (0.11)	-0.03 (0.11)
HRD		γ_{80}						0.04 (0.13)	0.04 (0.13)
Variance components									
Level-1:	Within-person (ϵ_{ij}) (with repeated measures)	σ_E^2	0.32*** (0.03)	Var (wave=0): 0.46*** (0.09)	Var [^] (wave=0): 0.34*** (0.08)	Var [^] (wave=0): 0.54*** (0.09)	Var [^] (wave=0):	Var [^] (wave=0):	Var [^] (wave=0):
				Var (wave=1): 0.24*** (0.05)	Var (wave=1): 0.25*** (0.05)	Var (wave=1): 0.23*** (0.05)	Var (wave=1): 0.21*** (0.05)	Var (wave=1): 0.21*** (0.05)	Var (wave=1): 0.21*** (0.05)
				Var (wave=2): 0.20***	Var (wave=2): 0.23***	Var (wave=2): 0.20***	Var (wave=2): 0.16***	Var (wave=2): 0.16***	Var (wave=2): 0.16***

				(0.05)	(0.05)	(0.05)	(0.04)	(0.04)	(0.04)	
				Var (wave=3): 0.20** (0.07)	Var (wave=3): 0.0002 (0.04)	Var (wave=3): 0.27*** (0.06)	Var (wave=3): 0.25*** (0.06)	Var (wave=3): 0.25*** (0.06)	Var (wave=3): 0.25*** (0.06)	
Level-2:	In initial status (ζ_{0i})	σ_{0^2}	0.50*** (0.08)	0.50*** (0.13)	0.59*** (0.15)	0.56*** (0.09)	0.51*** (0.08)	0.51*** (0.08)	0.51*** (0.08)	
	Linear term									
	variance (ζ_{1i})	σ_{1^2}	n/a	7.12E-5 (4.58E-5)	0.001*** (0.0001)	n/a	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.001 (0.002)	-0.01* (0.006)	n/a	n/a	n/a	n/a	n/a
	Quadratic term									
	variance (ζ_{2i})	σ_{2^2}	n/a	n/a	-	n/a	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	0.0002* (6.84E-5)	n/a	n/a	n/a	n/a	n/a
covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	-1.23E-5*** (9.24E-7)	n/a	n/a	n/a	n/a	n/a	
Goodness-of-fit	Deviance statistic (-2RLL)		829.25	809.98	844.50	808.51	545.63	545.35	545.35	
	AIC		835.25	827.98	870.50	824.51	565.63	571.35	571.35	
	BIC		847.00	863.22	921.42	855.84	601.79	618.37	618.37	

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

+ Models, 4, 6 and 'final' are only adding predictors to attempt to explain variability in the intercepts

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

The revised covariance structure for this model is: VC (random effects), DIAG (repeated effects)

Table 10: Stage 1 and 2 growth modelling results (dependent variable: EEO_performance support)

	Parameter	Model 1 No change	Model 2 Linear change	Model 2a Linear change (revised covariance)	Model 3 Quadratic change#	Model 4 As per Model 4 equation +	Model 6 As per Model 6 equation	'Final' model	
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	4.14*** (0.04)	4.10*** (0.06)	4.10*** (0.06)	4.20*** (0.08)	3.99*** (0.08)	3.99*** (0.07)	3.99*** (0.07)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	n/a	0.001 (0.001)	0.001 (0.001)	-0.009 (0.006)	0.004** (0.001)	0.004** (0.001)	0.004** (0.001)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	n/a	n/a	n/a	0.0002 (0.0001)	n/a	n/a	n/a
CR_emotional		γ_{30}					0.18** (0.06)	0.11* (0.06)	0.11* (0.06)
CR_rational		γ_{40}					0.007 (0.06)	-0.03 (0.06)	-0.03 (0.06)
LMX		γ_{50}					0.04 (0.05)	-0.04 (0.06)	-0.04 (0.06)
P-A		γ_{60}						0.17* (0.07)	0.17* (0.07)
N-A		γ_{70}						-0.10 (0.07)	-0.10 (0.07)
HRD		γ_{80}						0.23* (0.09)	0.23* (0.09)
Variance components									
Level-1:	Within-person (\mathcal{E}_{ij}) (with repeated measures)	σ_E^2	0.18*** (0.02)	Var (wave=0): 0.22*** (0.05)	Var (wave=0): 0.24*** (0.04)	Var^ (wave=0): -	Var^ (wave=0):	Var^ (wave=0):	Var^ (wave=0):
				Var (wave=1): 0.20*** (0.04)	Var (wave=1): 0.20*** (0.04)	Var (wave=1): 0.03 ~ [0.059] (0.01)	Var (wave=1): 0.19*** (0.04)	Var (wave=1): 0.19*** (0.03)	Var (wave=1): 0.19*** (0.03)
				Var (wave=2): 0.10*** (0.02)	Var (wave=2): 0.10*** (0.02)	Var (wave=2): -	Var (wave=2): 0.10*** (0.03)	Var (wave=2): 0.11*** (0.03)	Var (wave=2): 0.11*** (0.03)

				Var (wave=3): 0.14*** (0.04)	Var (wave=3): 0.17*** (0.03)	Var (wave=3): 0.004 (0.04)	Var (wave=3): 0.13*** (0.03)	Var (wave=3): 0.12*** (0.03)	Var (wave=3): 0.12*** (0.03)	
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.15*** (0.03)	0.15** (0.06)	0.15**** (0.03)	-	0.15*** (0.03)	0.12*** (0.03)	0.12*** (0.03)	
	Linear term									
	variance (ζ_{1i})	σ_1^2	n/a	1.91E-5 (2.07E-5)	n/a	-	n/a	n/a	n/a	
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.0004 (0.0009)	n/a	-0.02*** (0.002)	n/a	n/a	n/a	
	Quadratic term									
	variance (ζ_{2i})	σ_2^2	n/a	n/a	n/a	-	n/a	n/a	n/a	
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	n/a	0.0003*** (3.60E-5)	n/a	n/a	n/a	
covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	n/a	-4.77E-5*** (2.11E-7)	n/a	n/a	n/a		
Goodness-of-fit	Deviance statistic (-2RLL)		556.92	545.11	546.78	628.20	370.97	348.60	348.60	
	AIC		562.92	563.11	560.78	654.20	388.97	372.60	372.60	
	BIC		574.67	598.31	588.19	705.11	421.52	416.00	416.00	

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

+ Models, 4, 6 and 'final' are only adding predictors to attempt to explain variability in the intercepts

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

The revised covariance structure for this model is: VC (random effects), DIAG (repeated effects)

Table 11: Stage 1 and 2 growth modelling results (dependent variable: EEO_development)

	Parameter	Model 1 No change	Model 2 Linear change	Model 3 Quadratic change#	Model 3a Quadratic change (revised covariance)	Model 4 As per Model 4 equation +	Model 6 As per Model 6 equation	'Final' model	
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	4.29*** (0.04)	4.35*** (0.06)	4.47*** (0.07)	4.41*** (0.06)	4.27*** (0.11)	4.22*** (0.11)	4.22*** (0.11)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	n/a	-0.002 (0.002)	-0.01* (0.004)	-0.006 (0.002)	0.0004 (0.004)	0.002 (0.004)	0.002 (0.004)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	n/a	n/a	0.0001 (7.23E-5)	5.52E-5* (2.21E-5)	5.83E-7 (2.89E-5)	-1.82E-5 (2.94E-5)	-1.82E-5 (2.94E-5)
CR_emotional		γ_{30}					0.20*** (0.06)	0.15* (0.06)	0.15* (0.06)
CR_rational		γ_{40}					-0.05 (0.06)	-0.09 (0.06)	-0.09 (0.06)
LMX		γ_{50}					0.16** (0.05)	0.08 (0.06)	0.08 (0.06)
P-A		γ_{60}						0.19* (0.07)	0.19* (0.07)
N-A		γ_{70}						-0.02 (0.07)	-0.02 (0.07)
HRD		γ_{80}						0.23* (0.09)	0.23* (0.09)
Variance components									
Level-1:	Within-person (\mathcal{E}_{ij}) (with repeated measures)	σ_E^2	0.17*** (0.02)	Var (wave=0): 0.16*** (0.04)	Var [^] (wave=0): 0.009 (0.02)	Var [^] (wave=0): 0.16*** (0.03)	Var [^] (wave=0):	Var [^] (wave=0):	Var [^] (wave=0):
				Var (wave=1): 0.20*** (0.04)	Var (wave=1): 0.22*** (0.04)	Var (wave=1): 0.20*** (0.04)	Var (wave=1): 0.19*** (0.04)	Var (wave=1): 0.21*** (0.04)	Var (wave=1): 0.21*** (0.04)

				Var (wave=2): 0.18*** (0.03)	Var (wave=2): 0.02 (0.04)	Var (wave=2): 0.18*** (0.03)	Var (wave=2): 0.16*** (0.03)	Var (wave=2): 0.15*** (0.03)	Var (wave=2): 0.15*** (0.03)
				Var (wave=3): 0.12** (0.03)	Var (wave=3): 0.39 (0.38)	Var (wave=3): 0.13*** (0.03)	Var (wave=3): 0.09*** (0.03)	Var (wave=3): 0.10*** (0.03)	Var (wave=3): 0.10*** (0.03)
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.16*** (0.03)	0.16** (0.05)	0.36*** (0.04)	0.16*** (0.03)	0.15*** (0.03)	0.10*** (0.03)	0.10*** (0.03)
	Linear term								
	variance (ζ_{1i})	σ_1^2	n/a	1.57E-5 (1.92E-5)	0.001*** (3.66E-5)	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.0003 (0.0009)	-0.01*** (0.0008)	n/a	n/a	n/a	n/a
	Quadratic term								
	variance (ζ_{2i})	σ_2^2	n/a	n/a	-	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	-	n/a	n/a	n/a	n/a
	covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	-	n/a	n/a	n/a	n/a
Goodness-of-fit	Deviance statistic (-2RLL)		552.94	546.73	612.60	541.77	379.89	362.50	362.50
	AIC		558.94	564.73	638.60	557.77	399.89	388.50	388.50
	BIC		570.69	599.97	689.51	589.10	436.06	435.52	435.52

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

+ Models, 4, 6 and 'final' are only adding predictors to attempt to explain variability in the intercepts

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

The revised covariance structure for this model is: VC (random effects), DIAG (repeated effects)

Table 12: Stage 1 and 2 growth modelling results (dependent variable: EEO_external marketability)

	Parameter	Model 1 No change	Model 2 Linear change	Model 2a Linear change (revised covariance)	Model 3 Quadratic change#	Model 4 As per Model 4 equation +	Model 6 As per Model 6 equation	'Final' model	
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	3.12*** (0.07)	3.05*** (0.09)	3.05*** (0.09)	3.12*** (0.12)	3.05*** (0.12)	3.05*** (0.12)	3.05*** (0.12)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	n/a	0.002 (0.002)	0.002 (0.002)	-0.004 (0.006)	0.002 (0.002)	0.002 (0.002)	0.002 (0.002)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	n/a	n/a	n/a	0.0001 (0.0001)	n/a	n/a	n/a
CR_emotional		γ_{30}				-0.20* (0.09)	-0.25** (0.10)	-0.25** (0.10)	
CR_rational		γ_{40}				-0.03 (0.09)	-0.07 (0.09)	-0.07 (0.09)	
LMX		γ_{50}				0.13 (0.08)	0.06 (0.09)	0.06 (0.09)	
P-A		γ_{60}					0.14 (0.12)	0.14 (0.12)	
N-A		γ_{70}					-0.08 (0.12)	-0.08 (0.12)	
HRD		γ_{80}					0.24 (0.15)	0.24 (0.15)	
Variance components									
Level-1:	Within-person (\mathcal{E}_{ij}) (with repeated measures)	σ_E^2	0.40*** (0.04)	Var (wave=0): 0.42*** (0.10)	Var (wave=0): 0.47*** (0.08)	Var [^] (wave=0): 0.39 (1.51)	Var [^] (wave=0):	Var [^] (wave=0):	Var [^] (wave=0):
				Var (wave=1): 0.45*** (0.08)	Var (wave=1): 0.46*** (0.08)	Var (wave=1): 0.32 (0.60)	Var (wave=1): 0.44*** (0.08)	Var (wave=1): 0.44*** (0.08)	Var (wave=1): 0.44*** (0.08)

				Var (wave=2): 0.26*** (0.06)	Var (wave=2): 0.25*** (0.06)	Var (wave=2): 0.19 (0.18)	Var (wave=2): 0.22*** (0.06)	Var (wave=2): 0.23*** (0.06)	Var (wave=2): 0.23*** (0.06)
				Var (wave=3): 0.25** (0.08)	Var (wave=3): 0.27*** (0.08)	Var (wave=3): 0.65 (3.52)	Var (wave=3): 0.30** (0.09)	Var (wave=3): 0.30** (0.09)	Var (wave=3): 0.30** (0.09)
Level-2:	In initial status (ζ_{0i})	σ_{0^2}	0.42*** (0.07)	0.45** (0.14)	0.37*** (0.08)	0.68 (2.36)	0.35** (0.10)	0.32** (0.10)	0.32** (0.10)
Linear term									
	variance (ζ_{1i})	σ_{1^2}	n/a	8.24E-5 (5.30E-5)	4.60E-5~ [0.09] (2.71E-5)	0.001 (0.009)	5.06E-5 (3.36E-5)	5.01E-5 (3.26E-5)	5.01E-5 (3.26E-5)
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	-0.002 (0.002)	n/a	-0.01 (0.23)	n/a	n/a	n/a
Quadratic term									
	variance (ζ_{2i})	σ_{2^2}	n/a	n/a	n/a	-	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	n/a	0.0001 (0.004)	n/a	n/a	n/a
	covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	n/a	-1.73E-5 (8.37E-5)	n/a	n/a	n/a
Goodness-of-fit	Deviance statistic (-2RLL)		871.50	860.81	861.49	912.67	632.60	625.80	625.80
	AIC		877.50	878.81	877.49	938.67	652.60	651.80	651.80
	BIC		889.25	914.06	908.81	989.58	688.76	698.82	698.82

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

+ Models, 4, 6 and 'final' are only adding predictors to attempt to explain variability in the intercepts

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

The revised covariance structure for this model is: VC (random effects), DIAG (repeated effects)

Table 13: Stage 1 and 2 growth modelling results (dependent variable: EEO_narrow)

	Parameter	Model 1 No change	Model 2 Linear change#	Model 2a Linear change (revised covariance)	Model 3 Quadratic change#	Model 4 As per Model 4 equation +	Model 6 As per Model 6 equation	'Final' model	
Fixed effects									
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	2.04*** (0.06)	2.09*** (0.07)	2.09*** (0.08)	2.09*** (0.08)	2.15*** (0.10)	2.15*** (0.10)	2.15*** (0.10)
(a) Rate of change (π_{1i})	TIME (linear)	γ_{10}	n/a	-0.002 (0.001)	-0.002 (0.001)	-0.002 (0.003)	-0.003~ [0.069] (0.002)	-0.003~ [0.079] (0.002)	-0.003~ [0.079] (0.002)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	n/a	n/a	n/a	2.69E-6 (3.88E-5)	n/a	n/a	n/a
CR_emotional		γ_{30}					-0.11 (0.07)	-0.09 (0.07)	-0.09 (0.07)
CR_rational		γ_{40}					-0.01 (0.07)	0.02 (0.07)	0.02 (0.07)
LMX		γ_{50}					0.07 (0.06)	0.12~ [0.08] (0.07)	0.12~ [0.08] (0.07)
P-A		γ_{60}						-0.02 (0.09)	-0.02 (0.09)
N-A		γ_{70}						0.05 (0.10)	0.05 (0.10)
HRD		γ_{80}						-0.22~ [0.053] (0.11)	-0.22~ [0.053] (0.11)
Variance components									
Level-1:	Within-person (\mathcal{E}_{ij}) (with repeated measures)	σ_E^2	0.20*** (0.02)	Var (wave=0): 0.26*** (0.05)	Var (wave=0): 0.25*** (0.05)	Var [^] (wave=0): 0.18* (0.08)	Var [^] (wave=0):	Var [^] (wave=0):	Var [^] (wave=0):
				Var (wave=1): 0.27*** (0.05)	Var (wave=1): 0.26*** (0.05)	Var (wave=1): 0.24*** (0.04)	Var (wave=1): 0.26*** (0.05)	Var (wave=1): 0.25*** (0.05)	Var (wave=1): 0.25*** (0.05)

				Var (wave=2): 0.14*** (0.03)	Var (wave=2): 0.15*** (0.03)	Var (wave=2): 0.18*** (0.05)	Var (wave=2): 0.14*** (0.03)	Var (wave=2): 0.14*** (0.03)	Var (wave=2): 0.14*** (0.03)
				Var (wave=3): 0.11** (0.03)	Var (wave=3): 0.14*** (0.03)	Var (wave=3): 0.18** (0.07)	Var (wave=3): 0.12*** (0.04)	Var (wave=3): 0.12*** (0.03)	Var (wave=3): 0.12*** (0.03)
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.33*** (0.05)	0.24** (0.07)	0.33*** (0.05)	0.39** (0.15)	0.36*** (0.06)	0.37*** (0.06)	0.37*** (0.06)
Linear term									
	variance (ζ_{1i})	σ_1^2	n/a	3.92E-6 (1.97E-5)	n/a	0.0002 (0.0001)	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	0.001 (0.001)	n/a	-0.005 (0.005)	n/a	n/a	n/a
Quadratic term									
	variance (ζ_{2i})	σ_2^2	n/a	n/a	n/a	-	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	n/a	5.73E-5 (3.97E-5)	n/a	n/a	n/a
	covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	n/a	-2.23E-6** (7.49E-7)	n/a	n/a	n/a
Goodness-of-fit	Deviance statistic (-2RLL)		660.97	649.54	652.51	755.91	489.13	483.31	483.31
	AIC		666.97	667.54	666.51	781.91	507.13	507.31	507.31
	BIC		678.72	702.79	693.93	832.82	539.68	550.71	550.71

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

+ Models, 4, 6 and 'final' are only adding predictors to attempt to explain variability in the intercepts

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

The revised covariance structure for this model is: VC (random effects), DIAG (repeated effects)

Table 14: Stage 1 and 2 growth modelling results (dependent variable: EEO_short-term)

	Parameter	Model 1 No change	Model 2 Linear change	Model 2a Linear change (revised covariance)	Model 3 Quadratic change#	Model 4 As per Model 4 equation	Model 5 As per Model 5 equation#	Model 6 As per Model 6 equation	Model 7 As per Model 7 equation	'Final' model	
Fixed effects											
Initial status (π_{0i})	Intercept	$\gamma_{00} + \zeta_{0i}$	2.43*** (0.06)	2.31*** (0.07)	2.31*** (0.07)	2.22*** (0.08)	2.52*** (0.11)	2.53*** (0.11)	2.52*** (0.11)	2.48*** (0.11)	2.52*** (0.11)
(a) Rate of change (π_{1i})	TIME (linear)	$\gamma_{10} + \zeta_{1i}$	n/a	0.004* (0.002)	0.004* (0.002)	0.01** (0.005)	-0.001 (0.002)	-0.001 (0.002)	-0.001 (0.002)	9.91E-5 (0.002)	-0.001 (0.002)
(b) Rate of change (π_{2i})	TIME ² (quadratic)	γ_{20}	n/a	n/a	n/a	-0.0002* (6.61E-5)	n/a	n/a	n/a	n/a	n/a
CR_emotional		γ_{30}					-0.26** (0.09)	-0.27 (0.18)	-0.28** (0.09)	-0.36~ [0.051] (0.19)	-0.28** (0.09)
CR_rational		γ_{40}					0.07 (0.09)	0.16 (0.19)	0.07 (0.09)	0.32~ [0.095] (0.19)	0.07 (0.09)
LMX		γ_{50}					0.006 (0.09)	0.26 (0.18)	-0.003 (0.09)	0.23 (0.18)	-0.003 (0.09)
P-A		γ_{60}							0.06 (0.12)	0.36 (0.22)	0.06 (0.12)
N-A		γ_{70}							-0.01 (0.12)	0.66** (0.23)	-0.01 (0.12)
HRD		γ_{80}							-0.01 (0.15)	0.19 (0.28)	-0.01 (0.15)
CR_emotional x time		γ_{80}						-0.0002 (0.004)		0.001 (0.004)	
CR_rational x time		γ_{10}						-0.002 (0.003)		-0.006 (0.004)	
LMX x time		γ_{11}						-0.006 (0.003)		-0.004 (0.004)	
P-A x time		γ_{12}								-0.007 (0.005)	

N-A x time		γ_{13}									-0.01** (0.004)	
HRD x time		γ_{14}									-0.005 (0.005)	
Variance components												
Level-1:	Within-person (ϵ_{ij}) (with repeated measures)	σ_E^2	0.35*** (0.03)	Var^ (wave=0): 0.24*** (0.06)	Var^ (wave=0): 0.23*** (0.05)	Var^ (wave=0): 0.25** (0.07)	Var^ (wave=0):	Var^ (wave=0):	Var^ (wave=0):	Var^ (wave=0):	Var^ (wave=0):	Var^ (wave=0):
				Var (wave=1): 0.31*** (0.06)	Var (wave=1): 0.31*** (0.06)	Var (wave=1): 0.25*** (0.05)	Var (wave=1): 0.33*** (0.07)	Var (wave=1): 0.34*** (0.07)	Var (wave=1): 0.34*** (0.07)	Var (wave=1): 0.30*** (0.07)	Var (wave=1): 0.34*** (0.07)	
				Var (wave=2): 0.42*** (0.08)	Var (wave=2): 0.42*** (0.08)	Var (wave=2): 0.37*** (0.07)	Var (wave=2): 0.39*** (0.08)	Var (wave=2): 0.38*** (0.08)	Var (wave=2): 0.39*** (0.08)	Var (wave=2): 0.37*** (0.08)	Var (wave=2): 0.39*** (0.08)	
				Var (wave=3): 0.31** (0.09)	Var (wave=3): 0.30** (0.09)	Var (wave=3): 0.53*** (0.15)	Var (wave=3): 0.34** (0.10)	Var (wave=3): 0.36*** (0.10)	Var (wave=3): 0.34** (0.10)	Var (wave=3): 0.31** (0.10)	Var (wave=3): 0.34** (0.10)	
Level-2:	In initial status (ζ_{0i})	σ_0^2	0.33*** (0.06)	0.23** (0.08)	0.26*** (0.06)	0.16 (0.12)	0.27** (0.10)	0.32** (0.10)	0.28** (0.10)	0.28** (0.10)	0.28** (0.10)	0.28** (0.10)
	Linear term											
	variance (ζ_{1i})	σ_1^2	n/a	4.95E-5 (4.13E-5)	6.50E-5* (2.98E-5)	0.0005* (0.0002)	2.43E-5 (3.52E-5)	2.92E-6 (3.58E-5)	2.56E-5 (3.62E-5)	3.71E-5 (3.91E-5)	2.56E-5 (3.62E-5)	
	covariance with initial status (ζ_{0i} and ζ_{1i})	σ_{01}	n/a	0.0008 (0.001)	n/a	0.002 (0.007)	n/a	n/a	n/a	n/a	n/a	n/a

<i>Quadratic term</i>											
	variance (ζ_{2i})	σ_{2^2}	n/a	n/a	n/a	-	n/a	n/a	n/a	n/a	n/a
	covariance with initial status (ζ_{0i} and ζ_{2i})	σ_{02}	n/a	n/a	n/a	-5.37E-5 (0.0001)	n/a	n/a	n/a	n/a	n/a
	covariance with linear term (ζ_{1i} and ζ_{2i})	σ_{12}	n/a	n/a	n/a	-7.50E-6 *** (1.88E-6)	n/a	n/a	n/a	n/a	n/a
Goodness-of-fit	Deviance statistic (-2RLL)		820.80	804.82	805.13	814.92	623.42	617.70	623.11	605.20	623.11
	AIC		826.80	822.82	821.13	840.92	643.42	643.70	649.11	643.20	649.11
	BIC		838.55	858.07	852.45	891.83	679.59	690.72	696.12	711.92	696.12

~ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$ (where $p < 0.1$, exact p -values are reported in square brackets)

Standard errors are in parentheses

convergence was not achieved with this model, although results were generated and are reported here

^ here, when wave=1, quad_wave=wave² at each measurement occasion. For the sake of space, this is not written in the table.

- means the statistic was not computed

The revised covariance structure for this model is: VC (random effects), DIAG (repeated effects)

Appendix 6.1: Study 3 - interview schedule

Admin/introduction

Briefly about the study (if refresher required):

- I'm conducting interviews with a range of graduates as the last part of this study – probably about 20 altogether.
- With your permission, the interview will be recorded.
- I can assure you of the confidentiality and anonymity of the interview data being collected.
- I will collate and analyse the data gathered from a number of interviews and the findings will be presented in such a way that individuals and organisations will not be identifiable.
- I would really appreciate your full and open participation.
- BUT, your participation is completely voluntary. You may decline to participate in the interview altogether or you may decline to answer any question.
- Questions for me?

1. Background - general experiences

- You started at the beginning of 2008?
- Did you have different roles over that time/rotate?
- Different supervisors?
- Where are you in the organisation now?

Since you started in your graduate role, how have you found the last 12-16 months – what have your experiences of the workplace been?

- The organisation itself
- The graduate program
- The type of work
- The relationships you've formed

Is it what you expected? What you thought you'd experience? Why/why not?

2. Contract changes over time

2(a) When you first started with your organisation:

- What did you feel like you should be receiving from your employer, e.g. support, high pay, etc? (*prompts available along relational, balanced, transactional contract types*)
- What did you feel like you should be giving them in return?
- *OR what were the most important expectations you felt or obligations you thought you had to your employer when you started in your graduate role?*

2(b) What do you expect now?

- What do you want to get out of your role? (*prompts available along relational, balanced, transactional contract types*)
- What are your feelings toward your organisation now?

2(c) Have there been any major turning points or events during the year that really impacted/shaped expectations/obligations of yourself and your employer?

Were there ever things that happened at work that changed the way you thought about working there/your employment there?

- Could be positive things – like getting an exciting project
- Or not so good things – like being told something was going to happen and it didn't
- Were there ever any times when you felt annoyed/frustrated at work? Not so good things happened ...
 - Maybe something the organisation/a manager had done?
 - Why did you feel that way – what was your response?
- Were there ever any times when you felt particularly happy/committed at work? Good things happened ...
 - Maybe something the organisation/a manager had done?
 - Why did you feel that way – what was your response?

2(d) Overall, have your expectations been met/exceeded/not met/a bit of all over time?

3. Reciprocity

Do you think over your last 14 months that what you've given to your employer and what you've received in return has been pretty even – or one side's given more than the other?

- What you expect of each other – is it fairly similar? Unequal?
- Do you think that what you expect of the organisation has become more or less or stayed the same over the last 12 months?
 - i.e. the type of work you do; use of your skills; how fast you can progress/get promoted; your pay; level of responsibility/autonomy; sense of meaning/purpose on the job; permanency/security; status/prestige; recognition/approval; amount of feedback; level of training and development; flexibility (i.e. work hours); more specific performance management.
- Do you think that what the organisation expects of you has become more or less or stayed the same?
 - i.e. the type of work you do; how much work you do; the complexity of work you do/taking on larger projects; how much support you need; social activities; mentoring/supervising others; making important decisions without support; protecting/enhancing the organisation's reputation; work hours (more); further developing your skills/education; taking the initiative; aligning with company values/politics/ways of doing things; loyalty; higher performance.

4. Contract-makers

- Who were the main people you interacted with over the course of your program? The person/people who had the most impact on shaping your work experiences and your expectations:
 - Senior mgmt; direct supervisor; HR; graduate program coordinator; teammates; fellow graduates; mentor; other networks

Are these the people who may have made promises to you or shaped your expectations, i.e. about career development, training, level of pay/rewards, type of work you'll be doing?

5. Contract and LMX

- Tell me about your relationship with your supervisor/s:
 - What worked/what didn't?

- Ask about: time spent with them; direction given; feedback; the type/complexity of work given; conflict; autonomy; approachability/friendliness/general support, etc.
- How important was your supervisor/s in shaping your expectations/perception of the organisation's obligations?
- Do you think that when you had a good relationship with your supervisor that that had an impact on the expectations you had and whether you thought they were met? i.e. expected less from the organisation and you wanted to give more?
 - Or vice versa – when you had a poor relationship with your supervisor did this impact upon the expectations you had and whether you thought they were met or not? i.e. expected less from yourself and you wanted more from the organisation?
- How did the relationship with your supervisor/s change over time? Was it different at the start of your relationship than when it ended?
 - What caused any changes? Or caused it to remain stable?
- Was there ever a time when your supervisor promised you something and didn't follow through?
 - Did they promise and follow through?
 - How did this make you feel/what was your reaction?

6. Breach and violation

- Were there ever times when you felt like the organisation had an obligation to you/ made a promise to you/or you expected something of them and they didn't follow through or meet them?
- Conversely were there times when obligations/promises/expectations were met or exceeded?
- Did you experience one more than the other? Having promises/obligations/ expectations not met vs. met/exceeded?
 - How does this make you feel? What was your reaction?

7. Retention factors and overall

- So overall it sounds like your experience has been ... (summarise from discussion)
- What were the things your organisation didn't do so well over the last 12 months?
 - Do you think there are things your organisation could have done to give you a more positive work experience over the last 12 months?
- What were the things your organisation did do well over the last 12 months?
 - Things you think maybe they should have done more of?
- What are your expectations now?
- Do you think you'll stay with the organisation?
- At this point in time, what could your organisation do to keep you there for longer?
- What actions would make you leave?