

Editor's Foreword: Fifty Years of Psychological Contract Research – from the Touchy/Feely to the Concrete Personal Deal

Rupert Tipples, Lincoln University

My research career has been coloured by psychological contracts since being introduced to them in my first post university job as a Research Officer for the British Agricultural Training Board in 1977. The concept had not been readily accepted with one Australian industrial relations academic telling me it was "...too touchy/feely..." after a seminar I had given about it at Griffith University in 1994, but now after nearly fifty years since first being described by Argyris (1960), one may suggest that it has 'arrived' with an exponential growth in research and publication, particularly since the publication of the first of Denise Rousseau's articles back in 1988, twenty years ago. The development of that research has been charted previously (Tipples and Verry, 2007) and at September 2009 Google Scholar listed 9,360 references on 'psychological contract'.

In the thirty years prior to Rousseau's first paper, little empirical research on the construct had been published. One notable piece published by John Kotter in 1973 was not even cited by Rousseau (Kotter, 1973). However, it had highlighted the need to achieve matches in expectations between the parties to a psychological contract as a way of improving job satisfaction, job longevity and work productivity. It is that research that profoundly influenced my personnel management teaching when I commenced at the then Lincoln College in early 1978. My aim was to teach students to achieve balanced expectations between prospective employers and employees when setting up new employment relationships to maximise productivity and job satisfaction, and minimise labour turnover. That policy was based on what later became called a policy of 'Realistic Recruitment' (Tipples, 1996). It seemed intuitively right to me with my limited management experience and I did not concern myself to find other supporting research for this position. That research was convincingly provided by Bauer *et al.* in a meta analysis in 2007, and subsequently reinforced by Wellin's management consultancy driven book of the same year *Managing the Psychological contract – Using the Personal Deal to Increase Business Performance* (2007). These both supported the 'Contracting' approach laid out on realistic recruitment lines previously (Tipples, 1996).

The research initiated by Rousseau and colleagues had a strong quantitative emphasis and has often been preoccupied with what might be described in general terms as contract violations and breaches, and their effects and implications. The research reported in the papers of this issue emanate from different streams. First, Krivokapic-Skoko, O'Neill and Dowell take the analysis of academics' psychological contracts from an Australian business school study (O'Neill *et al.*, 2007; Tipples *et al.*, 2007) to a deeper level with both factor and cluster analysis. They unpack the critical elements of the content of their academics psychological contracts, which suggest which dimensions academic managers should be concentrating on. The quantitative methods are used to improve our understanding of the critical components of such academics' psychological contracts.

In contrast, Gill's paper is more of a high level literature review, which draws together empirical research on psychological contracts, trust, unions and how they all impact on New Work Practices (NWP), with a view to developing a research agenda. Unlike the previous paper which focused on the individual views of academics and their expectations, this one considers how collective activity through trade unions impacts upon employees psychological contracts, trust and its effects on NWP. Because so much psychological contract research has an individualised view of the employment relationship, the role of trade unions in setting employee expectations has been a relatively minor stream of psychological contract research to this point.

The third paper by McComb breaks new ground again with a case study of coaching activities in a large Australasian company in the development of senior managers. There has been little empirical research into any form of coaching and McComb uses a psychological contract framework to help explain why coaching is often not as efficacious as might be expected. The research suggests some tactics managers need to consider in order to make an extensive coaching investment deliver better returns than has been the case hitherto.

The following paper by Watson, Spoonley and Fitzgerald, which does not use an explicit psychological contract framework, links back to the second paper by Gill in that it seeks to explore the growing need for diversity management in light of the increasing mobility and migration of the global workforce. The resultant diversity presents many challenges for managers, not least in the different work expectations of different ethnic groups and their different approaches to individual and collective activities. How their energies can be best used in high performance work practices becomes an issue too, which Gill has already opened to a psychological contract approach.

The fifth article is a piece of exploratory research by Sayers on the role of cafés in society and how people work in them, not just as employees but clients who use them as work spaces for different activities. This paper is not only one of the most stimulating and provocative exploratory pieces of research that this editor has read, but it also promises great insights into phenomena which most would never have considered, but which have growing importance in today's café culture.

These five papers are accompanied by three research notes. The first is a review of cross-cultural research into psychological contracts by Krivokapic-Skoko, O'Neill, Dowell and Kleinschafer. It leads to a "...call for expressions of interest from academics who would like to be involved in conducting psychological contract research at their university and become part of a large cross-national research project (Krivokapic-Skoko *et al.*, this issue, p. 92). The second suffers from what Lorsch (1979) has described as "...the academic Tower of Babel...", in which researchers investigate similar problems and yet describe their key constructs in widely different terms. Martin, Martin and Tootell's research note concerning the retention of New Zealand customs officers through a study of their '...employment value proposition attributes' suffers from this problem. While it could well have benefitted from being framed in psychological contract terms, it nonetheless concludes that some of the key factors in retention are similar to those

affecting the business academics described earlier. Both groups, academics and customs officers still retain a strong career orientation even if their managers do their best to frustrate it.

The final research note has no explicit psychological contract content, but it does raise important issues for future employment relations research in New Zealand. Millar shows how union organisation is still possible with the young who have no previous knowledge of trade unions if they are helped by inept management and favourable circumstances. This note provides much needed encouragement to union organizers. Many of their potential clients have no previous knowledge of trade unions and may have been born since the Employment Contracts Act 1991, which permitted employers to offer only the minimum statutory terms for pay and conditions.

August, 2009

REFERENCES

- Argyris, Chris (1960) *Understanding Organizational Behavior*, The Dorsey Press: Homewood, Ill.
- Bauer, T.N., Bodner, T., Erdogan, B., Truxillo, D.M. & Tucker, J.S. (2007) 'Newcomer adjustment during organizational socialization: A meta-analytic review of antecedents, outcomes and methods', *Journal of Applied Psychology*, 92 (3), pp. 707-721.
- Kotter, John (1973) 'The psychological contract: Managing the joining-up process', *California Management Review*, 15 (3), 91-99.
- Lorsch, J.W. (1979) 'On making behavioural science more useful', *Harvard Business Review*, March – April, pp. 171-180.
- O'Neill, G., Krivokapic-Skoko, B. & Foundling, M. (2007) 'Exploring psychological contracts established by academics at an Australian University: Focus Group Analysis'. *Faculty of Business Working Paper Series*, Charles Sturt University, Working Paper No. 03/07.
- Tipples, Rupert (1996) 'Contracting: The key to Employment Relations', *International Employment Relations Review*, December 1996, Vol. 2, No. 2, pp 19-41.
- Tipples, R., Krivokapic-Skoko, B, & O'Neill, G (2007) 'University academics' psychological contracts in Australia and New Zealand'. *New Zealand Journal of Employment Relations*, 32 (2), pp. 32-52.
- Tipples, Rupert and Verry, John (2007) 'How to manage staff with individual contracts? Some experiences with academic psychological contracts in New Zealand', pp. 105-116 in Basu, P.K., O'Neill, G. and Travaglione, A. (eds.) *Engagement and Change: Exploring Management, Economic and Finance implications of a Globalising Environment*. Australian Academic Press: Brisbane, Australia.