The origins and early development of the psychological contract construct

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Introduction
The relationship between employees and their employers has been conceptualized as involving a “psychological contract.” At a general level, the term “psychological contract” is used to refer to a set of beliefs regarding what employees are to give and receive with respect to their employer. Acceptance of the concept of a psychological contract (PC) has grown steadily and is being reflected in a variety of forums, including: scholarly journals (Guzzo, Noonan, & Elron, 1994 (1); Rousseau, 1990 (2)), textbooks (French, Kast, & Rosenzweig, 1985 (3); Schuler, Bentell, & Youngblood, 1989(4)), practitioner journals (Dunahee & Wangler, 1974(5); Goddard, 1988 (6); Tornow, 1988(7)), and the popular press (Yates, 1993(8)).

The PC construct is assumed by many to have a key role to play in understanding organizational behavior. It has been argued that the violation of a PC can have important individual and organizational consequences, including deep, long lasting feelings of betrayal and resentment, anger and frustration, decreased employee motivation, job dissatisfaction, reduced employee commitment, turnover, employee initiated litigation, and unionization efforts (cf. Cole, 1981 (9); Rousseau, 1989 (10); Schein, 1980 (11); Tornow, 1988 (7)). Organizations are being told that the management of PCs is essential to the organization’s successful functioning (cf. Covey, 1988 (12); Goddard, 1988 (6); Herriot, 1988 (13); Kotter, 1973(14)). Human resource professionals are being urged to explicitly consider the implications of the PC construct for their organization’s human resource practices (Guzzo & Noonan, 1984 (1); Rousseau & Greller, 1994 (15); Sims, 1994 (16)).

While there has been a proliferation of writing regarding PCs in recent years, the history of the construct has remained under-reported, and largely undiscovered. Based on my review, no previous paper or article, published or unpublished, has focused on the origins and early development of the PC construct.

Purpose and organization of article
This article seeks to provide a richer, more thorough historical perspective than can be presently
The origins and early development of the PC construct are traced through a review of books, articles, and unpublished dissertations. Observations regarding historical developments are linked to the current state of the literature, and the implication of these observations for the future direction of the PC literature is briefly discussed.

Theoretical origins of the psychological contract construct social contracts
It has been suggested that the PC concept is an extension of what has been written by philosophers about social contracts (Schein, 1980 p.22(11)). With origins traceable to ancient Greek philosophers, social contract theories and theorists (e.g. Hobbes and Locke) experienced their “heyday” in the seventeenth and eighteenth centuries. Gough (1978)(17) distinguishes between two kinds of contracts referred to under the name “social contract”. One kind of contract, which deals with the origin of the state, supposes that a number of individuals who were living in a state of nature voluntarily consented to form an organized society. Commonly associated with this kind of social contract is the notion of “natural rights” that belong to individuals as a result of their agreement to form an organized society.

The second form of social contract may be called the “contract for government” or the “contract for submission” (Gough, 1978, p. 3 (17); cf. Barker, 1980 (18)). This form of social contract presupposes the existence of a state, addressing the terms on which the state is to be governed. In this sense, the social contract is an “agreement” regarding the reciprocal rights and duties of the state and its citizens. For example, the governed promise to pay taxes, obey the laws, and share the risk of defense in exchange for security, protection, and opportunity for development provided by the state.

Historical roots in the management literature
Barnard’s (1938)(19) theory of equilibrium employs an exchange perspective in describing the conditions under which an organization can get its members to continue their participation. According to the theory, each employee receives from the organization inducements (pay, etc.) for which the employee makes contributions. An employee will continue his participation so long as the contributions offered him are as great or greater (measured in terms of the employee’s “values”) than the contribution the employee is asked to make. The inducement-contribution model discussed in March & Simon’s (1958) (20) book Organizations, built upon Barnard’s equilibrium theory, further detailing the nature of the exchanges influencing an employee’s decision to participate in an organization. March and Simon allude to the concept of unwritten contractual obligations between the organization and employee: “In joining the organizations, he (the employee) accepts an authority relation, i.e. he agrees that within some limits (defined both explicitly and implicitly by the terms of the employment contract) he will accept as the premise of his behaviors orders and instructions supplied by the organizations.” (1958, p. 90).
The influence of a clinical perspective: Menninger (1958)

A chapter in Karl Menninger’s book Theory of Psychoanalytic Technique (1958) provides a general discussion of the psychotherapist-patient contract that is credited with having made a substantial contribution to the origination of the PC construct (Levinson, Price, Munden, Mandl, & Solley, 1962, discussed at length, below). Menninger emphasized that in addition to tangibles (e.g., money, goods, specific services), contracts and contractual relationships involve the exchange of intangibles. Menninger also emphasized that contract relations require that the exchange between the parties result in the reciprocal satisfaction of the parties’ needs in order for the contractual relationship to be continued:

[I]n any engagement between two individuals in which a transaction occurs, there is an exchange, a giving and a gain of something by both parties with a consequent meeting of the needs in a reciprocal way, mutual way. When this balance is not achieved, either because one does not need what the other has to offer or because one does not give what the other needs or because there is a feeling on the part of one that the exchange is not a fair one, the contract tends to break up prematurely. (Menninger, 1958, p. 21)

Using simple examples such as a man purchasing apples from a vendor, and the barber-client relationship, Menninger illustrates how the parties’ needs are met in a variety of tangible and intangible ways (e.g., the pleasure of companionship).

Origins of the term “psychological contract”

Both Argyris (1960) and Levinson, Price, Munden, Mandl, & Solley (1962) have been given credit for introducing the “psychological contract” terminology. Argyris (1960) used the term “psychological work contract” to describe an implicit understanding between a group of employees and their foreman that arose as a result of a particular leadership style. He observed that the foremen at a plant in which he was conducting field research had a “passive” or “understanding” leadership style. Argyris attributed this to the fact that all of the foremen had come up through the ranks, and in the process, they had been influenced by the informal employee culture. As a result, the foremen realized that the way to get the employees to behave in the desired manner was to maintain the informal employee culture and not to behave in a way that violates the culture’s norms. Argyris hypothesized that one result of the passive or understanding leadership style was an employee-management relationship that was “dominated” by the “psychological work contract”. He described the contract as follows:

Since the foremen realize that this system will tend to produce optimally under passive leadership, and since the employees agree, a relationship may be hypothesized to evolve between the employees and the foremen which might be called the “psychological work contract”. The employee will maintain the high production, low grievances, etc., if the foreman guarantees and respect the norms of the employee informal culture (i.e., let the employees alone, make certain they make adequate wages, and have secure jobs).
Argyris observed that the psychological work contract between the employees and their foremen was deemed to have been violated when the foremen were required, by upper management, to implement a budgeting system that usurped employees' sense of control over their work. The parties to the psychological work contract identified by Argyris were a group of rank and file employees who shared certain norms and their immediate supervisors, who were at least aware of the employees' norms. Argyris seems to suggest that the informal employee culture was the driving factor behind the formation of the psychological work contract. He states that the "predispositions" of employees which were the basis for the contract were shaped by the employee culture. But, Argyris acknowledged that the extent to which the relevant predispositions were brought by employees to the workplace versus were shaped by the workplace was uncertain. Although it may have been unspoken, the PC that Argyris described involved actual mutual agreement; the parties had the same understanding of what they were obliged to do in order for the contract to be maintained.

In a book titled *Men, Management, and Mental Health*, Levinson, Price, Munden, Mandl, & Solley (1962) introduced their conceptualization of the PC construct. Levinson et al.'s thinking about PCs apparently evolved out of a study funded by the Menninger Foundation in which 874 employees at a large utility were interviewed in order to investigate the effects of the work experience on mental health. In the course of conducting the interviews, they observed that when people spoke about their work, they spoke of expectations, and that these expectations seemed to have an obligatory quality, "as if the company were duty-bound to fulfill them" (p. 20). This observation, they report, reminded them of Karl Menninger's (1958) discussion of the intangible aspects of contractual relationships, out of which they evolved the concept of the psychological contract.

Levinson et al. defined PCs as "a series of mutual expectations of which the parties to the relationship may not themselves be dimly aware but which nonetheless govern their relationship to each other." (p. 21). The expectations of both the individual employee and the company were conceived of as "components" of the PC. Levinson et al. describe the expectations as being mutual in the sense that each side to the PC tacitly agrees to the other side's expectations (often described as "demands"). The mutual expectations that make up the PC were described as having two characteristics: 1) they are largely implicit and unspoken, and 2) they frequently antedate the relationship of the person and the company.

Levinson et al. identified a number of different types of employee expectations, both unconsciously and consciously held, that may make-up the employee's side of the PC. Unconscious expectations included those having to do with psychological issues, such as nurturance. They also identified more explicit expectations having to do with job performance, the use of specific skills, social relations in the workplace, job security, and economic rewards.
The company's expectations were described as arising out of the company's history and business environment. They suggested that inferences regarding the company's expectations may be drawn from the circumstances under which it operates, its polices and practices, its values, statements at managers' meetings, and its evaluations of employee job performances. Levinson et al. deduced that the company in which they conducted their interviews expected employees to: be good citizens in the community, be concerned about cost control and efficiency, acquire skill to advance to supervisory level, be dedicated to the principal of free enterprise, and demonstrate a certain amount of employee flexibility.

While expectations were described as frequently antedating the employment relationship, Levinson et al. explicitly recognized the dynamic relationship of PCs. They viewed PCs as often evolving or changing over time as a result of the changing needs of the individual or the organization, and through the reciprocal interaction of the two parties.

Finally, Levinson et al. noted that in addition to the PC between the individual and the organization, there are also in effect PCs "of lesser proportion" between people in the organization, within work groups, and between groups and the organization. They argued that these PCs may be viewed as "collateral agreements that have bearing on the person-organization relationship" (Levinson, et al., 1962, p. 38).

**Early developments in thinking about the PC construct**

**Schein and the importance of PCs**

In his book, Organizational Psychology (1965, 1970, 1980) (11), Schein emphasized the importance of PCs to understanding and managing behavior in organizations. Schein's book was referenced in virtually all writing about PCs that was published in the 1970s or the 1980s. In his original discussion of the PC construct, Schein cites both Argyris (1960) and Levinson et al. (1962).

According to Schein:

> The notion of a psychological contract implies that the individual has a variety of expectations of the organization and that the organization has a variety of expectations of him. These expectations not only cover how much work is to be performed for how much pay, but also involve the whole pattern of rights, privileges, and obligations between worker and organizations. For example, the worker may expect the company not to fire him after he has worked for a certain number of years and the company may expect that the worker will not run down the company's public image or give away company secrets to competitors. Expectations such as these are not written into any formal agreement between employer and organization, yet they operate powerfully as determinants of behavior. (Schein, 1965, p. 11)

The second edition of Schein's book contains the same description of the PC. Schein also notes that the concept of a psychological contract relates to the inducement-contribution model of March and Simon (Schein, 1970, p. 13). The third edition of the book expanded the description somewhat, making a link between psychological contracts and organizational roles, and elaborating on the nature of the respective expectations.
According to Schein, individual employees forge their expectations from their inner needs, what they have learned from others, traditions and norms which may be operating, their past experiences, and "a host of other sources" (Schein, 1980, p. 24). Schein also states, however, that ultimately the relationship between the individual and the organization is interactive, unfolding through mutual influence and mutual bargaining to establish a workable psychological contract. The psychological contract is viewed as changing over time as the organization's and employee's needs change, requiring that the contract be constantly renegotiated.

Other early writing and research
Gibson (1966). Gibson's (1966)(24) theory of absence takes into account the PCs, incorporating the view that absence behavior was "very closely bound up with contractual relationships between the worker and organization" (p. 113). According to Gibson, the need-oriented individual and the goal-oriented organization negotiate a "work contract" that specifies the various rights and duties of the worker and the organization. In describing the work contract, a distinction is made between its formal contract and "quasi-contract" components. The formal contract is explicitly agreed upon, usually reduced to writing, and it specifies relatively few rights and duties of the parties. The quasi-contract involves an unwritten understanding of the rights and duties of parties regarding when there is a "consensus between the parties" (p. 117). Gibson describes the term "psychological contract" as being a less formal term that alludes to the individual's perception of the quasi-contractual aspect of the work contract.

The first attempt to quantitatively assess PCs. Based upon my review of the literature, Jurek's (1968)(25) unpublished dissertation reports the earliest effort to quantitatively assess the PC construct. The purpose of the study was to assess the relationship between the strength of the psychological contract of route salesmen (i.e. the extent to which a psychological contract existed) and their sales performance. According to Jurek's conceptualization, a PC between the worker and his company existed to the extent that there were agreed upon expectations that were being met. PCs were assumed to develop along the motivator and hygiene needs of the employee, as described in Herzberg's two-factor theory of motivation (Herzberg, Mausner, & Synderman, 1959) (26).

Subjects in the study were salesmen for eight laundry and dry cleaning companies and supervisors. The nature of employee PCs and the extent of their existence was assessed using questionnaires that addressed the six motivator and nine hygiene job factors stated by Herzberg et al. (1959). Each party to the contract (the routeman and his supervisor) first indicated the importance to themselves of selected motivator and hygiene items, and then each indicated the extent to which the other was meeting their needs. The extent to which a PC existed was "established" by comparing the extent to which each party met the others needs. The percentage of needs met by the other party was calculated for each party in the dyad, and the lower of the two percentages was taken as the
ranking of the extent to which a PC existed. Simple correlational analysis indicated that sales performance was greatest when the PC was of moderate strength and reasonably well met by the parties. There did not appear to be a linear relationship between the PC and sales performance, prompting the researcher to conclude that the relationship appears to be dependent upon other factors. Obvious limitations in the conceptualization and design of the Jurek study make it difficult to draw any firm conclusions from its modest findings.

Kotter (1973). Kotter (1973) defined PCs as “an implicit contract between an individual and his organization which specifies what each expect to give and receive from each other in their relationship.” (p. 92). While Kotter’s conceptualization of the PC incorporates the expectations of both the employee and employer, unlike conceptualizations that define the PC as involving agreed upon expectations, Kotter allows incongruent employee-employer expectations within the PC. He introduces the notion of “matching” to describe the situation where the employee and organization agree regarding a given expectation, and the extent to which the PC is comprised of “matched” or “mismatched” expectations is treated as an independent variable of interest.

Kotter (1973) discusses the findings of an unpublished master thesis that applied his matching concept to investigate the role of PCs at early stages of the employee’s involvement with an organization. Randomly selected, recent graduates of the Sloan School of Management’s masters program completed a questionnaire that asked them to indicate the extent to which they expected to give certain things to their employer (e.g. ability to work with group, conformity) and the extent to which they expected to receive certain things from their employer (e.g. interesting work, personal development opportunities). Responses were provided using a five point Likert scale, 1=not expected, 5=strongly expected. The individual employee expectations were purportedly matched with employer expectations regarding giving and receiving the same things. Kotter reports that PCs which were made up primarily of matches in expectations were related to greater job satisfaction, productivity, and reduced turnover (p. 92). Kotter emphasized that it was the matching of expectations that was important, claiming that mismatches that gave employees more than they expected caused as many “problems” as those that gave the employee less than had been expected. Kotter (1973) also briefly discussed a case study in which the expectations of new employees, their supervisors, and senior managers from the same organization were measured, and matches and mismatches in expectations were identified. A workshop was conducted in which misunderstandings and misperceptions were “aired and resolved” (p. 97). In a footnote provided in the third edition of his book, Schein (1980, p. 22) indicates that the case study Kotter (1973) reported “tested” his idea of a PC. This footnote suggests that Schein viewed Kotter’s conceptualization of the PC as being at least consistent with his own conceptualization.

Portwood and Miller (1976). Portwood and Miller (1976) defined the PC as “an implicit agreement negotiated between the employee and employing firm, usually at the employee’s time of entry, and it is a recognition of mutual
obligations to be fulfilled by both parties in the course of their association” (p.109). They present a model of the psychological contracting process that posits that individuals’ expectations about their employment relationship are influenced by factors such as their individual needs, attitudes towards work, relevant job knowledge and experience. An organization’s expectations pertaining to the individual and individual’s job are said to become formalized into policies and management practices, creating a “job reality”. The extent to which the individual’s expectations match this job reality is positively related to the individual’s job satisfaction, commitment and productivity.

The Portwood and Miller (1976) study focused on the relationship between the extent to which employees’ expectations were met, which they referred to as the degree of "job integration", and two dependent variables: a) job satisfaction; and b) a measure of employee's satisfactoriness to the organization (task competence, commitment, compatibility). Job integration was operationalized as the difference between job expectations about outcomes and the time of hire and the extent to which the outcomes were perceived to have been fulfilled after taking the position. The study was conducted in a midwestern retail firm with 43 locations in the Michigan area. They found a correlation of .37 between job integration and job satisfaction, and a correlation of .25 between job integration and job satisfactoriness. Portwood and Miller conclude that their findings indicate that an organization’s compliance with employee PCs is positively related to employee job satisfaction and work behaviors.

Holtz (1978). Holtz's unpublished dissertation reports an exploratory, qualitative study that investigated the PCs of 13 managers working in a single, large organization. She was particularly interested in assessing how PCs change as a function of personal development over one's life cycle and career development. Holtz defined PCs as "an ongoing, implicit agreement between an individual and a company, made up of a variety of expectations that specifies the needs and obligations of each and, thus, dictates the relationship between the two parties." (Holtz, 1978, p. 23)(28). The individual's expectations were assessed through interviews that were "open-ended but not unstructured" (p. 68). The company's expectations were assessed through interviews with the 13 managers' superiors and members of the personnel department, and from a review of company written philosophy, policies, and practices. Based upon her findings, Holtz concluded that: a) the PCs of young managers were characterized by expectations for technical training, education and broad experience, frequent job moves with increasing challenge and responsibility, and adequate supervisory support; b) the PCs of middle-age managers were characterized by a review, reassessment, and resetting of expectations based upon their past experiences with the company and in anticipation of their futures; and c) the PCs of older managers were characterized by a sense of finality a resolute acceptance of the past, and a determination to make the most of the final stage of their career. They expected recognition (including advancement within limits), opportunities for continued contribution, and security.
Weick (1979). In his influential book, The Social Psychology of Organizing (1979)(29), Weick’s discussion of individuals’ reasons for joining organizations incorporates the PC concept. Weick appears to accept both Schein’s definition of PC and Schein’s belief that PCs play a central role in organizational behavior. Schein’s (1965) definition of the PC is restated with apparent approval, and in speaking of PCs, Weick states: “Satisfaction, productivity, interpersonal ties, and the likelihood of leaving are all dependent on the terms of the contract and its fate at any given moment in time.” (Weick, 1979, p. 19).

Nicholson and Johns (1985). Building on the work of Gibson (1966), Nicholson and Johns (1985)(30) employed the concept of PC to provide a new theoretical framework for understanding absence behavior. They described PCs as being comprised of mutual assumptions about employment rights and obligations (p. 400), and as being “the essence of the individual-organizational linkage, because employment entails an implicit exchange of beliefs and expectations about what constitutes legitimate actions by either party.” (p. 398). Nicholson and Johns argue that one’s PC is likely to influence interpretations of absence events and absence behavior. They describe PCs as emerging through interaction and communication, and as the “psychological mechanism by which collective influence is translated into individual behavior” (p. 398). Although Nicholson and Johns describe PCs as the essence of the individual-organizational linkage, they seem to assume that classes of employees (e.g. by occupational class) share the same PC.

The generalization of the PC construct
While the concept of a PC was originally employed to describe employees’ relationships at work, it has since been argued that the concept generalizes to a variety of relationships, including those between renter and landlord (Radford & Larwood, 1982)(31), consultant and client (Boss, 1985)(32); husband and wife (Dunahee & Wangler, 1974)(5), and student and teacher (Kolb, Rubin, & McIntyre, 1984)(33). In fact, Menninger, whose discussion of the psychological aspects of the contract between patient and therapist (Menninger, 1958) is credited with influencing Levinson et al.’s development of the concept of a psychological contract, subsequently revised his discussion of two-party contracts so that the second edition of his book (Menninger & Holzman, 1973)(934) expressly adopts the term psychological contract to describe the relationship that exists between the client and the therapist.

Rousseau’s seminal work: the marking of a transition
The person who has had the greatest influence in the PC literature since Schein’s writing is Denise Rousseau. Rousseau’s seminal article in this area is a theoretical piece that appeared in a 1989 issue of the Employee Rights and Responsibilities Journal(10). The article is frequently referenced in contemporary writings about PCs, including Rousseau’s current work. The relative recency of the article and its contemporary influence suggests that it not be included among the “Early Developments in the Thinking About the PC.
The psychological contract construct; it is better characterized as marking a transition from early developments to recent developments in the PC literature.

In this section, I will briefly review Rousseau's (1989) treatment of the PC construct. While other, more recent works of Rousseau will be referred to in discussions that follow, a full review of Rousseau's work since her 1989 article is beyond the scope of this paper. Rousseau (1989) initially described the PC as follows: The term psychological contract refers to an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party. Key issues here include the belief that a promise has been made and a consideration offered in exchange for it, binding the parties to some set of reciprocal obligations. (p. 123)

The general statement provided in the first sentence identifies the level at which the PC was conceptualized. Rousseau (1989) explicitly distinguished between conceptualizations of the PC construct at the level of the individual versus the level of the relationship (e.g. dyadic, inter-organizational). Her conceptualization of PC as involving individuals' subjective beliefs is at the individual level. The parties to the contract, the employee and the employer, need not agree. In contrast, conceptualizations that view PC as existing to the extent that agreement exists between the parties (e.g. Argyris, 1960; Levinson et al., 1962; Schein, 1965), are at relational level.

Although the first sentence of Rousseau's description of PCs (quoted above) refers to beliefs generally, the qualifying statements made in the second sentence of the quoted definition reflect Rousseau's focus on beliefs about obligations. More particularly, Rousseau's conceptualization focuses on a specific kind of obligation: those that are based on perceived promises. The central role of promise in Rousseau's conceptualization of PCs is clearly conveyed in her writings. For example, Rousseau (1989, p. 126) describes PCs as involving "an individual's belief that a promise of future return has been made, a consideration or contribution has been offered (and accepted), and an obligation of future benefit exists", and Rousseau (1990) states that "psychological contracts differ from the more general concept of expectations in that contracts are promissory and reciprocal" (p. 309; emphasis added).

The focus on promised based obligations sets Rousseau's conceptualization apart from every conceptualization of the PC that preceded her. Others have focused on obligations (e.g. Gibson, 1966; Nicholson & Johns, 1985), and most conceptualizations have recognized that promises play a role in shaping the PC. But no one prior to Rousseau (1989) suggested that perceived promises were "the" basis for the beliefs that constitute the PC.

Subsequent work by Rousseau maintains the focus on promise, but it also contains general definitions of PCs, such as that provided in the first sentence of the definition set forth above. This is significant because researchers describing Rousseau's (1989) conceptualization of employee PCs, including some who purport it (e.g. Guzzo, Noonan, & Elron, 1994), have focused on her general statements and left out the most distinctive aspect of her conceptualization - the focus on promise.
Summary observations

“Psychological contracts”: all things to all people
From the earliest origins of the psychological contract terminology, the term has been used to describe very different phenomena. The psychological work contract described by Argyris (1960) and the psychological contract described by Levinson differed in a number of significant ways. Argyris described an implicit agreement between a group of rank and file employees (who had a shared understanding) and an individual, their supervisor. The agreement was described as resulting from the fact that the supervisor had come up through the ranks, and as a result, shared the norms of the employee culture.

In contrast, Levinson et al. focused on the relationship between individual employees and their employers. They viewed employees' expectations, which were said to frequently antedate the relationship of the person and the employer, as a product of the individual's needs and motives, tempered by the individual's past experience and knowledge of the current situation. Levinson et al. give examples of employees who come to the same company with different needs and motives, that lead to different expectations, and result in different PCs.

The use of PC terminology to describe a range of phenomena continues to manifest itself in the current PC literature. This observation may be supported by comparing the widely differing uses of PC terminology that appear in a single issue of Human Resource Management (1994) that was devoted to the employment contract. Citing Levinson et al., Morrison (1994)(37) describes PCs as involving parties’ expectations of each other that are 1) unspoken, and 2) antedate the formation of the contract. Morrison's training as a psychiatrist is reflected in his further description of PCs as involving shared expectations that help individuals to deal with psychological issues such as the need for predictability, the need to be dependent, and psychological distance (which is said to relate to intimacy and loneliness).

In contrast, Rousseau & Wade-Benzoni (1994)(38) provide a definition of PCs that emphasizes Rousseau's focus on promise: “Psychological contracts refer to beliefs that individuals hold regarding promises made, accepted, and relied upon between themselves and another” (p. 466). Rather than involving shared expectations that are driven by needs that antedate the relationship, the PC described by Rousseau & Wade-Benzoni involves subjectively perceived promises that are said to be shaped by the individual's interaction with the employer (see also Rousseau and Greller, 1984, where it is stated that “employee interactions with the organization are the source of information about the contract”; emphasis added, p. 386).

There has been little recognition of the fact that the PC construct has been conceptualized in a number of significantly different ways. Historically, each researcher or writer has defined the PC construct in some way that she or he feels is suitable, or has adopted one of the existing definitions, with little or no explicit consideration of competing views of the construct. Arguably, the lack of attention given competing views began with Levinson et al. (1962). While
earlier works of Argyris were cited in their book, Levinson et al.'s discussion of PCs did not make reference to the concept of the psychological work contract that Argyris (1960) introduced to the literature two years earlier. With few exceptions, a lack of recognition and attention to competing views of the PC construct continues to be reflected in the PC literature. For example, although the special issue of Human Resource Management referred to above includes articles that present significantly different definitions of the PC construct, neither the respective authors nor the guest editors attempt to reconcile - or even mention - the divergent uses of the PC terminology.

Finally, it may be observed that it appears that acceptance of the PC construct and the importance attributed it has greatly out-paced developments in the formal explication and empirical assessment of the PC construct. Reported empirical investigations of PCs can be counted on one's fingers. Yet, great importance is being attributed to the construct (referenced earlier, on page 3), and schemes have been offered which prescribe the type of employee PC that is likely to be most appropriate for an organization based upon the organization's business strategy (defenders, prospectors, analyzers, responsive; cf. Rousseau & Wade-Benzoni, 1994).

Implications for the future direction of the PC literature
The foregoing observations suggest that rather than investigating the network of causal relations between the PC construct and other constructs, and before spending additional effort attempting to prescribe certain types of PCs for certain situations, future research and writing should focus on the theoretical development of the PC construct itself. Greater attention should be given to the formal explication of PC construct. For example, definitions of PC construct should explicitly address the level at which the construct is conceptualized, and clearly state the nature of the beliefs that constitute the PC (e.g. expectations, obligations, promises). Also, because the concept of a PC has been generalized to a variety of relationships in addition to the employee-employer relationship (e.g. teacher-student, renter-landlord), it will be increasingly important for theoretical statements to indicate whether they purport to apply to PCs in general, or whether the statements are limited to PCs involving certain kinds of relationships (e.g. employer-employee). Future studies should investigate competing conceptualizations of the PC construct to attempt to ascertain if they represent significantly different constructs, and if so, which conceptualization appears to be most useful for understanding behavior in organizations. All of these endeavors are likely to benefit from a greater knowledge of the history of the PC construct.

References