THE ROLE OF INQUIRY AND MONITORING IN THE DEVELOPMENT OF PSYCHOLOGICAL CONTRACT CONGRUENCE

Kevin Hill

A Thesis
In
The John Molson School of Business

Presented in Partial Fulfilment of the Requirements
For the Degree of Master of Science in Administration (Management) at
Concordia University
Montreal, Quebec, Canada

August 2003

© Kevin Hill, 2003

National Library of Canada

Acquisitions and Bibliographic Services

395 Wellington Street Ottawa ON K1A 0N4 Canada Bibliothèque nationale

du Canada

Acquisisitons et services bibliographiques

395, rue Wellington Ottawa ON K1A 0N4 Canada

> Your file Votre référence ISBN: 0-612-83949-4 Our file Notre référence ISBN: 0-612-83949-4

The author has granted a nonexclusive licence allowing the National Library of Canada to reproduce, loan, distribute or sell copies of this thesis in microform, paper or electronic formats.

The author retains ownership of the copyright in this thesis. Neither the thesis nor substantial extracts from it may be printed or otherwise reproduced without the author's permission.

L'auteur a accordé une licence non exclusive permettant à la Bibliothèque nationale du Canada de reproduire, prêter, distribuer ou vendre des copies de cette thèse sous la forme de microfiche/film, de reproduction sur papier ou sur format électronique.

L'auteur conserve la propriété du droit d'auteur qui protège cette thèse. Ni la thèse ni des extraits substantiels de celle-ci ne doivent être imprimés ou aturement reproduits sans son autorisation.



ABSTRACT

THE ROLE OF INQUIRY AND MONITORING IN THE DEVELOPMENT OF PSYCHOLOGICAL CONTRACT CONGRUENCE

Kevin Hill

This study uses cross-sectional survey data gathered from supervisor-employee dyads to examine the role of employee-initiated information seeking behaviour in the development of dyad members' beliefs. Specifically, employees' use of inquiries directed at their supervisors is contrasted with their use of monitoring the workplace environment in the development of beliefs regarding employment obligations that represent the psychological contract. Whether agreement between dyad members concerning the psychological contract is the result of greater use of the information-seeking strategies is the main emphasis of the study, although one consequence of agreement is explored briefly. The distinction between obligations that are transactional and those that are relational is also examined. Findings relate solely to the role of inquiry in the development of employees' beliefs and did not conform to hypotheses. The conclusions suggest the need for future research in order to clarify both the role of information seeking in the development of the psychological contract, as well the nature of the contract itself.

TABLE OF CONTENTS

1. Introduction	1
2. Literature Review	3
2.1 Psychological contracts as perceived or objective agreements	3
2.1.1 The relevance of congruence	5
2.2 Modern employment arrangements	7
2.3 Biases in psychological contract development	9
2.4 Context of agreement: Supervisor-employee dyads	11
2.4.1 Congruence: A meeting of minds	12
2.5 Process of psychological contract development	13
2.6 Information seeking behaviour	15
2.6.1 Motivation to seek information	16
2.6.2 Supervisor-directed inquiry	17
2.6.3 Type of information	18
3. Theoretical Framework	21
3.1 Inquiry	22
3.1.1 Asking the question	22
3.1.2 Answering the question	
3.2 Monitoring	26
3.3 Controls: Job status, relationship quality, and duration	28
3.4 The outcome of congruence	29
4. Methodology	31
4.1 Sample and data collection	31
4.2 Sample description	32
4.3 Measurement	35
4.3.1 Psychological contract content	35
4.3.2 Information seeking	40
4.3.3 Controls	43
4.3.4 Contract fulfillment	43
5. Results	44
6. Discussion	58
6.1 Levels of obligation beliefs	59
6.2 Information seeking behaviour	60
6.3 The role of congruence	63
6.3.1 The study of congruence	64
7. Research Limitations	66
8. Conclusions	69
REFERENCES	71
Appendix A: Employee survey	80
Annendix B: Supervisor survey	82

LIST OF TABLES

Table 1.	Means, Standard Deviations, and Correlations of Main Variables	34
Table 2.	Previous Studies of Psychological Contract Content	36
Table 3.	Factor Loadings of the Single-Factor Solution of Obligations	39
Table 4.	Factor Analysis of Information Seeking Behaviour Items	42
Table 5.	Regression Results for Relational Obligation	46
Table 6.	Percentage of Overestimators and Underestimators by Obligation Type	48
Table 7.	Regression Results for Employee Beliefs in Obligation	50
Table 8.	Regression Results for Transactional Obligation	51
Table 9.	Regression Results for Overall Obligation	53
Table 10	. Regression Results for Employee Beliefs in Overall Obligation	54
Table 11	. Regression Results for Beliefs in Contract Fulfillment	57
Table 12	. Mean Levels of Beliefs in Obligation	60

1. Introduction

The behaviour of individuals in organizations is tendered, part of a "give and take" employment arrangement. On balance, the formal circumstances of this exchange are largely responsible for what ends up being contributed by employees and employers. However, this system of behaviour does not "stall" in the absence of immediate and equivalent rewards for individual contributions. Therefore, it is hard to dispute that the smooth functioning of such a system relies somewhat on each individual's sense, or confidence, that his or her contributions will be reciprocated. Indeed, in order to explain the existence of such working arrangements, Gouldner (1960) proposed that behaviour is governed by "...a generalized norm of reciprocity which defines certain actions and obligations as repayments for benefits received" (italics in original, p. 170).

In this paper, employees' beliefs regarding their working arrangements will be examined within the framework of the psychological contract (Argyris, 1960; Rousseau, 1989). A psychological contract is treated as "...an individual's beliefs regarding terms and conditions of a reciprocal exchange agreement between that person and another party" (Rousseau & McLean Parks, 1992, p. 19). It is proposed that, while employees hold these beliefs with regard to their organizations, agents representing these organizations hold understandings of the same (Rousseau, 1989). Formally, the actual extent of agreement between the two parties is not part of the definition of the psychological contract, the function of which can largely be described as a "blueprint for action" based on a perception of agreement. However, the presence or absence of mutual agreement between parties regarding these obligations is a natural state of systems of reciprocal behaviour that include psychological contracts, though more often ignored in

the research literature than either the perception of agreement or the respective beliefs themselves.

Studying objective agreement is relevant today since noteworthy ambiguity surrounds what may or may not be the reciprocal obligations of modern employment arrangements. On the whole, organizational policies are less often geared to the establishment of certainty, especially concerning human resource management, because of the benefits inherent in flexibility. Indeed, mixed or unintended messages may characterize the environment based on human resource practices (Guzzo & Noonan, 1994). As a result, employees are often motivated to seek information (Ashford & Cummings, 1983), although to differing extents (Bennet, Herold & Ashford, 1990) and through different means (Miller & Jablin, 1991; Morrison, 1993a). In the end, information seeking behaviour remains a motivated choice.

The purpose of this study is to examine the context of agreement that results from the manner in which a psychological contract holder comes to develop his or her contract, specifically focusing on the role of proactive information seeking (Ashford, 1986; Morrison, 1993a). Better communication between parties to a contract is suggested as a means to establish psychological contract beliefs that are congruent (Morrison & Robinson, 1997) and is proposed to be one way to maintain these agreements. That employees are proactive seekers of information within organizations has been demonstrated in the field of socialization (Morrison, 1993a, 1993b). The role of the employee as a proactive agent in the development and maintenance of his or her psychological contract should be examined as well. In better understanding this role, researchers may better understand the psychological contract itself.

2. Literature Review

2.1 Psychological contracts as perceived or objective agreements

Duty and reciprocity are age-old notions. The psychological contract has both a narrower definition and a younger history as a construct of interest, yet, in many ways, it stems from these general processes or norms of conduct. Although the specific beliefs regarding the mutual obligations that exist between an employee and the employing organization form the basis of his or her psychological contract, this contract is made in a context of higher-level agreement stemming from the social contract (Rousseau, & McLean Parks, 1992).

Either directly or indirectly, mutuality has often been present in definitions of the psychological contract. Levinson described the psychological contract as a product of mutual expectations, but also went on to say "This mutuality, with its inherent obligatory quality and its system of rewards, constitutes a psychological contract" (Levinson, Price, Munden, Mandl, & Solley, 1962, p. 36). Indeed, most early research undertook to examine a contract that, although "unspoken," emerged from mutual understanding. Kotter (1973) defined the psychological contract as, "... an implicit contract between an individual and his organization..." (p. 92) before going on to examine the benefits of explicit and open discussion between employees and employers as means for avoiding the development of incongruous psychological contracts.

Yet, over its history, the construct has moved from being framed as the implicit agreement between a company foreman and the workers as a group (Argyris, 1960) to being framed as the perception of an agreement that is held by an individual (Rousseau, 1989). The historical development of the psychological contract has been described by Roehling (1997), according to whom the turning point is the work of Denise Rousseau

(1989), and her initial studies and collaborations (Robinson, Kraatz & Rousseau, 1994; Robinson & Rousseau, 1994; Rousseau, 1990). In short, the historical record is marked by a transition in thinking that developed in this area, as attention was turned toward the study of *individual* subjective beliefs existing at the *individual* level (Roehling, 1997). The following research keeps to Rousseau's definition: "...an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between that focal person and another party" (Rousseau, 1989, p. 123).

Substantively, placing the psychological contract into the "eye of the beholder" espouses a view of contracts as mental models (Rousseau, 1995). As such, they are seen as relatively stable belief sets, yet susceptible to change under appropriate circumstances (Crocker, Fiske, & Taylor, 1984). The suggestion that these beliefs can change has led to suggestions on how the contract might be better managed (Herriot, Hirsh, & Reilly, 1998; Robinson, Kraatz, & Rousseau, 1994; Rousseau, 1995).

Although the proposed research defines the psychological contract in terms of the beliefs of the employee (i.e., the focal person), it examines the congruence of these beliefs with the beliefs of *the other party*, thereby acknowledging the relevance of agreement beyond the perceptual level. In this manner, *perceived* and *objective* agreement are seen as important, where the former is "... a necessary, but not the only, condition needed to achieve mutuality (Rousseau, 2001).

Incongruence, as it relates to psychological contracts, occurs "...when an employee has perceptions of a given promise that differ from those held by the organizational agent or agents responsible for fulfilling that promise" (Morrison & Robinson, 1997, p. 235) and may exist in spite of an employee's perception of agreement.

Inversely, objective agreement refers to beliefs that are congruent with those of the organizational agent. Incongruence is a theoretical determinant of a contract's being broken (Morrison & Robinson, 1997), an outcome referred to as contract breach, which has been found to bear on organizationally-relevant outcomes (e.g., performance and turnover) (Robinson, 1996).

2.1.1 The relevance of congruence

An appreciation of the issue of mutuality is ignored in single perspective research treatments. Indeed, there have been repeated calls for research into the employer's understanding - "the other side" - of the new psychological contract. In response, progress has been made in fleshing out the incongruent nature of understandings that can exist between parties of the psychological contract (e.g., Lester, Turnley, Bloodgood & Bolino, 2002; Porter, Pearce, Tripoli & Lewis, 1998).

Unfortunately, the antecedents and consequences of congruence have remained largely unexamined, and incongruence rarely has been measured directly. For example, it was found that employees are significantly less likely to perceive a breach of their psychological contracts in organizations that utilize formal socialization and extensive pre-hire interaction (Robinson & Morrison, 2000). However, these findings only suggest the benefits of minimizing incongruence by implication.

For individuals alone, uncertainty is reduced by the perception of agreement, which serves to provide the individual with a sense of security and a guide for subsequent action (Shore & Tetrick, 1994). However, the dysfunctional nature of psychological contracts is evidenced by the finding that these agreements are more likely than not to be broken (Coyle-Shapiro & Kessler, 2000; Robinson & Rousseau, 1994). This finding

invites an investigation into agreement beyond the perceptual level since "contracts are about getting things done in the real world," (MacNeil, 2001, p. 130) and "...a workable contract between manager and subordinate is characterized by mutuality" (Rousseau, 1995, p. 65).

It is reasonable to suggest that a psychological contract better serves the individual by not only providing a sense of wellbeing, but by effectively managing the interdependent behaviors in the setting for which it is created (Rousseau & McLean Parks, 1992; Shore & Tetrick, 1994). If an individual acts under the assumption of a reciprocal exchange agreement, the true state of this reciprocal agreement will come to be tested in time, and lack of agreement may come to be felt as disappointment (Kotter, 1973).

There must be some degree of objective agreement between the parties to facilitate the mutual benefits of the employment relationship, that is, before the contracts can be considered 'functional' (Rousseau & Schalk, 2000). In these ways, objective agreement may be an important feature of psychological contracts, in spite of definitions that emphasize their perceptual nature and lingering disagreements between researchers concerning this definition (see Guest, 1998; Keeney & Svyantek, 2000).

Since elements of organizational behaviour can be examined at multiple levels, the following study uses congruence between parties as a framework for assessing the individual psychological contract (Nadler & Tushman, 1980) by addressing the following questions: 1) Do intrapersonal processes inform the development of the psychological contract?, and 2) Does holding a psychological contract in a context of dyadic agreement have positive implications?

2.2 Modern employment arrangements

Psychological contracts are first and foremost individual beliefs in the terms of a reciprocal exchange. Therefore, it is important to clarify the nature of these beliefs themselves before examining the extent to which people agree. Psychological contracts may be described along transactional and relational dimensions (MacNeil, 1985). Transactional terms are distinguished by fixed time horizons, are monetizable and relatively static (e.g., pay, bonuses, promotions); while relational terms are open-ended, dynamic, and address general or socioemotional issues (e.g., job security, career development, support with personal problems) (Rousseau & McLean Parks, 1992).

The recent enthusiasm for psychological contract research may be due in part to the changes to employment arrangements seen in the 1990s (McLean Parks & Kidder, 1994), which have affected the context in which psychological contracts operate. Some researchers have argued that the new context of employment is more transactional in orientation (Hall & Mirvis, 1996), with relational terms having undergone more significant changes (e.g., the disappearance of job security and career development). Indeed, company rhetoric implies that, today, employer obligations beyond the short-term are few and that all obligations are highly contingent. A survey of senior executives from twenty-five Fortune 500 companies showed little support for any vestiges of the old social contract, which the survey administrators summed up by using one executive's remarks: "We now say to employees, we'll invest in you while you are here, both in terms of training and pay. But even if you are a great performer, we can't guarantee you a job...It is a mutually beneficial relationship, but when it stops being so, that's it" (from Altman & Post, p. 52).

Context is important to consider in a study of psychological contracts. This logic has been applied to the level of national culture, where cross-cultural differences bear on the manifestations and interpretations of psychological contracts (Rousseau & Schalk, 2000). It is natural, then, to suggest that the challenges to the "old deal" social contract that which exchanged company loyalty for job security - may have implications for the state of agreement at lower levels.

While context of agreement is important to consider in psychological contracts, so are individual motives. Levinson (1962) noted that psychological contracts often antedate the employment relationship. Being subjective, psychological contracts may develop in conformance with existing beliefs. For example, research has shown that highly careerist individuals interpret less of a relational contract with employers (Rousseau, 1990), which seems to be related to their pre-existing view of the organization as a stepping stone in a "boundaryless career." Moreover, a study of contract-related information seeking found that individual work values direct information-seeking efforts toward certain categories of information (De Vos, Buyens, & Schalk, 2002).

The psychological contract should, in theory, mirror the modern, self-interested exchange arrangements that have come to characterize business (Altman & Post, 1996). Studies of employee perceptions, however, do not tend to support the view that there is greater insecurity in today's organizations (Guest, 1998). For example, a 1997 English study found overwhelming evidence for the existence of job *security* beliefs among employees surveyed (Guest & Conway, 1997). In another study, employees reported that exchange relationships characterized by *high* levels of both employer and employee obligations prevail today (Shore & Barksdale, 1998). These examples would lead one to

believe that modern employment succeeds in providing employees with both security and balanced psychological contracts. However, the basis for drawing conclusions from employee reports is tenuous.

2.3 Biases in psychological contract development

Results garnered from employee perceptions may appear at odds with the evidence of vast structural changes to employment. On the other hand, as individuals, employees may have notions of the ways in which exchanges *should* take place, which may not be accurate representations. There is ample support for the existence of a general tendency for individuals to hold illusory beliefs concerning the future, especially as it relates to them (Taylor & Brown, 1988). The tendency for individuals to significantly underestimate the extent to which negative things (e.g., job loss) will happen to them has been labelled unrealistic optimism (Weinstein, 1980) and forms part of a general bias toward maintaining well-being through biased belief formation and maintenance. The considerable evidence of the pervasiveness of such inaccurate estimations is beyond the scope of this study – the interested reader is directed to a review by Taylor and Brown (1988). Suffice to say, research studies that examine employee perceptions from one source only cannot suppose to be completely accurate in their descriptions of the nature of work relationships.

Biased interpretation of ambiguous working arrangements is not merely a topic of academic interest. For instance, ambiguity manifests itself in the growing legal risk associated with the "invisible workforce" – contingent workers who have attained a permanent-like status within a company because of ad hoc staffing practices that blur the lines of employer responsibility (Klein, 1996). Regarding the outsourcing of labour,

"some federal courts have held that, depending on the surrounding facts and circumstances, both the contract employment service *and* the client employer may be 'joint employers' or 'coemployers' who can be legally answerable for alleged discrimination" (Wymer, 1993, p. 251, italics in original).

In psychological contract research in particular, biased interpretation may cause employees to inflate the extent to which their organizations are seen as "owing them." One longitudinal study has found that employees come to view the psychological contract in a self-serving manner over time: believing they owe their organizations less while believing they themselves are owed more by their organizations (Robinson et al., 1994). Another research study found that employees significantly overestimated the extent to which job security was offered as an inducement compared with the estimate provided by company executives (Porter et al., 1998). Psychological contracts exist as cognitive structures in the minds of the individuals. Once developed, they may guide subsequent interpretation of information (Rousseau, 2001), instilling a "certainty" that may be self-enhancing, yet not necessarily functional.

What is more, parties are not likely to recognize that their beliefs are incongruent (Kotter, 1973). For example, in a study of supervisor and subordinate attributions for particular breaches of the psychological contracts between them, a high level of disagreement regarding the reason for the breach was found (Lester et al., 2002). In cases where supervisors and subordinates did agree that both a breach of the contract had occurred, and agreed on the cause of the breach, they never agreed that it was because of a legitimate misunderstanding. When these two parties disagreed, the most common reason was that employees felt an agreement had been dishonoured while supervisors

failed to perceive any breach at all (Lester et al., 2002). Due to its very nature, incongruence may be overlooked in day-to-day activity, but may influence an evaluation of the degree to which such an "agreement" is seen as being fulfilled.

2.4 Context of agreement: Supervisor-employee dyads

"Congruence with whom?" is an obvious question in a study of congruence or objective agreement. The other party to a psychological contract is the employer, or organization, yet the inevitable interface between the employee and his or her employer occurs with human beings, not the organization at large. The interpersonal view of contracting is even espoused by researchers of inter-organizational contracting who propose that, over time, personal relationships and psychological contracts complement formal roles and formal legal contracts (Ring & Van de Ven, 1994).

Many people represent organizational promise-makers for employees, from recruiters to company presidents. Yet, immediate supervisors are particularly important representatives of the organization for employees, given their role as facilitators of the employment arrangement (Dansereau, Graen, & Haga, 1975; Shore & Tetrick, 1994). The supervisor serves as a unique source of information for the employee (Callister, Kramer & Turban, 1999; Morrison, 1993a), and is more likely to be in a position to carry out the promises that have been made on behalf of the organization than are other promise makers (Shore & Tetrick, 1994). Moreover, "individual managers can themselves personally perceive a psychological contact with employees and respond accordingly" (Rousseau, 1989, p. 126).

Recent research has even challenged the general assumption that the psychological contract exists between the employee and the organization, suggesting that

a lower level of analysis (e.g., job-level) is more appropriate. For instance, Millward and Hopkins (1998) found that the psychological contract had more of an impact on commitment to the job than commitment to the organization. It is reasonable to suppose that elements of the immediate job experience and information environment may be sources for many of an individual's psychological contract beliefs.

Focusing the present psychological contract study at the supervisor-subordinate level permits an investigation into whether the supervisor serves as a source of the individual's beliefs regarding obligations, and whether the individual's process of developing these beliefs has any upward influence on the beliefs of the supervisor. Therefore, psychological contract congruence is defined in this study as the extent to which employees and their immediate supervisors agree concerning the extent of obligation that the organization has toward the employee.

2.4.1 Congruence: A meeting of minds

A note should be made regarding the notion of accuracy as it relates to psychological contract congruence in supervisor-employee dyads. The psychological contract is not an objective phenomenon, but comes to exist out of processes of negotiation or interpretation. Congruence is a description of an extent of overlap regarding interpersonal perception. This is an area in which some researchers propose that "...an obsession with accuracy is fruitless" (Weick, 1995, p. 61). To be sure, accuracy is not necessarily what is measured in studies of agreement.

Information that is objectively accurate is one source of deriving objective agreement (Rousseau, 2001). Shared information, on the other hand, "...need not be unbiased, because the parties can share the same frames of reference and filters in making

judgements" (Rousseau, 2001, p. 535). Therefore, psychological contracts are not necessarily made in reference to an objective truth, but take shape to enable a functional interaction between employee and employer. The term 'congruence,' as opposed to 'accuracy,' is important to highlight when reference is made to this aspect of psychological contracts.

2.5 Process of psychological contract development

Attempts to describe the new employment deal abound, often through different analyses of psychological contract content (for e.g., Herriot, Manning & Kidd, 1997; Rousseau, 1990). Yet, since today's organizations have many unique relationships with their employees, a comprehensive picture of the "new deal" is difficult to interpret in regard to any one employee. The individual is now responsible for negotiating his or her employment arrangement as opposed to relying on formalized, trade union or collective representation (Anderson & Schalk, 1998), which implies the emergence of distinctive beliefs within organizations. Employment relations are said to be characterized by loosely coupled collections of individuals – Adhocracies (Rousseau & Wade-Benzoni, 1995; Toffler, 1970). This differs from the workplaces of earlier decades, the cultural salience of which resulted in employees' sharing similar psychological contracts with their organizations (Nicholson & Johns, 1985). Structural changes have resulted in a shift of responsibility to the employee to take charge of the development of his or her career - the protean career (Hall & Mirvish, 1996). As organizations strive to eliminate redundancy, fewer people may hold the same position. Temporary employment arrangements may mean more career transitions. Employees working for the same organization may have vastly different tenure and, as a result, different psychological

contracts (Rousseau, 1995). In short, there is a suggestion that employment today, and the psychological contract in particular, consists of individuated deals (Millward & Brewerton, 1998). Therefore, rather than trying to capture psychological contract content comprehensively, this study attempts to understand the nature of modern psychological contracts by examining the changes that have characterized the process by which employees develop them. Indeed, the study of human resource management can benefit from process-oriented perspectives (Larsen & Bang, 1993; Townley, 1993).

Psychological contracts are developed through the interpretation of obligations, based in promise making and promise interpretation (Rousseau, 1995). One large influence in this process, then, is the explicitness of the promise, which has much to do with whether it is directly communicated between the parties. A promise is more robust when it is deduced from overt verbal statements than when it is inferred through observation since "Actions may speak louder than words, but action without words leads to misinterpretation" (Rousseau, 1995, p. 37). In response to reticent employers, an employee may find value in "engaging organizational agents in explicit discussions of obligations," which has been suggested in theory as a means of reducing incongruence (Morrison & Robinson, 1997, p. 251).

However, research into the role of information seeking in the development of psychological contracts is limited (De Vos, Buyens, Schalk, 2002; De Vos & Buyens, 2003; Kotter, 1973). No study has specifically isolated the role of proactive information seeking behaviour in the development of congruent beliefs between supervisors and subordinates. Individuals must come to understand their own working arrangements, and by extension, their psychological contracts. If it can be shown that the processes by

which individuals develop their contract beliefs can limit the extent of incongruence, the proposition that proactive information seeking is a valuable organizational activity may be strengthened.

2.6 Information seeking behaviour

Information seeking is an employee-directed activity, through which individuals may obtain information regarding the nature of their jobs and organizations (Morrison, 1993b). Research in this area can be traced to the initial studies on feedback seeking behaviour (Ashford, & Cummings, 1983, Ashford, 1986), which subsequently became categorized into a subset of a broader class of activity known as information seeking (Miller & Jablin, 1991; Morrison, 1993a). It should be clarified that the initial studies on feedback seeking did not limit the behaviour to the realm of performance-based feedback, which naturally became an area for the application of this theory. Rather, proactive feedback seeking was initially theorized as a means of adjustment, of securing information on "important issues" in order to regulate behaviour (Ashford, 1986). The basic premise is that seeking information serves to reduce uncertainty, especially uncertainty regarding contingent rewards for behaviour, making it a valued, goal-oriented activity (Ashford & Cummings, 1983). As such, the literature in general is applicable to the development of psychological contract related beliefs – i.e., beliefs in the reciprocal exchange agreement.

Information seeking may take many forms, varying among more or less interpersonal means (Berger & Bradac, 1982; Casey, Miller & Johnson, 1997; Miller & Jablin, 1991; Miller, 1996), but a classical distinction has been made between two methods of information seeking: inquiry and monitoring (Ashford & Cummings, 1983).

Inquiry involves directly asking for the information, while monitoring involves paying attention to one's environment for cues.

2.6.1 Motivation to seek information

Twenty years of research on feedback and information seeking have resulted in a greater understanding of the various motives underlying this activity (Morrison, 2002). The majority of research in this area has examined information seeking as a dependent variable, as attempts have been made to explain the factors that lead employees to choose one method over the other. The two broad behaviours – inquiry and monitoring – separate public from private information seeking (Ashford & Cummings, 1983, 1985; Morrison, 1993a). This choice is governed by the extent to which the individual is sensitive to two costs: the social costs of inquiring and the inference costs of monitoring: "For the individual, there is a trade-off between the accuracy with which he or she can know others' interpretations and evaluations of particular behaviors and the effort and risk involved in obtaining such information" (Ashford & Cummings, 1983, p. 391). The risk associated with inquiry includes the embarrassment of admitting one's lack of understanding in such a public manner, the risk of annoying those whom one asks, and the risk of receiving negative information (Ashford, 1986).

Some research has found that, for most types of information, employees tend to use monitoring to a greater extent than inquiry (Morrison, 1993a). This has led to the conclusion that individuals are more willing to accept inference costs than they are to incur social costs, implying that certainty is not the primary motivator of such activity. In fact, such findings tend to suggest that maintaining a favourable impression in the eyes

of others (or oneself) may be the underlying motive for choosing inquiry or monitoring. A reliance on the use of monitoring for information allows for the maintenance of positive impressions since "...information [through monitoring] is often interpreted in line with the individual's expectations and goals" (Ashford & Cummings, 1983, p. 392). This may have some part to play in the development of self-serving interpretations of psychological contracts over time as demonstrated in the Robinson et al. (1994) study.

2.6.2 Supervisor-directed inquiry

Although some evidence suggests that employees often avoid "the question" when trying to reduce uncertainty in organizations, other research has found that the particular target of the request for information must be taken into account before drawing that conclusion. Specifically, in a study of feedback seeking among transferees, Callister, Kramer and Turban (1999) found that requests for feedback made to peers declined over time, while those made to supervisors remained stable (as did the rates of monitoring for information from both groups). The authors suggest, "...employees may continue to seek feedback from their supervisors either to gain appropriate organizational rewards or to create positive impressions" (Callister et al., 1999, p. 430).

In impression management, inquiry directed at those with reward power (e.g., supervisors) is expected from employees who are good performers, and is expected to coincide with events that will favourably influence the response, including timing inquiries to coincide with the good mood of the supervisor (Morrison & Bies, 1991). This brings up a question concerning not only the motivation behind supervisor-directed inquiry but also the consequences of this activity.

Being schemas, psychological contract belief structures will only change to accommodate new information if the information is processed in a mindful, conscious manner as when one is provoked to do so by unusual or discrepant stimuli (Louis & Sutton, 1991). This conscious level of information processing may be provoked by "...a deliberate initiative, usually in response to an internal or external request for an increased level of conscious attention - as when people are 'asked to think' or 'explicitly questioned' (Louis & Sutton, 1991, p. 60). In short, questions posed by employees may be sufficient signals to trigger their supervisors' *and* their own attention to the subject matter of the psychological contract. When not prompted to examine one's beliefs, in contrast, information is processed automatically in line with the existing cognitive schema. Therefore, the use of monitoring to gather information from cues that are present in the environment can only permit agreement between a supervisor and an employee through acting on the employee's beliefs alone.

2.6.3 Type of information

Although some researchers predict relational components are frequently excluded from discussion in the workplace due to their socio-emotional nature (Shore & Tetrick, 1994), it is assumed in this research that neither transactional nor relational components of psychological contracts are completely excluded from discussion in organizations. In fact, other researchers predict, "relational contracts will be characterized by *more* feedback seeking behaviour" (Rousseau & McLean Parks, 1992, p. 31, italics not in original). This alternative argument concerns the ambiguity of the information contained in relational contracts, and the type of communication needed to overcome it. Supervisors and subordinate need to interact frequently before shared information of this

sort can characterize the psychological contract (Rousseau, 2001). "To remove ignorance, more information is required. To remove confusion, a different kind of information is needed, namely, the information that is constructed in face-to-face interaction that provides multiple cues" (Weick, 1995, p. 99). Given that monitoring depends upon the informational cues that are observable in the environment, one would expect that obligations that are more or less observable might be understood differently depending on the choice of information seeking behaviour.

The above literature review suggests that is it important to highlight the nature of the information seeking behaviour in which employees engage when coming to understand their employer's obligations. It also suggests that the extent of agreement may differ depending on the nature of the obligations themselves. Being interpersonal, the use of inquiry is suggested to bring about changes in beliefs of both parties as a function of both the upward influence embodied in the impression management of an employee's question and the downward influence of a supervisor's answer. Monitoring, on the other hand, is only likely to lead to agreement by influencing the employees' beliefs concerning observable obligations like those of transactional contracts.

Across all situations, some people are more likely to seek information through inquiry than are others. These people may have a low tolerance for ambiguity, which is important for changing cognitive schemas like psychological contracts (Crocker, Fiske & Taylor, 1984; Rousseau, 2001). These people may also be highly aware of the impressions garnered by others in response to their questions. In fact, in the context of information-seeking directed at one's supervisor, the use of inquiry may be highly contingent upon the impressions expected to follow it.

This research does not probe the particular types of information that are sought by employees or whether the type of information influences the choice of information seeking behavior. It examines the global use of these two information seeking tactics concerning the obligations of employers in general. Essentially, in examining information seeking globally, the present research makes several assumptions about why an individual seeks this information, based on existing theory. While these tactical motivations are not examined directly in this study, they assist in understanding the role of information seeking behaviour in the development of psychological contract congruence. Taken together with the structural changes to employment obligations and the propensity to develop positive illusions, the motivations behind information seeking serve as the basis for the theoretical predictions made in the hypotheses concerning the use of inquiry and monitoring in the development of psychological contract congruence. These hypotheses are presented explicitly in the theoretical framework that follows.

3. Theoretical Framework

The study of agreement, or congruence, is frequently undertaken with the use of difference scores. That is, two or more perspectives are combined in order to examine their extent of agreement using a single measure of difference. In spite of the frequency of this practice, there has been repeated confirmation that the assumptions regarding difference scores are, more often than not, overly strict (Edwards & Harrison, 1993). In short, their use assumes symmetrical, and opposite, movement of the two components of the score toward the middle. Yet, by using a difference score, the information pertaining to those components is constrained, which may lead to ambiguous interpretations of any subsequent analyses (Edwards & Cooper, 1990; Johns, 1981). Once individual scores are combined in an indicator of agreement, their independent effects cannot be teased out in drawing conclusions, which may be spurious as a consequence. Given these shortcomings, the present research follows the alternative procedure proposed by Edwards (1995), in which "...hypotheses regarding the prediction of congruence should be stated in terms of the joint prediction of the component measures..." (Edwards, 1995, p. 310).

Not only difference scores suffer from conceptual ambiguity. In fact, much of what has been written regarding the importance of greater communication in the process of psychological contracting (e.g., Herriot, Hirsh, & Reilly, 1998), assumes that greater communication permits for a "two-way street" approach to employment by which employers and employees bring their respective interests together in order to come to a mutual understanding. This assumption deserves to be examined more closely.

In the present research, the prediction that inquiries (and the dialogues they initiate) have dual effects upon supervisors and employees mirrors these popular assumptions. That is, in the context of the present employment realities, one would expect inquiry to act as an opportunity for the individual employee to highlight his or her merit, while also permitting an understanding of the employer's side of the deal. Yet, to make such an investigation completely overt, the following hypotheses and analyses proceed directly to examine what are likely to be the non-equivalent effects of information seeking on each dependent variable of the model, namely supervisor and employee beliefs. It also examines these beliefs as independent variables in an attempt to examine an outcome of psychological contract congruence.

3.1 Inquiry

Inquiry elicits a rich medium of communication, not a one-sided interpretation. It is "an interpersonal event that is subject to the inference processes of others" (Ashford, 1986). Therefore, when an employee chooses to inquire from the immediate supervisor in order to develop an understanding, rather than to infer one through observing for situational clues, the dual concerns of knowledge gaining and self-presentation become salient (See Figure 1).

3.1.1 Asking the question

In the present research, information-seeking behaviour is held to be a means of uncertainty reduction, yet the choice of activity may be heavily influenced by the motivation to manage impressions, especially when the target of the question is one's

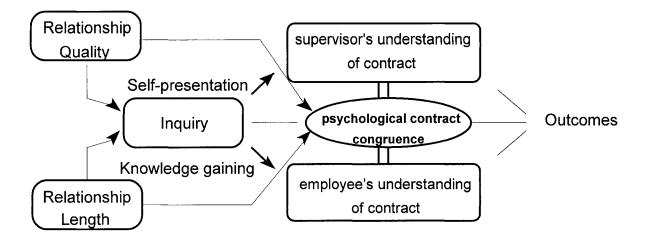


Figure 1. Inquiry in the Development of Psychological Contract Congruence

supervisor (Ashford & Cummings, 1983; Callister et al., 1999; Morrison & Bies, 1991). Choosing to inquire from one's supervisor, then, is assumed to occur when individuals expect low social costs (e.g., a lessened chance that the inquiry will reflect poorly upon them) and to coincide with incidents they wish to their supervisors' to notice.

In the process of coming to understand the psychological contract, the employee's elicitation of verbal statements concerning organizational obligations may act as a subtle influence on the beliefs of the supervisor regarding those obligations, as they relate to the employee. Thus, in the context of modern employment arrangements, which are exhibited in terms of lower extents of employer obligations, the act of inquiry is meant to lead to congruence by raising the beliefs of supervisors. If impression management does encourage employees' inquiries via their supervisors, then inquiry will be associated with higher supervisor ratings of obligations.

Hypothesis 1: An employee's greater use of inquiry will be related to higher supervisor ratings of the organization's transactional obligations toward that employee.

Hypothesis 2: An employee's greater use of inquiry will be related to higher supervisor ratings of the organization's relational obligations toward that employee.

3.1.2 Answering the question

An employee's inquiry may be socially motivated, yet the response itself must be processed in turn. This way, individual acts of inquiry enact social information, which then comes to influence the employee. "Regardless of what goals and beliefs went into taking a particular action, once that action is taken both it and its consequences need to be justified within the framework of those from whom one obtains support (Salancik, 1977, p. 27).

As described above, congruence in the supervisor-subordinate dyad refers to the understanding that comes to be shared by the two members. Yet, while it is a shared understanding, the supervisor's own beliefs are likely to compel most of the commonality due to his or her reward power and position of authority. The supervisor-subordinate relationship has been described as both a relational exchange, but also as one with an asymmetric power balance (McLean Parks & Kidder, 1990). The suggestion that employees come to meet their supervisors "more than half way" also implies that the supervisor is viewed as a credible source for the information (Ashford & Cummings, 1983). Proposing that inquiry serves a knowledge-gaining function, then, amounts to making two predictions depending on the state of over- or under-estimation on the part of the employee compared to the supervisor. In cases where employees overestimate their degrees of entitlement to organizational inducements, inquiry may succeed in stemming overly high impressions. In cases of under-estimation, employees' beliefs may rise to meet those of the supervisor. In either case, the answer to the employee request for information is predicted to bring employees' beliefs in line with those of their supervisors.

Given the supervisor is being used as a source of information, the hypotheses for the effects of inquiry on employee beliefs are made in reference to what is meant by accuracy in a study of this sort. Edwards' methodology has been used similarly in other studies. For example, in a study of the process of job applicants' belief development concerning particular companies, the beliefs of company executives were taken as accurate. In that case, "...increased accuracy means that, as the use of an information source increases, [...] belief scores of applicants whose scores fall below executives' scores increase, and the scores of applicants that were above the executives' decrease" (Cable, Smith, Mulvey & Edwards, 2000, p. 1080). Accuracy of employees' beliefs is viewed in a similar manner in the present research, albeit relative to the beliefs of supervisors.

Hypothesis 3a: Where an employee's belief is an overestimation relative to his or her supervisor's belief, greater use of inquiry will be negatively related to the level of transactional obligation perceived by the employee.

Hypothesis 3b: Where an employee's belief is an underestimation relative to his or her supervisor's belief, greater use of inquiry will be positively related to the level of transactional obligation perceived by the employee.

Hypothesis 4a: Where an employee's belief is an overestimation relative to his or her supervisor's belief, greater use of inquiry will be negatively related to the level of relational obligation perceived by the employee.

Hypothesis 4b: Where an employee's belief is an underestimation relative to his or her supervisor's belief, greater use of inquiry will be positively related to the level of relational obligation perceived by the employee.

Again, it should be pointed out that this rationale assumes that both overestimation and underestimation are influenced symmetrically, yet oppositely, by the dialogue initiated through inquiry. While this type of symmetrical explanation is forced

upon researchers when agreement is operationalized using difference scores, making separate hypotheses and examining the results allows for an examination of the manner in which these independent relationships actually yield agreement.

The type of obligation is not predicted to influence the beliefs developed through inquiry since, once these matters are discussed, the degree by which they are otherwise observable should not likely matter. While the hypothesized relationships do not differ depending on the type of obligation, the results of hypotheses 3 and 4 will permit an examination of the impact of inquiry on both transactional and relational beliefs and will be compared accordingly.

3.2 Monitoring

When monitoring the behaviour, or even the unsolicited words, present in the environment, the employee is only operating within a knowledge-gaining function (See Figure 2). This behaviour is not salient, which cuts off the opportunity for it to affect the supervisor's understanding. For the employee him or herself, monitoring assumes the trade-off of less accuracy for ease of gathering (Ashford & Cummings, 1983). The knowledge-gaining function is, therefore, potentially hampered by the indistinctness of the information, or by biases of interpretation. However, this last point may hinge upon the nature of what is being observed, whether it is a transactional or relational obligation. According to Rousseau and McLean Parks (1992), transactional obligations are more easily observable in the environment than are relational obligations. This raises the question as to whether monitoring may be more or less effective for the employee in developing congruent beliefs depending on the nature of the obligations. If transactional

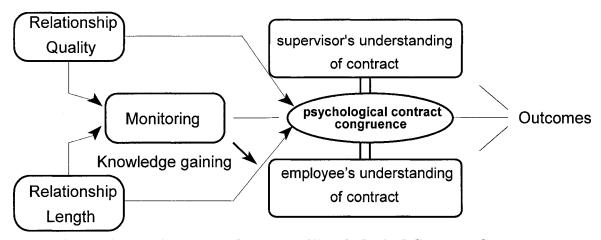


Figure 2. Monitoring in the Development of Psychological Contract Congruence

obligations are, in fact, easier to observe than are relational components, the following hypotheses are expected:

Hypothesis 5a: Where an employee's belief is an overestimation relative to his or her supervisor's belief, greater use of monitoring will be negatively related to the level of transactional obligation perceived by the employee.

Hypothesis 5b: Where an employee's belief is an underestimation relative to his or her supervisor's belief, greater use of monitoring will be positively related to the level of transactional obligation perceived by the employee.

In opposition, relational obligations are characterized by ambiguity (Rousseau & McLean Parks, 1992). Ambiguity allows self-serving interpretations since the enhancement bias that comes to characterize an individual's beliefs is facilitated when the attributes being evaluated are ambiguous (Felson, 1981; Fiske & Taylor, 1984). Due to the positive illusions that may manifest themselves through the combination of subjective, difficult-to-observe terms and the unilateral process, the use of monitoring is predicted to be associated with higher evaluations of relational obligations.

Hypothesis 6: Greater use of monitoring will be positively related to the level of relational obligation perceived by the employee.

3.3 Controls: Job status, relationship quality, and duration

Dyadic relationship quality has been linked to both the level of agreement between members concerning aspects of the job and to more frequent communication (Graen & Scandura, 1987) as well as greater likelihood of feedback inquiry (Vancouver & Morrison, 1995). As such, it needs to be controlled for in order to investigate the role of the question asking itself, over and above quality of relationship. This same argument is made for the length of the relationship, with longer relationships seeing greater agreement and influence over communication patterns. Longer-term relationships within organizations are seen as problematic for congruent understanding only when they come to involve different promise-makers because such relationships are less explicit and not easily transferable (Rousseau, 1995). However, a longer relationship between an employee and a particular supervisor allows higher extents of uncertainty reduction at different levels (Berger & Callabrese, 1975).

In addition, the age, gender and job status (permanent or non-permanent) of the employee are included as covariates in this framework. Beliefs regarding employees' working arrangements are influenced by age (Holtz, 1978). In addition, women have been found to appreciate flexible, family-responsive working arrangements to a greater extent than men, which has implications for the psychological contracts of female employees (Scandura & Lankau, 1997). Lastly, the terms of the working relationships held by permanent employees are different from those of non-permanent employees due to the nature of this distinction, which relates to distinct psychological contract beliefs (Millward & Hopkins, 1998).

3.4 The outcome of congruence

Congruence has been examined as an antecedent of such organizationally relevant outcomes as stress, burnout, and performance (Kristof, 1996). Nadler and Tushman have proposed that congruence itself is an overall indication of effective organizational behaviour using the following proposition: "Other things being equal, the greater the degree of congruence or fit between the various components, the more effective will be organizational behaviour at multiple levels" (Nadler & Tushman, 1980, p. 275).

Of course, the benefit of psychological contract congruence is premised on a particular type of shared cognition consisting of less task-specific beliefs regarding the employment relationship. This type of shared cognition more directly affects attitudes, making its probable impact on performance indirect (Cannon-Bowers & Salas, 2001). For instance, larger gaps between employer and employee, as they pertain to the perceptions of employer inducements, have been associated with lower levels of employee satisfaction (Porter et al., 1998). In addition, lowered trust, lowered satisfaction, and lowered commitment are related to psychological contract violation, a potential manifestation of incongruence (Robinson & Morrison, 1995).

Attitudes such as dissatisfaction and mistrust may have consequent behavioural impacts. Interestingly, when behavioural outcomes are examined outside of the explicit job requirements, such as Organizational Citizenship Behavior, the impact of the psychological contract has been shown to be a significant influence (Robinson & Morrison, 1995). Perhaps the development of shared cognition regarding what is, in fact, in-role versus extra-role behaviour is responsible for such findings.

There has been little research conducted regarding the direct impact of incongruence on organizationally-relevant criteria. All the while assuming a link

between incongruence and breach of psychological contracts, one could contend that the evidence supporting a negative relationship between breach and outcomes such as performance and intentions to remain with the employer (Robinson, 1996) is indicative of the importance of congruence in maintaining effective working arrangements. Since incongruence is rarely measured directly, the theoretical proposition that congruence curtails perceptions of breach remains untested. This research hopes to demonstrate the validity of this theoretical relationship. That congruence will lead to greater contract fulfillment, in line with the theoretical propositions of contract violation (Morrison & Robinson, 1997), will be tested through the following hypotheses:

- **Hypothesis 7:** The greater the extent of congruence regarding the beliefs of employees and supervisors concerning transactional obligation, the greater the evaluation of contract fulfillment from the perspective of the employee.
- **Hypothesis 8:** The greater the extent of congruence regarding the beliefs of employees and supervisors concerning relational obligation, the greater the evaluation of contract fulfillment from the perspective of the employee.

4. Methodology

4.1 Sample and data collection

This is a study of beliefs and behaviours. None of the psychological contract beliefs is observable, nor is the extent to which employees monitor for information. Thus, this study used self-report measures within surveys. In order to examine all variables in the model, data was gathered from pairs of respondents. Survey packages were constructed, each package consisting of separate employee and supervisor questionnaires. The researcher approached undergraduate classes of a large university, the students of which were part of a subject pool in the business school. Class visits included a brief presentation of the purposes of the study and, for those interested in participating, the manner in which surveys were to be distributed to survey respondents and returned to the researcher. Students were given the opportunity to receive bonus class credit for each dyad they were able to contact to a maximum bonus credit of two percent.

The survey packages that were distributed to students were accompanied by a set of instructions regarding how to ensure credit for participation, one sealed envelope labelled *Employee 1*, and another sealed envelope labelled *Employee 2*. The procedure required students to contact employee respondents and/or act as one of the employee respondents themselves. It was made clear that no employee (or subsequently contacted employer) could participate more than once. Student participants were encouraged to seek employees who worked at least 30 hours per week for the same employer.

A letter directed to the employee respondent found within each sealed employee envelope contained instructions as to completing the questionnaire therein and how to

return it through the mail using an addressed stamped envelope provided. Also contained in each envelope labelled *Employee*, was a smaller, sealed enveloped labelled *Supervisor*, which employees were instructed to give to their immediate supervisors. This smaller envelope contained the supervisor version of the questionnaire, as well as a cover letter instructing the supervisor as to completing the survey, and a stamped return envelope. Since each survey was returned separately, the two surveys enclosed within each package (one employee version, one supervisor version) were coded with matching numbers to enable the subsequent pairing up of the responses according to the naturally occurring dyads of which each respondent formed a part. This coding was brought to the attention of the respondents in their respective cover letters, along with the assurance that any information they reported would remain strictly confidential.

4.2 Sample description

Overall, 320 survey packages were distributed to 160 students using the above method. Of these, 149 paired dyads were returned for a response rate of approximately 47%. 15 dyads were removed due to violation of the procedure (i.e., an employer or employee filled out more than one survey) or because the surveys themselves were extensively incomplete, resulting in a final sample size of 134 dyads. The bulk of the respondents were drawn from the following types of companies: Wholesale, Retail Trade (24%); Finance, Insurance, Banking (17%); Manufacturing (13%); Communications, Software, Internet, Information Technologies (10%), Tourism, Entertainment, Culture, Arts, Sports (7%); Higher Education (4%); Healthcare, Pharmaceutical, Biotechnology, Chemical (4%); Other (21%). The mean age for employees and supervisors was 31

years and 40 years, respectively. Mean tenure within the organization was 4.5 and 10 years, respectively. Both the employee and the supervisor samples were almost equally represented by male and female respondents, although most of the employee sample was female (60%) and most of the supervisor sample was male (57%). The mother tongue of 49% of the supervisors was a language other than English, as was the mother tongue of 55% of the employees. However, independent samples t-tests did not reveal that the main variables differed between these two broad groups. The mean number of employees overseen by the supervisors in the sample was 20 with a mean length of the working relationship between supervisor and employee of 2.61 years. Table 1 contains the correlation matrix for the main and control variables of this study.

Table 1. Means, Standard Deviations, and Correlations of Main Variables

Variable	Mean (SD)	-	2	ю	4	v	9	7	∞	6	10	=	12	13	14
1. Job Status	.81 (.40)	1													
2. Age	30.75 (9.99)	.28**	-												
3. Gender	1.60 (.49)	.10	70.	,											
4. Relationship Length	2.61 (3.38)	.12	.43**	.04	ı										
5 Relationship Quality	4.14 (.49)	90.	.11	.10	04	98.									
6. Inquiry	3.84 (.72)	80.	.01	11:	01	.15	.80								
7. Monitoring	3.65 (.69)	.04	23**	.01	18*	.07	.33**	.56					*****		
8. Transactional Contract ^E	3.12 (.97)	60:	15	00.	15	.15	.12	.03	.76						
9. Relational Contract ^E	3.25 (.92)	.17*	07	.12	14	.22*	.28**	.11	.75**	89.					
10. Transactional Contract ^S	3.44 (.71)	.16	01	07	04	.33**	.01	.02	*61.	.15	89.				
11. Relational Contract ^S	3.67 (.67)	.15	.14	90.	90:	**84.	11.	50.	.17	.23**	.61**	.52			
12. Overall Obligation ^E	3.19 (.89)	.14	12	90.	16	*61.	.21*	70.	.94**	.93**	.18*	.21	.84		
13. Overall Obligation ^S	3.56 (.62)	.18*	.07	01	.01	.45**	.07	26.	.20*	.22*	**06.	**68.	.22**	.75	
14. Contract Fulfillment	3.47 (.85)	.10	.07	.10	.01	.26**	.18*	00.	.30**	.35**	11.	.07	.35**	.10	.83
*Correlation is significant at the 0.05 level 2-tailed.	the 0.05 level 2	-tailed.	l	relation	is sign	**Correlation is significant at the 0.01 level 2-tailed	at the 0.	01 lev	el 2-tai	led.					

Based on a sample of 134 respondents. N may vary slightly for particular correlations due to missing data. Reliability coefficients (Cronbach's alpha) for scales are found along the diagonal.

4.3 Measurement

4.3.1 Psychological contract content

Measuring and testing for congruence involves the examination of both employees' and supervisors' ratings of the extent to which certain employer obligations are present in the psychological contract between them. At the same time, transactional and relational items are distinguished in order to examine the differential effects of information seeking on these different types of beliefs. Many measures of psychological contract content have been developed, as have explicit measures of the construct's relational/transactional nature. However, measures that set out to gauge the dimensionality of the psychological contract, such as the Psychological Contract Inventory (Millward & Hopkins, 1998), often consist of questions that are most appropriately answered from the perspective of the employee, which does not permit the supervisor's responses to act as a comparison.

For this reason, the psychological contract was measured using specific items of contract content developed by Rousseau through her interviews with recruitment officers (1990). These contract items have been used in several studies, listed in Table 2, which permits comparability with previous findings. Accepting that the range is not exhaustive, the items permit a study of the extent of agreement, which is the main focus of the present research.

However, before proceeding, it is important to note some of the contradictory findings as to the relational/transactional classifications that have been made using these items (refer to Table 2). This contradiction is clear in spite of a reference made by Robinson and Morrison (1995) to the 1990 work of Rousseau, in which they state that

"Training" and "Career development" had been classified as relational terms (Robinson & Morrison, 1995). The item "Support with Personal Problems" was not used in that study. In addition, Robinson published another study using the same data set in 1995, in which an item labelled "sufficient power and responsibility" is included with the other six items. As another matter of dissimilarity, Robinson (1995) uses an overall measure of contract breach by taking the average of the items, in spite of the factor analysis results derived from the same sample in Robinson and Morrison (1995). Robinson uses this same set of obligations in a 1996 study, which again took an overall measure of contract breach using the average for all the items.

Table 2. Previous Studies of Psychological Contract Content

Author(s)	Employers' Transactional Obligations:	Employers' Relational Obligations:
Rousseau (1990) Canonical correlation analysis	 High Pay Pay based on the current level of performance Training Career development 	Long-term job security
Robinson, Kraatz and Rousseau (1994) Factor Analysis at two separate times, two years apart.	 Rapid advancement High pay Pay based on the current level of performance 	 Long-term job security Training Career development Support with personal problems* *this item fell on the relational factor at time 1, but did not load on any factor at time 2.
Robinson and Morrison (1995) Factor Analysis	 High Pay Pay based on the current level of performance Promotion and Advancement 	Long-term job securityCareer DevelopmentTraining

This overall extent of contradictory evidence for the relational/transactional distinction has been pointed out by other researchers, with specific mention being made of the inconsistent findings related to perceptions of training obligations (Arnold, 1996). A recent factor analysis of items meant to tap the psychological contract found three factors: transactional obligations, relational obligations, and training obligations (Coyle-Shapiro & Kessler, 2000). Rousseau herself, in a paper with Tijoriwala (1998), acknowledged the inconsistency of the relational/transactional distinction of these items across studies, which is suggested to be a function of changes in the interpretations of these practices over time.

The present study is focused on the process of coming to agreement concerning elements of the psychological contract, rather than being an in-depth analysis of psychological contract content itself. In short, in order to examine congruence, the extent to which individuals agree on the items becomes slightly more important than the items themselves. That being said, the matters on which people come to agree remain important to isolate. To reiterate a statement made by Cronbach, "...any index combining results from heterogeneous items presents difficulties in interpretation" (quoted in Edwards, 1995, p. 319; see Cronbach, 1955, p. 178).

Given that the above hypotheses related to monitoring differ according to contract orientation, it was important to treat the transactional and relational terms distinctly. For this reason, the items from Rousseau's initial list of seven that have been the most consistent across studies were retained. "Advancement," "High pay," and "Pay based on performance" were predicted to group as transactional items. "Long-term job security," "Career development" and "Support with personal problems" were predicted to group as

relational items. The faith in these particular items' transactional or relational orientation was derived largely from its being evidenced in a study conducted by Robinson et al. (1994), one of the few longitudinal studies to find stable replicable factor structures. Theirs was a study of the same sample over two years.

Respondents of the present study were asked to indicate the extent to which each of the six items forms part of the organization's obligations toward the employee (rating from 1 – "not at all" to 5 – "very highly"). In order to ascertain whether the distinction between transactional and relational terms held up in the data from this sample, a principal component factor analysis was conducted on these responses. Unfortunately, no distinction emerged between what were predicted to be transactional and relational obligations. In fact, all six items loaded on one factor. The single factor solution emerged in separate factor analyses of the responses considered from the employee's perspective and those considered from the supervisor's perspective, respectively. The single factor had an initial eigenvalue of 3.38 and explained 56% of the variance in scores from the employee perspective. It had an initial eigenvalue of 2.71 and explained 45% of the variance in scores from the supervisor perspective. See Table 3.

Given the prediction for factor loadings was based in *a priori* specifications, this principal component analysis was re-run with the additional specification of yielding a two-factor solution. In this second run of testing, using varimax rotation, a two-factor solution emerged that somewhat resembled the two three-item scales that had been predicted. Specifically, "High pay" and "Pay based on performance" loaded onto the same factor in both the employee-rated data and the supervisor-rated data, with "Longterm job security" loading on the opposite factor in both cases. However, there were

inconsistent loadings of the other items depending on the respondent perspective, and there was always one conceptually contrasting item in each factor. These findings are difficult to interpret, yet the failure to replicate previous factor structures is evident, and will be taken up in the discussion section.

Table 3. Factor Loadings of the Single-Factor Solution of Obligations

Employee Perspective		Supervisor Perspective	•
Obligation	Loading	Obligation	Loading
Promotion (Advancement)	.857	Promotion (Advancement)	.760
Career Development	.798	Pay based on the current level of performance	.706
Pay based on the current level of performance	.788	High pay	.680
Support with personal problems	.699	Career Development	.678
Long-term job security	.676	Long-term job security	.619
High pay	.666	Support with personal problems	.581

Nevertheless, in order to test the hypotheses as they were offered, summary scores of the extent of transactional and relational obligation were developed by taking an average of the three items that had been predicted, *a priori*, to represent transactional and relational dimensionality. Internal consistency, as measured by Cronbach's Alpha, for these scales is as follows: employee-rated transactional obligation = .76; employee-rated relational obligation = .68; supervisor-rated transactional obligation = .68; supervisor-rated relational obligation = .52.

Given the single factor solution for both sets of respondents, the item scores from each perspective were averaged into overall obligation scores and regression analyses were conducted upon them as a *post hoc*, exploratory measure of obligation. In fact, only the hypotheses related to monitoring differ depending on the transactional or relational nature of obligations perceived. Some researchers have avoided the inconsistency of the transactional/relational nature of contracts by studying agreement at the item level (Porter et al., 1998) or by examining perceptions of obligations in an overall sense (Lewis-McClear & Taylor, 1997; Robinson, 1995, 1996). These post hoc analyses can be compared to research using the latter option. Cronbach's Alpha indicators for these scales of overall obligation were .84 and .75 for employee and supervisor ratings respectively.

4.3.2 Information seeking

The present research used a total of seven items to assess information seeking behaviour (four items for inquiry, three items for monitoring). As discussed in the theoretical framework, these were measures of the general extent of inquiry and monitoring concerning employer obligations. Specifically, respondents were asked the following question: "To learn what obligations your organization has toward you, to what extent have you done each of the following?" and presented with a list of the seven information seeking behaviours.

Inquiry items

While Ashford's (1986) inquiry scale has been used in many studies of feedback/information seeking, it is essentially a measure of the general extent to which a

person inquires for information, using items that differ only according to various sources (e.g., supervisor, co-worker, mentor). Miller has differentiated inquiry, as an information-seeking tactic, in terms of important variations in the quality (i.e., explicitness) of the question, as well as whether the question is directed to a first or third party (Miller, 1996). Given the present research is bounded within the supervisor-employee dyad, Miller's overt inquiry scale was used. A sample item is "I have asked my supervisor specific, straight-to-the-point questions to get the information I want". Employees rated these items from 1 – a very little extent to 5 – a very great extent; Cronbach's Alpha = .80.

Monitoring items

An appropriate measure of monitoring is felt to represent an employee's unspoken search for information in the environment. Pilot testing of the original instrument for the present research contained four items to measure monitoring, which were borrowed from Miller's (1996) measure of observation. However, seriously low reliability estimates from this pilot study raised doubts about the internal consistency of the items. Miller and his colleagues have also found inconsistent factor loadings and/or rather low reliability estimates of this particular tactic in previous studies (e.g., Casey, Miller & Johnson, 1997; Miller, 1996).

As an alternative, Morrison's (1993a) 3-item measure of monitoring for information was considered. However, it contains one item that probes the extent to which individuals *socialize* with others in the organization in order to obtain information. It was felt the inclusion of this item would not have drawn a sharp enough distinction

between inquiry and monitoring. This item omitted, the other two were combined with the following item from Miller's (1996) observation scale: 'I have found out the information by keeping my eyes and ears open to what is going on around me.' This item was chosen because it loaded highest on the observation-based factor in that study. Responses ranged from 1 – a very little extent to 5 – a very great extent. A principal component analysis, varimax rotation, was performed to justify the development of inquiry and monitoring scales, through which the items loaded onto separate factors as expected (see Table 4). In the end, the reliability of the monitoring scale, as developed for this study, was still low (Cronbach's Alpha = .56). While the three-item scale for monitoring loaded onto one factor, its low reliability will make it difficult to account for the analysis results.

Table 4. Factor Analysis of Information Seeking Behaviour Items

	Comp	ponent
	1	2
I have gone directly to my supervisor and asked for information about the matter.	0.870	
I have identified what I don't know and asked for information about the matter.	0.845	
I have asked my supervisor specific, straight-to- the-point questions to get the information I want.	0.721	
I have asked my supervisor for information without "beating around the bush."	0.692	
I have paid attention to how others behave.		0.819
I have found out the information by keeping my eyes and ears open to what is going on around me.		0.711
I have observed what behaviors are rewarded and used this as a clue.		0.609
Eigenvalue =	2.88	1.31
% of Variance =	41%	19%

4.3.3 Controls

Quality of the working relationship was gathered using a modified version of the Leader-member exchange (LMX 7) scale (Graen & Uhl-Bien, 1995). The first of the seven items of this measure, as it is presented by Graen and Uhl-Bien, contains two questions. These were separated, resulting in a total of 8 items, to which supervisors were asked to rate their state of agreement using a 5-point scale that ranged from 'strongly disagree' to 'strongly agree'. One item ("Regardless of the amount of formal authority I have, I would "bail out" the employee at my expense") was dropped to increase the reliability of the final measurement (Cronbach's Alpha = .86). Age, gender, job status, and relationship length, as reported by the employee, were also used as covariates in the regression models.

4.3.4 Contract fulfillment

Respondents were not asked to rate the extent to which the obligations related to each of the contract items had been fulfilled. Instead, overall contract fulfillment was assessed. This permitted a comparison of the relative influence of transactional and relational item agreement in the general evaluation of promise keeping. This type of evaluation has been used in a similar study of interpersonal development of contract beliefs (Ho, Levesque, & Rousseau, 2002) and is not fundamentally dissimilar from the overall measures of contract violation reported in Robinson (1995, 1996). The two-item measure is the following: (1) Overall, the organization has fulfilled its commitments to me; and (2) In general, the organization has lived up to its promises to me. Respondents rated their agreement with the statements from 1 – "strongly disagree" to 5 – "strongly agree" (Cronbach's Alpha = .83).

5. Results

The proposed benefit of developing psychological contracts through inquiry rests partially in whether both of these belief sets are influenced by the activity. For this reason, the hypotheses related to inquiry will begin with an overall test of the strength of the relationships using polynomial regression. Polynomial regression amounts to creating new linear combinations of the measured dependent variables that maximize group differences. Multivariate tests may focus on any subset of the independent variables hypothesized to be significant predictors. This type of focused test will be conducted for the analysis of inquiry. Using the Mtest function in SAS, the significance of the coefficient is ascertained through a multivariate F statistic, four of which are provided by the program (Wilks' Lambda, Pillai's Trace, Hotelling-Lawley Trace, and Roy's Maximum Root). Wilks' lambda will be reported throughout the analysis section of this report. Additionally, the beta weights of the same independent variable in the two equations can be contrasted to assess whether they are significantly different from one another using Mtest.

Several control variables are included in the theoretical framework to account for the variance attributable to them, so that a clearer understanding of the role of information seeking can be achieved. Using polynomial regression to study the effects of inquiry across more than one dependent variable takes this rationale one step further by taking into account the covariance among dependent variables (Edwards, 1995). That being said, a significant multivariate F statistic prompts follow-up univariate tests in order to ascertain the unique effect(s) of an independent variable. The analyses for inquiry that follow are laid out according to this custom, beginning with the reporting of

multivariate results, followed by univariate regression analyses in order to explain any effect. The hypotheses themselves already represent predictions of a manner in which independent effects might combine to produce agreement.

Without distinguishing between over and under-estimators, the multivariate test statistic for the effect of inquiry on beliefs in transactional obligations is non significant [Wilks' lambda = 0.98, F(2,121)=1.15, n.s.]. Therefore, there is no support for the hypothesis that greater use of inquiry increases supervisors' beliefs in transactional obligation. Hypothesis 1 is not supported.

A significant multivariate effect of inquiry was found for relational contract beliefs [Wilks' lambda = 0.94, F(2,121)=3.93, p<.05]. This essentially means that the effect of inquiry is not zero for both employee and employer beliefs in this type of obligation. This effect was also found to be statistically different across the two equations [Wilks' lambda = 0.96, F(1,122)=5.42, p<.05], which lends support for the premise that inquiry acts differently upon the two belief sets, yet requires follow up analyses to explain the nature of the finding.

As a follow-up to the multivariate finding, univariate regression was conducted for the effect of the independent variables on beliefs in relational obligation, the coefficients of which are reproduced in Table 5 below. The coefficient for inquiry is positively associated with employee beliefs in relational obligation, but has no effect on the beliefs of supervisors in this matter. The variance in supervisor scores is principally explained by the quality of the working relationship between the employee and the supervisor. Therefore, hypothesis 2 is not supported.

Table 5. Regression Results for Relational Obligation

	Employ	ee Beliefs	Superviso	or Beliefs
MODEL 1				
Constant	1.56	(.70)	.69	(.48)
Job Status	.53**	(.21)	.19	(.14)
Age	01	(.01)	.00	(.01)
Gender	.10	(.16)	.00	(.11)
Relationship Length	03	(.03)	.01	(.02)
Relationship Quality	.37*	(.16)	.65**	(.11)
	R^2	= .12	R^2	= .26
MODEL 2				
Constant	.82	(.81)	.59	(.56)
Job Status	.49*	(.20)	.19	(.14)
Age	01	(.01)	.00	(.01)
Gender	.06	(.16)	.00	(.11)
Relationship Length	-03	(.03)	.01	(.02)
Relationship Quality	.30	(.16)	.65**	(.11)
Inquiry	.31**	(.11)	.02	(.08)
Monitor	02	(.12)	.01	(.08)
	R^2	= .17	R^2	= .26
1117	ΔR^2	= .06*	ΔR^2	= .00

Results are unstandardized beta coefficients (standard errors in parentheses).

Lastly, upon examining the role of inquiry on beliefs in overall obligation, the multivariate test statistic was non significant [Wilks' lambda = 0.96, F(2,121)=2.50, n.s.], suggesting that inquiry was unrelated to these beliefs for employees and their supervisors. Across the three belief sets, these analyses uncovered some interesting findings. First, the beliefs in transactional obligations and the overall degree of obligation cannot be explained through an examination of inquiry alone when the sample is taken as a whole.

Employees' beliefs in relational obligation, on the other hand, are associated with the use of inquiry, although the exact nature of this finding was not what was predicted. The use of inquiry was found to be significantly and positively associated with beliefs in relational obligation.

The effects of inquiry on employees' beliefs, as stated in the above hypotheses, amount to asking a different question (in terms of directionality) for two states of disagreement, so a dummy variable must be created to classify employees by their relative state of under- or overestimation (Edwards, 1995). In the present research, this dichotomous dummy variable, W, was coded as '0' when the beliefs in obligation reported by the employee were less than those reported by the supervisor (i.e., cases of underestimation). W was coded as '1' when the beliefs reported by the employee exceeded those reported by the supervisor (i.e., cases of overestimation).

Cases where supervisors and employees agreed (i.e., both parties gave the same rating) represented a small proportion of the sample (10% of the ratings of transactional obligation, 15% of the ratings of relational obligation, and 7.5% of the ratings of overall obligation). One option for handling these cases is to randomly assign cases of equality to the under- and overestimator groups, which avoids the loss of statistical power that would result from their complete exclusion from analyses (Edwards, 1994). Yet, a precondition for this practice requires that the two coding alternatives for the cases of equality yield the same substantive results. Comparing the results of separate coding alternatives for the cases of equality indicated that the substantive conclusions were the same regardless of whether these cases were all coded 1 or 0 for all regressions.

Essentially, making the distinction between underestimation and overestimation this way assumes that the relationships predicted in hypotheses 3, 4, and 5 differ at the point where Y1 = Y2. This is the typical practice in studies in this area, which must assume that the two ratings sources share the same zero point (Edwards & Cooper, 1990). No *a priori* rationale in the present research exists for setting another point. That being said, many cases of under- and over-estimation in the sample occur near either side of this point. See Table 6. More importantly, it is clear from these divergences that employees were not more likely to overestimate these obligations compared to their supervisors. In fact, over half the employees sampled underestimated the extent of transactional and relational obligations. This is contrary to what was assumed to characterize the beliefs of employees in this thesis and will be taken up in the discussion.

Table 6. Percentage of Overestimators and Underestimators by Obligation Type

			Degre		Emp	loyee	-	•	0				egre		Empl	oye			
Obligation	2.3	2	1.7	1.3	1	.67	.5	.3		.3	.67	1	1.3	1.5	1.7	2	2.3	2.7	3
Transactional	.7	2	1.5	4.5	1.5	7.5	.7	18	10	13	12	7.5	5	0	4.5	4	6	.7	.7
Relational	0	0	1.5	4	5	7.5	0	12	15	9	14	7	10	.7	5	2	4.5	2	0

Note: Values represent the percentage of cases falling under each degree of discrepancy.

In order to examine the nature of the effect of the independent variables depending on the state of inaccuracy, product terms of the independent variables and the dummy variable are constructed. When a dummy-coded variable equals zero, all product terms equal zero, and the effect of any independent variable in question is represented by the beta coefficient for that variable alone. When a dummy variable equals one, it and the product terms are included in the regression.

The significance of making the distinction between these subgroups is determined using hierarchical regression. If the increment to R^2 is statistically significant with the addition of the W*X product terms, there is evidence to support the notion that the effects are unequal across these two subgroups (Hardy, 1993). In such cases, the effect of a particular independent variable, X, is represented by β_X for underestimators and the sum, $\beta_X + \beta_{W^*X}$, for overestimators (Hardy, 1993; Edwards, 1995). Unstandardized beta coefficients are used to report these effects since standardization subtracts the means of the measure and divides by their standard deviations, which discards information that is important in testing congruence hypotheses (Edwards, personal communication, June 2003). The statistical significance of the summed coefficients is ascertained by deriving the standard error for the sum using the following formula: $[var(\beta_X)+var(\beta_{W^*X})+2cov(\beta_X, \beta_{W^*X})]^{\frac{1}{2}}$ (Cohen & Cohen, 1983).

The columns of Table 7 report the coefficients obtained with the inclusion of the dummy variables (Model 3) and the associated product terms (Model 4) to the regressions of employees' evaluations of transactional and relational obligations. The change in R² associated with the addition of the product terms in both cases is not significant, indicating the slopes for the two subgroups did not differ. Consequently, the dummy variables and product terms are dropped from further analyses. The effects of inquiry and monitoring on employees' beliefs in transactional and relational obligation must be treated as uniform for all cases.

Table 7. Regression Results for Employee Beliefs in Obligation

	Transac	ctional	Rela	tional
MODEL 3				
Constant	1.16	(.66)	.52	(.64)
\mathbf{W}	1.28**	(.13)	1.07**	(.13)
Job Status	.32	(.16)	.39*	(.16)
Age	02*	(.01)	01	(.01)
Gender	21	(.13)	03	(.13)
Relationship Length	01	(.02)	01	(.02)
Relationship Quality	.40**	(.13)	.33**	(.13)
Inquiry	.12	(.09)	.26**	(.09)
Monitoring	02	(.10)	.04	(.10)
	\mathbb{R}^2	= .51	R^2	= .48
MODEL 4	ΔR^2	= .41**	ΔR^2	= .30**
Constant	.27	(.82)	07	(.78)
W	2.74**	(.84)	1.99**	(.70)
Job Status	.32*	(.16)	.40**	(.16)
Age	02*	(.01)	01	(.01)
Gender	24	(.13)	01	(.13)
Relationship Length	01	(.02)	01	(.02)
Relationship Quality	.46**	(.13)	.36**	(.13)
Inquiry	.28*	(.13)	.35**	(.11)
Monitoring	.01	(.14)	.05	(.10)
W*Inquiry	31	(.18)	24	(.18)
W*Monitoring	07	(.19)		
	R^2	= .52	R^2	= .49
	ΔR^2	= .01	ΔR^2	= .01

Results are unstandardized beta coefficients (standard errors in parentheses).

N=129 * p<.05, ** p<.01

W is coded '1' where beliefs of employees exceed those of supervisors, or '0' where beliefs of supervisors exceed those of employees. Cases of equality were randomly assigned a '0' or '1'.

Table 8. Regression Results for Transactional Obligation

	Employee	e Beliefs	Superviso	or Beliefs
MODEL 1				
Constant	2.39 (.	.75)	1.59	(.54)
Job Status	.42 (.	.22)	.32*	(.16)
Age	02* (.	.01)	01	(.01)
Gender	07 (.	.17)	16	(.12)
Relationship Length	02 (.	.03)	.00	(.02)
Relationship Quality	.28 (.	.17)	.49**	(.12)
	$R^2 =$	09	\mathbb{R}^2	= .15
MODEL 2			<u>.</u>	
Constant	2.24 (.	.88)	1.79	(.63)
Job Status	.42 (.	.22)	.33*	(.16)
Age	02* (.	.01)	01	(.01)
Gender	09 (.	.17)	16	(.12)
Relationship Length	-02 (.	.03)	.00	(.02)
Relationship Quality	.26 (.	.17)	.51**	(.12)
Inquiry	.17 (.	.12)	04	(.09)
Monitor	09 (.	.13)	03	(.10)
	$R^2 =$	= .10	R^2	= .15
	$\Delta R^2 =$.01	ΔR^2	= .00

Results are unstandardized beta coefficients (standard errors in parentheses).

N=129, * p<.05, ** p<.01

The regression results for transactional obligation beliefs, with the dummy-coded variable and product terms dropped from the equation, are listed in Table 8. The coefficient for inquiry is non significant. Therefore, hypotheses 2a and 2b are not supported. Since the dummy variable and product term must be dropped from the relational obligation equation, this means the results already listed in the first column of Table 5 are, in fact, those which characterize the role of information seeking in

employees' development of these beliefs. That is, there is no distinction for the effect depending on whether the employee is an overestimator or an underestimator. The use of inquiry is unvaryingly associated with beliefs in relational obligation. Therefore, hypotheses 4a and 4b are not supported. The coefficient for monitoring is not a significant predictor of beliefs in either transactional obligation or relational obligation. Therefore, hypotheses 5a and 5b and 6 were not supported. The increment in R² resulting from the inclusion of the product terms for supervisor beliefs was not significant, which confirms there is no basis for treating the subgroups differently. Therefore, the final regression results predicting the beliefs of supervisors are those already reported in the supervisor columns of Tables 5 and 8.

For the *post hoc* measure of overall obligation, substantive results for the two coding schemes were the same regardless of whether cases of equality were coded '0' or '1'. Therefore, as is recommended by Edwards (1994, 1995), the cases of equal estimation were randomly assigned to one group or the other. A significant coefficient on the product term means that the effect of its associated X variable differs depending on the state of under- or overestimation (Edwards, 1995). For the overall obligation regression, a significant multivariate effect of inquiry was found for the product term of the dummy-coded variable with inquiry [Wilks' lambda = 0.94, F(2,119)=3.41, p<.05]. Univariate regression was conducted in order to follow-up the multivariate finding. As can be seen from Table 9, the change in R² is statistically significant in the regression of employees' beliefs, but not in that of supervisors. Therefore, the regression results will be examined for differential effects on employee-rated obligations depending on whether employees are underestimators or overestimators relative to their supervisors.

Table 9. Regression Results for Overall Obligation

	Employee	e Beliefs	Supervis	or Beliefs
MODEL 3				
Constant	.63	(.60)	1.49	(.50)
\mathbf{W}	1.14**	(.12)	39**	(.10)
Job Status	.33	(.15)	.30*	(.13)
Age	01	(.01)	.00	(.01)
Gender	21	(.12)	01	(.10)
Relationship Length	01	(.02)	.00	(.02)
Relationship Quality	.37**	(.12)	.55**	(.10)
Inquiry	.25**	(.08)	01	(.07)
Monitoring	.01	(.09)	03	(80.)
	R ²	= .52	R^2	= .32
MODEL 4	ΔR^2	= .38**	ΔR^2	= .09**
Constant	38	(.72)	1.50	(.63)
W	2.58**	(.62)	40	(.54)
Job Status	.36*	(.15)	.30*	(.13)
Age	01*	(.01)	.00	(.01)
Gender	22	(.11)	01	(.10)
Relationship Length	.00	(.02)	.00	(.02)
Relationship Quality	.44**	(.12)	.55**	(.10)
Inquiry	.44**	(.11)	01	(.10)
Monitoring	.01	(.09)	03	(.08)
W*Inquiry	37*	(.16)	.00	(.14)
	R ²	= .54	R ²	= .32
	ΔR^2	= .02*	ΔR^2	= .00

Results are unstandardized beta coefficients (standard errors in parentheses).

N=129 * p<.05, ** p<.01

W is coded '1' where beliefs of employees exceed those of supervisors, or '0' where beliefs of supervisors exceed those of employees. Cases of equality were randomly assigned a '0' or '1'.

Table 10. Regression Results for Employee Beliefs in Overall Obligation

	Underest	imators	Overestir	nators
Constant	38	(.72)		
Job Status	.36*	(.15)		
Age	01*	(.01)		
Gender	22	(.11)		
Relationship Length	.00	(.02)	:	
Relationship Quality	.44**	(.12)		
Monitoring	.01	(.09)		
Inquiry	.44**	(.11)	.07	(.24)
W*Inquiry	37*	(.16)		

Results are unstandardized beta coefficients (sum for overestimator coefficient), (standard errors in parentheses). Standard error for overestimator coefficient was derived from the formula: $[var(\beta_x)+var(\beta_{w^*x})+2cov(\beta_x,\beta_{w^*x})]^{\frac{1}{2}}$

N=129 * p<.05, ** p<.01

W is coded '1' where beliefs of employees exceed those of supervisors, or '0' where beliefs of supervisors exceed those of employees. Cases of equality were randomly assigned a '0' or '1'.

Table 10 displays two columns: the average effects for all predictors except inquiry, the coefficient of which applies solely to the beliefs of underestimators; and the derived coefficient of inquiry for overestimators, which is the sum of the independent variable and its associated product term. The coefficient for the effect of inquiry for overestimators has a t test that is not statistically significant. Given the significant coefficient for the effect of inquiry for underestimators, greater use of inquiry is positively related to the beliefs in obligation of underestimators. However, these results indicate that, while inquiry is a significant predictor of the beliefs in overall obligation of employees who are underestimators, it does not reliably improve the prediction of the beliefs of overestimators.

In all, the relationships that had been hypothesized to lead to agreement were unsupported. However, inquiry was found to relate to beliefs of employees regarding their employers' obligations. The graphical displays of the role of inquiry in developing psychological contract beliefs of employees are found in Figures 3.1 and 3.2. In developing relational contract beliefs, employee beliefs are more similar to those of supervisors when inquiry is high. Also, when employees underestimate the overall extent of obligation, their beliefs are more similar to those of supervisors when inquiry is high.

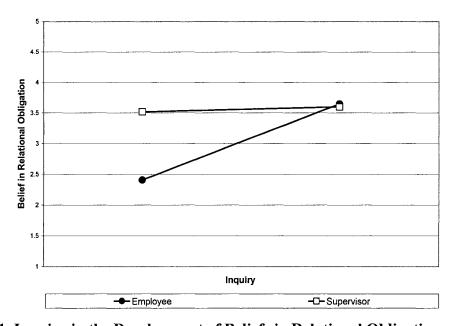


Figure 3.1 Inquiry in the Development of Beliefs in Relational Obligation

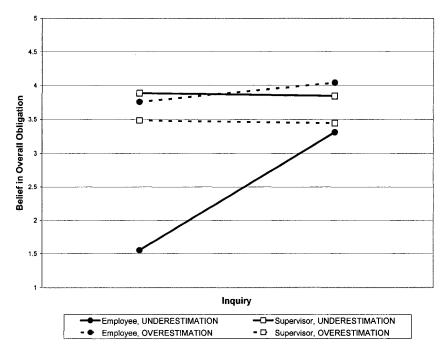


Figure 3.2 Inquiry in the Development of Beliefs in Overall Obligation

Agreement concerning transactional and relational obligation was predicted to lead to greater perceptions of contract fulfillment in hypotheses 7 and 8. These tests require the use of unconstrained regression equations, which include the beliefs of employees and their supervisors as separate predictors, a dummy variable distinguishing cases where employees' beliefs exceed or fall below supervisors', as well as product terms of the independent variables with this dummy variable (Edwards & Harrison, 1993). To show that congruence is a significant predictor of contract fulfillment, the coefficients must exhibit certain patterns (as described in Edwards & Harrison, 1993): a) the coefficients for employees' beliefs and supervisors' beliefs are equal in magnitude and opposite in sign, b) the two product terms made up of each respective belief and the dummy variable must be equal in magnitude and opposite in sign, c) the coefficients of the product terms must be twice as large as those of the beliefs, and d) the dummy variable should have a coefficient of 0.

However, the addition of the product terms to the regression containing the dummy variable did not significantly increase the value of R². As is customary under this methodology, a test of whether higher-order terms (one order higher than the model being examined) is required to ensure that "...the complexity of the underlying surface has not been underestimated" (Edwards, 1994, p. 73). The inclusion of these higher-order terms also did not add a significant amount of explained variance. Thus, the results of this regression did not indicate that psychological contract congruence is a predictor of employees' beliefs regarding the extent of contract fulfillment. Hypotheses 7 and 8 were not supported. The results of the regression without these terms are shown in Table 11, in which only the employees' beliefs in the extent of obligations explain perceptions of fulfillment over and above relationship quality. Comparing the standardized coefficients within each regression equation reveals that beliefs in obligation are the strongest predictors in all cases. The greater an employee's beliefs, the more he or she feels overall contract fulfillment, in spite of whether these beliefs were shared by the supervisor.

Table 11. Regression Results for Beliefs in Contract Fulfillment

	Transa Oblig			ional gation	Ove Oblig	
Constant	.75	(.69)	.98	(.65)	.83	(.67)
Job Status	.09	(.19)	.07	(.19)	.07	(.19)
Age	.00	(.01)	.00	(.01)	.00	(.01)
Gender	.13	(.15)	.08	(.14)	.09	(.15)
Relationship Length	.00	(.02)	.01	(.02)	.01	(.02)
Relationship Quality	.38*	(.15)	.46**	(.16)	.41**	(.16)
Employee Beliefs	.25**	(.08)	.31**	(.08)	.32**	(.09)
Supervisor Beliefs	02	(.11)	21	(.12)	13	(.13)

Results are unstandardized beta coefficients (standard errors in parentheses).

Notes: N = 129, *p<.05, **p<.01

6. Discussion

It is accepted that, given the subjectivity of an individual's psychological contract beliefs, employees and their supervisors (or other promise makers) will likely differ in their interpretations of the psychological contract between them (Kotter, 1973; Rousseau, 1989). An elemental reason for disagreement between parties to a psychological contract is that these beliefs are prone to individual cognitive biases (Rousseau & McLean Parks, 1992). General self-serving interpretations have been used in the past to explain how employees come to develop psychological contract beliefs over time (Robinson et al., 1994), yet without a process-oriented understanding of which antecedents are most responsible for this finding.

The theoretical argument laid out in this thesis attempted to trace this finding to information seeking behaviour of employees. The shift in responsibility for managing one's career that is concurrent with structural changes to traditional employment arrangements served to augment the importance of studying information seeking as an antecedent of psychological contract beliefs. The theoretical framework was developed mostly in reference to employees' positive illusions, whereby choice of information-seeking behaviour was hypothesised to attenuate or exacerbate the biases that employees are subject to in their interpretations of the working relationship. In doing so, it made a rather broad assumption that employees' evaluations of their employers' obligations would be overstated, in general, compared to those of supervisors. In the present study, the inherently subjective nature of the construct was evident in the comparison of ratings between the supervisors and the employees. However, employees were not more likely to overestimate these obligations, contrary to what had been predicted.

The theoretical propositions, taken as a whole, were set up to explain various relationships that would characterize the construct of psychological contract congruence. Aside from investigating how employees develop psychological contract beliefs, the thesis further examined whether employees can "negotiate" these beliefs at the dyadic level. The main hypotheses and the subsequent univariate regression results isolated the independent effects of inquiry on the components of agreement: the psychological contract beliefs of employees and supervisors. Through Edwards' (1995) methodology, it was possible to examine the role and strength of "the question" itself: whether question asking permits an employee to influence the relationship in his or her favour and/or enables him or her to better assess the beliefs of his or her employer (i.e., in this case, via the supervisor). Additionally, the role of monitoring in developing transactional versus relational contract beliefs was examined. Lastly, agreement itself was examined as an antecedent of employees' evaluations of their psychological contracts.

6.1 Levels of obligation beliefs

The evidence from this study does not tend to suggest that employees' beliefs in organizational obligations are inflated relative to the beliefs of their supervisors. The mean differences between employees and supervisors concerning contract items are reported in Table 12. Supervisors' responses regarding the items (except for 'high pay') and scales were significantly higher as a group. In fact, at the dyadic level, supervisors' beliefs only fell below those of their employees in 30% of the cases for relational obligations, 37% of the cases for transactional obligations, and 37% of the cases for overall obligation. This finding does not conclusively indicate that employees were not self-serving in their beliefs, but it does suggest that supervisors were "generous" in their

assessments of the employment obligations owed their employees, which is contrary to what is predicted based on the structural changes to employment relationships.

Table 12. Mean Levels of Beliefs in Obligation

		Employee	Supervisor	p
1.	High pay	2.89 (1.11)	3.06 (.92)	n.s.
2.	Pay based on the current level of performance	3.29 (1.18)	3.66 (.85)	.00
3.	Long-term job security	3.38 (1.15)	3.65 (.97)	.01
4.	Promotion (Advancement)	3.18 (1.25)	3.63 (.94)	.00
5.	Support with personal problems	2.95 (1.10)	3.48 (.94)	.00
6.	Career Development	3.41 (1.31)	3.87 (.92)	.00

6.2 Information seeking behaviour

That individual employees make sense of their environments through actively seeking for information was found to apply to their use of inquiry. Specifically, univariate regression analyses show that higher rates of inquiry are associated with greater beliefs concerning the relational obligation of their employers. In none of the belief sets that were examined was inquiry related to the beliefs of supervisors. Altogether, inquiry appears to serve a belief-development function, but not one of impression management. Given that this relationship did not differ for underestimators and overestimators, it does not seem to indicate that these beliefs were more accurate. However, the higher beliefs associated with greater rates of inquiry are more similar to the beliefs of supervisors. Taken together, these findings draw attention to the point at which agreement occurs, which is not necessarily the "middle of the road."

Interestingly, Edwards (1995) employed this same methodology to re-examine the data of a previous study of agreement concerning performance-based feedback that had used difference scores (Ashford & Tsui, 1991). In it, he was able to flesh out the manner

in which feedback seeking had led to agreement, which was in contrast to the conclusions drawn by the original researchers. Specifically, Edwards' results showed that particular instances of feedback seeking had acted primarily as means of impression management, and had not provided diagnostic feedback, at least none to which the individual information seekers had attended (Edwards, 1995). The absence, in the present research, of any effect of inquiry on supervisors' beliefs is remarkable, given previous findings regarding employees' sensitivity to the social costs of inquiry. Perhaps the main difference can be traced to the type of information that was being sought. In seeking information about one's performance, impression management may be a principal issue.

When obligation is taken as a broad construct, greater use of inquiry was related to employees' beliefs when their supervisors' beliefs exceeded their own. The higher the rate of inquiry, the higher the beliefs, and the more similar were these beliefs to the supervisors'. On the other hand, employees who overestimate obligations appear to hold their psychological contract beliefs in spite of their use of information-seeking behaviour. An underlying cause for overraters' elevated beliefs may attenuate the knowledge-gaining function of information seeking, yet this study was unable to uncover such a cause.

That the effects of inquiry differ when distinguishing employees by their relative beliefs, using the supervisor as the comparison, tends to validate making such a distinction when the construct is measured broadly. Yet, given there was a strong association between inquiry and employees' evaluations of relational obligation, and no association with those of transactional obligation, the transactional/relational distinction of psychological contracts is important to investigate further. Indeed, the fact that inquiry

only related to underestimators' beliefs in overall obligation may simply be due to the inclusion of the transactional terms in that measure, which may have cancelled out some of the effect of inquiry.

From these findings, and contrary to what was hypothesized, the elicitation of dialogue with one's supervisor does not seem to attenuate the self-serving manner in which contract beliefs are developed. When the subject of the inquiry is ambiguous, as is relational obligation, employees may interpret the ensuing dialogue in their favour. When the subject of the inquiry is more objective, as is transactional obligation, the dialogue may be less prone to biased interpretation.

When obligations are taken as a whole, biases still appear to persist through the manner in which the inquiry's resultant answer is interpreted. Assuming that the supervisors of this sample express the same beliefs in obligation that they reported in this survey whenever their employees question them, it would appear that employees accept or reject these answers based on whether or not the discrepant information is favourable.

Perhaps this indicates that the use of inquiry to manage a favourable impression is more influential for the employees themselves. That is, employees who believe that they have something to highlight through inquiry may convince themselves of it through the process of asking these questions. It is also conceivable, however, that supervisors provide more benign answers when faced with proactive inquiries than they would if they were going to provide the information unprompted (Larson, 1989). These answers may be easier for employees to interpret in a preferable manner. Since schemas guide the interpretation of social information, individuals will be far more willing to change their beliefs to accommodate favourable information.

Alternatively, while it appears that holding a relational contract entails greater rates of inquiry, it is unclear whether this communication behaviour precedes or follows the development of such beliefs. Given the research design, reverse causality cannot be ruled out as the explanation for the finding. As a group, people who hold relational contracts may be more inclined to engage in direct communication with those around them, including their supervisors. Additionally, an exogenous variable may have influenced both the beliefs and the communication patterns measured.

The general frequency of monitoring for information regarding employment obligations was hypothesized to lead to accurate beliefs when those beliefs pertained to transactional obligations, since promises of this sort are more easily observable than relational ones. Conversely, it was speculated that higher beliefs in relational obligation would be associated with monitoring. However, the lack of findings for monitoring should be interpreted with caution given the low scale reliability.

6.3 The role of congruence

The role of psychological contract congruence in relation to overall contract fulfillment remains a theoretical proposition. There is no indication in the present research that agreeing with one's supervisor regarding elements of the psychological contract significantly affects this perception. Of the two perspectives, employees' beliefs in obligation are the only significant predictors of overall contract fulfillment. This adds force to research perspectives that have framed psychological contracts as *beliefs* in agreement, emphasizing the psychological nature of the construct.

Although the proposition that congruence would lead to favourable assessments of contract fulfillment was rejected, the finding that employees' beliefs alone predict contract fulfillment is a contribution to the literature. The profusion of existing theory on the benefits of psychological contract congruence is not matched by the use of direct measurement of agreement in empirical studies. Bettering the theoretical understanding of the determinants of psychological contract fulfillment remains an important matter.

While it appears that employees' beliefs in their employers' obligations are significant indicators of their evaluations of overall fulfillment, it would be interesting to examine the effects of these beliefs over time. It may be the case that incongruent beliefs are not problematic until the state of disagreement is made evident through a particularly salient experience (e.g., a layoff announcement). Perhaps the longer an individual has held incongruent beliefs, the more shocking an incident of breach becomes. Also, when such an occurrence makes the difference in beliefs evident to the employee, it may matter whether the employee's belief is higher or lower than that of the employer. Specifically, finding out that one's expectations are higher may result in a feeling of being cheated or misled, while the opposite situation may be a relatively pleasant surprise. All of these potential hypotheses would require a longitudinal research design.

6.3.1 The study of congruence

The thesis that the ratings of supervisors and their employees can be compared is fundamental to this study, which examined congruence both as an antecedent of contract fulfillment and as a consequence of information seeking behaviour. In undertaking this research, the serious conceptual ambiguity that results from using a difference score to

operationalize congruence was avoided by using the respective beliefs of employees and supervisors as the focal variables.

However, in distinguishing underestimators from overestimators, the ascribed methodology can only assume that the measures gathered from each source are commensurate. Indeed, the potential for differential interpretation, especially given that the matter being evaluated is not objective, must be acknowledged. While this reinforces the importance of examining individual beliefs instead of their difference, it also begs the question as to whether such beliefs should be compared in any way. Such methodological hurdles impede the study of congruence as a construct. The implications that follow from disproportionate or inconsistent interpretations of the psychological contract include debates over the relevance of the congruence construct itself, whether it is a construct that is more than the sum (or difference) of its parts. This debate will most likely continue given that theories developed in this area include both the notion of congruence and the idiosyncratic nature of contract beliefs themselves. Future research should strive to ensure that measures being compared are commensurate in order to better the understanding of agreement.

At any rate, it is clear that the assumption of the current methodology central to the overestimation/underestimation distinction is small in comparison to the size of the problem of difference score use. In fact, had the absolute value of the difference between supervisor and employee ratings been used in this study, significant relationships would have been found to support the role of inquiry in developing congruent beliefs. However, the fact that the employees' beliefs alone were responsible for such findings would have remained hidden, severely weakening the interpretation.

7. Research Limitations

Employees' self-reported measures of inquiry were significantly associated with their levels of belief in relational and overall obligations. What is more, supervisors provided the measure of relationship quality, which was the most significant predictor of their own beliefs regarding these obligations. The main limitation of these findings is that they were obtained through the use of self-reports. Common method variance cannot be ruled out as a partial explanation of these findings given the cross-sectional research design.

Secondly, that holding a particular type of psychological contract may itself be responsible for the information seeking patterns of the contract holder is a feasible explanation, and does make the particular interpretation of the results voiced in this research less conclusive. While the theoretical argument in the present research has been developed to explain the role of information seeking in developing the psychological contract, the possibility of reverse causality requires that future research be conducted that will permit drawing causal conclusions with greater confidence.

Furthermore, these survey questions provide data regarding the perceptions of the individual respondents, not necessarily the structural/relational state of employment. Although supervisors did not provide generally lower ratings than did employees of the obligations, this may be partially attributable to the nature of the survey questions and the survey distribution technique. Under the data gathering method described above, the employee respondent was targeted initially. Employees were asked to pass a survey along to their supervisors – and not the other way around – for an important reason, namely to minimize the likelihood of situations in which only supervisor-subordinate

dyads that have highly effective working relationships chose to participate. Employees have less of a choice among immediate supervisors (if they have any choice at all) than do supervisors from among the employees they oversee. Targeting employees first was an attempt to minimize situations where a supervisor's ability to choose his or her preferred subordinate acted as a natural confound. However, the method did not eliminate this possibility, since employees who did not get along with their supervisors may have opted out of participating, introducing a self-selection bias. The response rate of 47%, although high, does leave a question as to what prevented the other 53% of potential respondents from participating. Since the results show favourable ratings of relationship quality, as rated by the supervisor (Mean = 4.14; Standard Deviation =.49), and high supervisor ratings of employee entitlement to obligations, the dyad members seem to have effective working relationships for the most part.

It was felt that asking supervisors about the future-oriented *obligation* to provide items like high pay, promotion, and job security would provide a check on overestimation, and result in their reporting the low ratings that would reflect the general state of employment relations. Enhancement biases were expected to hold only for employees, since these obligations specifically benefit them (Taylor & Brown, 1988). However, self-serving biases have been shown to spill over to affect the perceptions of close associates (Brown, 1986; Fiske & Taylor, 1984). From the scores on the LMX measure, it can be supposed that the majority of these employees formed part of the supervisor's in-group, a categorization that may explain the elevated beliefs of supervisors.

Failure to replicate the transactional/relational factor dimensions should not be surprising in this study, given the inconsistency that has characterized previous research. It is also possible that the cross-sectional nature of the sample and may have prevented the emergence of a relational/transactional structure, given variations in employment practices between industries. Future research should address the psychological contracts of employees and employers within a particular context, which may be able to flesh out the distinct dimensions of such beliefs. This would allow a more rigorous test of whether the effectiveness of information seeking varies based on the nature of the contract beliefs.

The foundation for much of the theoretical framework of the present research concerned the explicitness of the dialogue obtained through overt inquiry as part of a choice made by the individual information seeker. However, a general level of inquiry and monitoring in relation to all implicit obligations was measured. Future research should investigate whether individuals pursue an understanding of unique elements of their psychological contracts more regularly through the use of inquiry or monitoring. The monitoring scale for this study had poor reliability, although its dimensionality held up in a factor analysis. Conclusions regarding the use of monitoring should be postponed until a scale with better reliability can be substituted in a similar study in order to rule out measurement error as the cause for the lack of support for hypotheses.

8. Conclusions

First, the results tend to suggest that inquiry initiated by employees (and directed at supervisors) may lead employees to increase beliefs in obligation, but not to decrease these beliefs. Given such a finding, a pause may be warranted before researchers continue with their recommendations that greater communication of any sort characterize the psychological contract development process. Agreement can occur between two individuals without unbiased information, as long as there is *shared* information (Rousseau, 2000). In fact, if one can speculate that the perceived levels of obligation gathered from supervisors in this study themselves represent "unrealistic optimism," then an argument can be made that agreement often may come out of shared biases, as opposed to accuracy. Future research should investigate this suggestion and what this may mean for the effective functioning of workplace relations.

Secondly, the affective experience of the working relationship must figure into future studies of contract development. Indeed, the role played by relationship quality is important to recognize, which served to explain supervisors' beliefs in relational obligation when more objective measures of the contractual relationship (i.e., job status) did not. In fact, the quality of the working relationship is a strong predictor of employees' and supervisors' beliefs in obligations when taken as a whole. Relationship quality also predicted employees' evaluations of contract fulfillment. Therefore, relationship quality should be used as a control variable in future studies of psychological contracts and their congruent or incongruent nature, given the strong influence that it appears to carry in this study. Morrison and Robinson (1997) suggest that any variable that improves communication is likely to lower contract breach. However, researchers

should make sure that the variable meant to serve as an indication of congruence is not itself responsible for the lowered incidence of breach.

Lastly, the scarcity of research into the employer's view of the psychological contract meant that, in this study, the manner in which employees and supervisors were assumed to differ regarding beliefs in obligations was largely based on company rhetoric and exhortation in the media concerning the decline of employer responsibility. Therefore, this study joins the call for more research into the employer's side of the psychological contract in order to truly understand the perspectives with which employees might come to agree. It also suggests that distinct contract makers (supervisors, executives, mentors) be compared in terms of their influence on the development of psychological contracts.

Essentially, this research has served to demonstrate that the supervisor is an information source for the psychological contract beliefs of his or her employee. Therefore, more research should be directed at whether supervisors' beliefs regarding the employees who work under them match those of the organization's management at large. Depending on whether supervisors' views match those of "the employer," their opinions may represent either a blessing or a curse for organizations that strive to manage their employment obligations. While the psychological contract has previously been viewed as a contract between the individual and organization as a whole, this role of supervisors in psychological contracting should be examined further. Research perspectives should continue to question the level at which the psychological contract is most relevant.

REFERENCES

- Altman, B., & Post, J. (1996). Beyond the social contract: An analysis of the executive view at twenty-five large companies. (In D. T. Hall (Ed.), *The Career is Dead -- Long Live the Career: A Relational Approach to Careers*. Jossey-Bass.)
- Anderson, N., & Schalk, R. (1998). The psychological contract in retrospect and prospect. *Journal of Organizational Behavior*, 19, 637-647.
- Argyris, C. (1960). *Understanding Organizational Behavior*. (Homewood, Ill.: Dorsey Press)
- Arnold, J. (1996). The psychological contract: A concept in need of closer scrutiny? European Journal of Work and Organizational Psychology, 5, 511-520.
- Ashford, S. J. & Cummings, L. L. (1983). Feedback as an individual resource: Personal strategies of creating information. *Organizational Behavior and Human Performance*, 32, 370-398.
- Ashford, S. J. & Cummings, L. L. (1985). Proactive feedback seeking: The instrumental use of the information environment. *Journal of Occupational Psychology*, 58, 67-79.
- Ashford, S. J. (1986). Feedback-seeking in individual adaptation: A resource perspective. *Academy of Management Journal*, 29 (3), 465-487.
- Ashford, S. J., & Tsui, A. S. (1991). Self-regulation for managerial effectiveness: The role of active feedback seeking. *Academy of Management Journal*, 34, 251-280.
- Bennet, N., Herold, D., & Ashford, S. (1990). The effects of tolerance for ambiguity on feedback-seeking behaviour. *Journal of Occupational Psychology*, 63, 343-348.
- Berger C. & Calabrese, R. (1975) Some explorations in initial interaction and beyond: Toward a developmental theory of interpersonal communication. *Human Communication Research*, 1, 99-112.

- Berger, C., & Bradac, J. (1982). Language and Social Knowledge: Uncertainty in Interpersonal Relations. (London: Edward Arnold (Publishers) Ltd.)
- Brown, J. D. (1985). Evaluations of self and others: Self-enhancement biases in social judgments. *Social Cognition*, *4*, 353-376.
- Cable, D. M., Smith, L., Mulvey, P. W., & Edwards, J. R. (2000). The sources and accuracy of job applicants' beliefs about organizational culture. *Academy of Management Journal*, 43 (6), 1076-1085.
- Callister, R., Kramer, M., & Turban, D. (1999). Feedback seeking following career transitions, *Academy of Management Journal*, 42 (4), 429-438.
- Casey, M. K., Miller, V. D., & Johnson, J. R. (1997). Survivors' information seeking following a reduction in force. *Communication Research*, 24 (6), 755-781
- Cannon-Bowers, J., & Salas, E. (2001). Reflections on shared cognition. *Journal of Organizational Behavior*, 22, 195-202.
- Cohen, J., & Cohen, P. (1983). Applied Multiple Regression/Correlation Analysis for the Behavioral Sciences (2nd ed.). (San Diego, CA: Academic Press)
- Coyle-Shapiro, J., & Kessler, I. (2000). Consequences of the psychological contract for the employment relationship: A large scale survey. *Journal of Management Studies*, 37 (7), 903-930.
- Crocker, J., Fiske, S., & Taylor, S. (1984). Schematic bases of belief change. (In J. R. Eiser (Ed.), *Attitudinal Adjustment* (pp. 197-226). New York: Springer.)
- Cronbach, L. J. (1955). Processes affecting scores on "understanding of others" and "assumed similarity." *Psychological Bulletin, 52,* 177-193.
- Dansereau, F., Graen, G., & Haga, W. (1975). A vertical dyad linkage approach to leadership within formal organizations: A longitudinal investigation of the role making process. *Organizational Behavior and Human Performance*, 13, 46-78.

- De Vos, A., Buyens, D., & Schalk, R. (2002). Psychological contract-related information seeking and the role of individual dispositions. Poster accepted for the annual conference of the Society of Industrial and Organizational Psychology, Toronto, Canada, April 2002.
- De Vos, A., & Buyens, D. (2003). Information seeking about the psychological contract: The impact on newcomers' evaluations of their employment relationship. Paper presented at the 11th conference of the European Association for Work and Organizational Psychology, Lisboa, May 2003.
- Edwards, J. R., & Cooper, C. L. (1990). The person-environment fit approach to stress: Recurring problems and some suggested solutions. *Journal of Organizational Behavior*, 11 (4), 293-307.
- Edwards J. R. & Harrison, R. (1993). Job demands and worker health: A re-examination of the relationship between person-environment fit and strain. *Journal of Applied Psychology*, 78 (4), 628-648.
- Edwards, J. R. (1994). The study of congruence in organizational behavior research: Critique and a proposed alternative. *Organizational Behavior and Human Decision Processes*, 58 (1), 51-100.
- Edwards, J. R. (1995) Alternatives to difference scores as dependent variables in the study of congruence in organizational research. *Organizational Behavior and Human Decision Processes*, 64 (3), 307-324.
- Felson, R. B. (1981). Ambiguity and bias in the self-concept. *Social Psychology Quarterly*, 44, 64-69.
- Fiske, S. T., & Taylor, S. E. (1984). Social Cognition. (New York: Random House)
- Gouldner, A. W. (1960). The norm of reciprocity: A preliminary statement. *American Sociological Review*, 25, 161-178.
- Graen, G., & Scandura, T. (1987). Toward a psychology of dyadic organizing. (In Cummings & Staw (Eds.), *Research in Organizational Behavior*, 9, (pp. 175-208). Greenwich: JAI Press Inc.)

- Graen, G., & Uhl-Bien, M. (1995). Relationship-based approach to leadership: Development of leader-member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain perspective. *The Leadership Quarterly*, 6 (2), 219-247.
- Guest, D., & Conway, N. (1997) Employee motivation and the psychological contract. (In *Issues in People Management*, 21. (London: Institute of Personnel and Development)
- Guest, D. (1998). Is the psychological contract worth taking seriously? *Journal of Organizational Behavior*, 19, 649-664.
- Guest, D. (2000). Management and the insecure workforce: The search for a new psychological contract. (In Heery & Salmon (Eds.), *The Insecure Workforce* (pp. 141-154). London: Routledge.)
- Guzzo, R., & Noonan, K. (1994). Human resource practices as communications and the psychological contract. *Human Resource Management*, 33 (3), 447-463.
- Hall, D. T., & Mirvis, P. H. (1996). The new protean career: Psychological success and the path with a heart. (In D. T. Hall (Ed.), *The Career is Dead -- Long Live the Career: A Relational Approach to Careers*. (pp. 15-45). Jossey-Bass.)
- Hardy, M. (1993). Regression with dummy variables. (Newbury Park: Sage Publications)
- Heath, C., Knez, M., & Camerer, C. (1993). The strategic management of the entitlement process in the employment relationship. *Strategic Management Journal*, 14 (Special Issue), 75-93.
- Herriot, P., Manning, W., & Kidd, J. (1997). The content of the psychological contract. British Journal of Management, 8, 151-162.
- Herriot, P., Hirsh, W., & Reilly, P. (1998). Trust and transition: Managing today's employment relationship. (John Wiley & Sons Ltd.)
- Ho, V. T., Levesque, L. L., & Rousseau, D. M. (2002). Filling in the blanks: How social networks shape psychological contracts. Presented at the 17th Annual Meeting of the Academy of Management, Denver, CO.

- Holtz, J. L. (1978). Exploring the psychological contract over the life cycle. Unpublished dissertation.
- Johns, G. (1981). Difference score measures of organizational behavior variables: A critique. *Organizational Behavior and Human Performance*, 27 (3), 443-464.
- Keeney, M., & Svyantek, D. (2000). A review of psychological contract theory and research: Promise nothing and they may still get angry. (In M. A. Rahim, R. T. Golembiewski & Craig C. Lundberg (Eds.), *Current Topics in Management*, 5 (pp. 65-94). JAI Press Inc.)
- Klein, J. S. (1996) Contingent workers: Weighing the legal considerations. *Compensation and Benefits Review*, 28 (4), 52-59.
- Kotter, J. (1973). The psychological contract: Managing the joining-up process. *California Management Review, 15* (3), 91-99.
- Kristof, A. (1996). Person-organization fit: An integrative review of its conceptualizations, measurement, and implications. *Personnel Psychology*, 49 (1), 1-49.
- Larsen, H. H., & Bang, S. M. (1993). Development dialogues as an alternative to performance appraisal: A tool for strategic human resource development in Europe. Research in Personnel and Human Resource Management, 3 (supplement), 171-188.
- Larson, J. R. (1989). The dynamic interplay between employees' feedback-seeking strategies and supervisors' delivery of performance feedback. *Academy of Management Review*, 14, 408-422.
- Lester, S., Turnley, W., Bloodgood, J., & Bolino, M. (2002). Not seeing eye to eye: Differences in supervisor and subordinate perceptions of and attributions for psychological contract breach. *Journal of Organizational Behavior*, 23, 39-56.
- Levinson, H., Price, C., Munden, K., Mandl, H., & Solley, C. (1962). *Men, management, and mental health.* (Cambridge, Massachusetts: Harvard University Press)

- Lewis-McClear, K., & Taylor, M. S. (1997). Not seeing eye-to-eye: Implications of discrepant psychological contracts and contract violation for the employment relationship. *Best papers proceedings, Academy of Management*.
- Louis, M., & Sutton, R. (1991). Switching cognitive gears: From habits of mind to active thinking. *Human Relations*, 44, 55-76.
- MacNeil, I. R. (1985). Relational Contract: What we do and do not know. *Wisconsin Law Review*, 3, 483-525.
- MacNeil, I. (2001). The relational theory of contract: Selected works of Ian MacNeil (David Campbell (Ed.). Sweet & Maxwell)
- McLean Parks, J., & Kidder, D. (1994). Till death do us part: Changing work relationships in the 1990s. (In Cooper & Rousseau (Eds.), *Trends in Organizational Behavior*, 1, 111-137).
- Miller, V. D., & Jablin, F. M. (1991). Information seeking during organizational entry: Influences, tactics, and a model of the process. *Academy of Management Review*, 16 (1), 92-120.
- Miller, V. D. (1996). An experimental study of newcomers' information seeking behaviors during organizational entry, *Communication Studies*, 47, 1-24.
- Millward, L. J., & Brewerton, P. M. (2002). Psychological contracts: Employee relations for the twenty-first century? (In Cary L. Cooper and Ivan T. Robertson (Eds.) *International Review of Industrial and Organizational Psychology.* John Wiley & Sons Ltd.)
- Millward, L. J., & Hopkins, L. (1998). Psychological contracts, organizational and job commitment. *Journal of Applied Social Psychology*, 28 (16), 1530-1556.
- Morrison, E. W., & Bies, R. J. (1991). Impression management in the feedback-seeking process: A literature review and research agenda. *Academy of Management Review*, 16 (3), 522-541.
- Morrison, E. W. (1993a). Newcomer information seeking: Exploring types, modes, sources, and outcomes. *Academy of Management Journal*, 36 (3), 557-589.

- Morrison, E. W. (1993b). Longitudinal study of the effects of information seeking on newcomer socialization. *Journal of Applied Psychology*, 78 (2), 173-183.
- Morrison, E. W., & Robinson, S. L. (1997). When employees feel betrayed: A model of how psychological contract violation develops. *Academy of Management Review*, 22 (1), 226-256.
- Morrison, E. W. (2002). Information-seeking within organizations. *Human Communication Research*, 28 (2), 229-242.
- Nadler, D. A., & Tushman, M. L. (1980). A congruence model for organizational assessment. (In Lawler, Nadler, & Cammann (Eds.) Organizational Assessment: Perspectives on the Measurement of Organizational Behavior and the Quality of Work Life. New York: Wiley.)
- Nicholson, N., & Johns, G. (1985). The absence culture and the psychological contract Who's in control of absence? *Academy of Management Review*, 10 (3), 397-407.
- Porter, L., Pearce, J., Tripoli, A., & Lewis, K. (1998). Differential perceptions of employers' inducements: Implications for psychological contracts. *Journal of Organizational Behavior*, 19, 769-782.
- Ring, P., & Van de Ven, A. (1994). Developmental processes of cooperative interorganizational relationships. *Academy of Management Review*, 19 (1), 90-118.
- Robinson, S. L. & Rousseau, D. M. (1994). Violating the psychological contract: Not the exception but the norm. *Journal of Organizational Behavior*, 15, 245-259.
- Robinson, S. L., Kraatz, M. S., & Rousseau, D. M. (1994). Changing obligations and the psychological contract: A longitudinal study. *Academy of Management Journal*, 37 (1), 137-152.
- Robinson, S. L. (1996). Trust and breach of the psychological contract. *Administrative Science Quarterly*, 41, 574-599.

- Robinson, S. L. & Morrison, E. W. (2000). The development of psychological contract breach and violation: A longitudinal study. *Journal of Organizational Behavior*, 21, 525-546.
- Roehling, M. (1997) The origins and early development of the psychological contract construct. *Journal of Management History*, 3 (2), 204-217.
- Rousseau, D. M. (1989). Psychological and implied contracts in organizations. *Employee Responsibilities and Rights Journal*, 2 (2), 121-139.
- Rousseau, D. M. (1990). New hire perceptions of their own and their employer's obligations: A study of psychological contracts. *Journal of Organizational Behavior*, 11, 389-400.
- Rousseau, D. M. & McLean Parks, J. (1992). The contracts of individuals and organizations. (In Cummings & Staw (Eds.) Research in Organizational Behavior, 15, 1-43.
- Rousseau, D. M. (1995). Psychological contracts in organizations: Understanding written and unwritten agreements. (Thousand Oaks: Sage Publications)
- Rousseau, D. M., & Wade-Benzoni, K. A. (1995). Changing individual-organization attachments. (In Ann Howard (Ed.) *The changing nature of work.* San Francisco: Jossey-Bass Publishers.)
- Rousseau, D. M. & Tijoriwala, S. A. (1998). Assessing psychological contracts: Issues, alternatives and measures. *Journal of Organizational Behavior*, 19, 679-695.
- Rousseau, D. M. & Schalk, R. (2000). Psychological contracts in employment: Crossnational perspectives. (Newbury Park, CA: Sage Publications)
- Rousseau, D. M. (2001). Schema, promise and mutuality: The building blocks of the psychological contract. *Journal of Occupational and Organizational Psychology*, 74, 511-541.
- Salancik, G. R. (1977). Commitment and the control of organizational behavior and belief. (In Staw & Salancik (Eds.) *New Directions in Organizational Behavior*. Chicago: St.-Clair Press.)

- Salancik, G. R., & Pfeffer, J. (1978). A social information processing approach to job attitudes and task design. *Administrative Science Quarterly*, 23, 224-253.
- Scandura, T. A., & Lankau, M. J. (1997). Relationships of gender, family responsibility and flexible work hours to organizational commitment and job satisfaction, *Journal of Organizational Behavior*, 18, 377-391.
- Shore, L. M., and Tetrick, L. E. (1994). The psychological contract as an explanatory framework in the employment relationship. (In Cooper & Rousseau (Eds.), *Trends in Organizational Behavior*, 1, 91-109).
- Shore, L. M., & Barksdale, K. (1998). Examining degree of balance and level of obligation in the employment relationship: A social exchange approach. *Journal of Organizational Behavior*, 19, 731-744.
- Taylor, S. E., & Brown, J. D. (1988). Illusion and well-being: A social psychological perspective on mental health. *Psychological Bulletin*, 103 (2), 193-210.
- Toffler, A. (1970). *Future Shock.* (New York: Random House)
- Townley, B. (1993). Foucault, power/knowledge, and its relevance for human resource management. *Academy of Management Review*, 18 (3), 518-545.
- Vancouver, J. B., Morrison, E. W. (1995). Feedback inquiry: The effect of source attributes and individual differences. *Organizational Behavior and Human Decision Processes*, 62 (3), 276-285.
- Weick, K. (1995). Sensemaking in Organizations. (Thousand Oaks: Sage Publications)
- Weinstein, N. (1980). Unrealistic optimism about future life events. *Journal of Personality and Social Psychology*, 39, 806-820.
- Wymer, J. F. (1993). Contract employees: Yours, mine, or ours? *Employee Relations Law Journal*, 19 (2), 247-255.

APPENDIX A EMPLOYEE SURVEY

This survey contains some questions about you, your employment experience, and the organization in which you work. If a question asks you to refer to your supervisor, please answer in reference to the person to whom you have given the envelope labeled 'Supervisor.'

Type of organization you are currently working for:	What is the title of your job?			
 Manufacturing Agriculture, Mines, Forest, Construction Transportation, Utilities Wholesale, Retail Trade Finance, Insurance, Banking Healthcare, Pharmaceutical, Biotechnology, Chemical Communications, Software, Internet, Information 	How long have you worked for this organization? years			
Technologies Tourism, Entertainment, Cultural, Arts, Sports Public Elementary and Secondary Education Private Elementary and Secondary Education Higher Education Human Services	How many employees does your supervisor oversee?			
MilitaryGovernment (Federal, provincial or municipal)Other:	How long have you worked under your supervisor?years			
Your organizational level:	Your background information:			
 TOP EXECUTIVE - CEO, Vice president, Director, etc. UPPER MIDDLE - Department executive, Plant manager, etc. MIDDLE - Professional staff, Middle-level manager, etc. FIRST LEVEL - Crew chief, Section supervisor, etc. HOURLY EMPLOYEE - Clerical/Secretarial, support staff, etc. JUNIOR ASSISTANT - INTERNSHIP, Trainee NOT RELEVANT IN MY SITUATION 	Age: Gender: □ Male □ Female Language first spoken: ———— Highest degree earned:			
What is your employment status? □ Full time permanent □ Full-time renewable contract □ Full-time non-renewable contract □ Full time temporary (replacement)	Number of years in school: (beginning with elementary school			

□ Part-time

For questions 1 to 5, please choose the responses that best reflect your experience with your current employer.	Strongly Disagree	Disagree	Neither agree nor disagree	99,	Strongly Agree
	Str. Dis	Dis	Nei nor	Agree	Str
1. Overall, the organization has fulfilled its commitments to me	1	2	3	4	(\$)
2. In general, the organization has lived up to its promises to me	①	2	3	4	(5)
 I will probably look for a new job outside my present organization in the next year 	0	2	3	4	(5)
4. I often think about quitting	①	2	3	4	(\$)
5. It is unlikely that I will actively look for a new job in the new year	①	2	3	4	(\$)
Questions 6 to 11 form a list of items that can make up part of an organization's unwritten obligations to its employee. Think about the organization you work for. "To what extent do you feel the following items form part of your organization's obligations toward you?"	Not at all	Very slightly	Somewhat	Highly	Very Highly
6. High pay	①	2	3	4	(3)
7. Pay based on the current level of performance	①	2	3	4	(5)
8. Long-term job security	①	2	3	4	(5)
9. Promotion (Advancement)	1	2	3	4	(\$)
10. Support with personal problems	①	2	3	4	(5)
11. Career development	0	2	3	4	(3)
Questions 12 to 18 refer to the ways that you might seek information concerning the employment relationship provided by your organization. "To learn what obligations your organization has toward you, to what extent have you done each of the following?"	A very little extent	A little extent	Somewhat	A great extent	A very great extent
 I have asked my supervisor specific, straight-to-the-point questions to get the information I want. 	1	2	3	4	(5)
13. I have paid attention to how others behave.	0	2	3	4	(5)
14. I have found out the information by keeping my eyes and ears open to what is going on around me.	1	2	3	4	\$
15. I have asked my supervisor for information without "beating around the bush."	1	2	3	4	(5)
16. I have observed what behaviors are rewarded and used this as a clue.	①	2	3	4	(\$)
 I have identified what I don't know and asked my supervisor for information about the matter. 	n ①	2	3	4	(5)
18. I have gone directly to my supervisor and asked for information about the matter.	①	2	3	4	(5)

Thank you for taking the time to complete this survey.

Please mail it back to the investigators using the pre-stamped envelope provided. ID#_____

APPENDIX B SUPERVISOR SURVEY

This survey contains some questions about you, your employee, and the organization in which you work. If a question asks you to refer to your employee, please answer in reference to the specific employee who invited you to participate in this study.

The or	ganization you are currently working for:	What is the title of your job?
	Manufacturing Agriculture, Mines, Forest, Construction Transportation, Utilities Wholesale, Retail Trade Finance, Insurance, Banking Healthcare, Pharmaceutical, Biotechnology, Chemical Communications, Software, Internet, Information	How long have you worked for this organization? years
o o o	Technologies Tourism, Entertainment, Cultural, Arts, Sports Public Elementary and Secondary Education Private Elementary and Secondary Education Higher Education	How many employees do you oversee?
	Human Services Military Government (Federal, provincial or municipal) Other:	How long have you supervised the employee who gave you this survey? years
Your o	rganizational level:	Your background information:
0	TOP EXECUTIVE - CEO, Vice president, Director, etc. UPPER MIDDLE - Department executive, Plant manager, etc. MIDDLE - Professional staff, Middle-level manager, etc. FIRST LEVEL - Crew chief, Section supervisor, etc. HOURLY EMPLOYEE - Clerical/Secretarial, support staff, etc. JUNIOR ASSISTANT - INTERNSHIP, Trainee NOT RELEVANT IN MY SITUATION	Age: Gender: □ Male □ Female Language first spoken: ———— Highest degree earned:
<u> </u>	s your employment status? Full time permanent Full-time renewable contract Full-time non-renewable contract Full time temporary (replacement) Part-time	Number of years in school: (beginning with elementary school)

th	For questions 1 to 8, please choose the responses that best reflect the quality of the working relationship that you have with the employee who gave you this survey.		Disagree	Neutral	Agree	Strongly agree
1.	The employee knows where he/she stands with me.	1	2	3	4	⑤
2.	The employee usually knows how satisfied I am with what he/she does.	①	2	3	4	(\$)
3.	I understand his/her job-related problems and needs.	1	2	3	4	(\$)
4.	I recognize his/her potential.	1	2	3	4	(\$)
	Regardless of how much formal authority I have built into my position, I would use my power to help the employee solve problems in his/her work.	1	2	3	4	⑤
	Again, regardless of the amount of formal authority I have, I would "bail out" the employee at my expense.	1	2	3	4	(\$)
	The employee has enough confidence in me that he/she would defend and justify my decisions if I were not present to do so.	①	2	3	4	(\$)
8.	The employee and I have an effective working relationship.	①	2	3	4	(\$)
Below is a list of items that can make up part of an organization's unwritten obligations to its employee. Think about the employee who gave you this survey. "To what extent do you feel the following items form part of the		Not at all	Very slightly	Somewhat	Highly	Very highly
	organization's obligations toward this employee?" High pay	0	②	3	4	5
	Pay based on the current level of performance	0	2	3	4	© ©
		_	_	_	_	
	Long-term job security	①	2	3	④	(S)
	Promotion (Advancement)	①	2	3	4	(S)
	Support with personal problems	①	2	3	④	(S)
14.	Career development	①	2	3	4	(5)

Thank you for taking the time to complete this survey.

Please mail it back to the investigators using the pre-stamped envelope provided. ID#_____