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WORKING PAPER

**ANTECEDENTS OF THE PSYCHOLOGICAL CONTRACT:
THE IMPACT OF WORK VALUES AND EXCHANGE ORIENTATION ON ORGANIZATIONAL
NEWCOMERS' PSYCHOLOGICAL CONTRACTS**

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ABSTRACT

This paper explores the impact of organizational newcomers' work values (Autonomy, Advancement, Group-Orientation and Economic Rewards) and exchange orientation (Exchange Ideology and Equity Sensitivity) on the promise-based employer and employee obligations being part of their psychological contract with their new employer. Numerous studies exist indicating that the psychological contract is an important antecedent of work-related attitudes and behaviors. This study attempts to extend the psychological contract research field by focusing on two antecedents (work values and exchange orientation) for which we propose a relationship exists with the content of new employees' psychological contracts. Defining the psychological contract as subjective, promise-based beliefs about employer and employee obligations, we argue that individual dispositions influence these beliefs. A two-wave longitudinal study was conducted to test the proposed hypotheses. In four organizations, 207 newly recruited employees filled out two questionnaires during their first month of employment. Results show that the work values Advancement and Group Orientation are both a significant predictor of new employees' promissory beliefs. Participants' scores on Exchange Ideology and Equity Sensitivity were not significantly related with the promissory beliefs. Implications for psychological contract theory and more specifically theory on the antecedents of psychological contract formation are discussed.

Key words: Psychological contracts; Work values; Exchange orientation

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Psychological contracts consist of individuals' beliefs about the terms and conditions of the exchange agreement between themselves and their organizations (Rousseau, 1989; 1995). They refer to the way the employment relationship is interpreted, understood and enacted by employees at the interface between themselves and their employing organization (Millward & Brewerton, 1999; Nicholson & Johns, 1985). A major feature of the psychological contract is its idiosyncratic and subjective nature, which arises due to the fact that the psychological contract is made up of an individual's personal beliefs of what the agreement with his or her organization involves (MacNeil, 1985; Rousseau, 1995). Many scholars agree that the psychological contract is an individual-level phenomenon that could be influenced by individual difference variables (Ho, 2000). The subjective nature of the psychological contract has received major attention in studies focusing on employees' reactions to perceived psychological contract breach or violation (e.g. Robinson, 1995; Robinson & Morrison, 2000; Turnley & Feldman, 2000). The results of these studies show that it is an individual's subjective evaluation of breach or violation, rather than the objective existence of a breach or a violation, that affects subsequent reactions. In their theoretical model on the development of psychological contract breach and violation, Morrison & Robinson (1997) have outlined how individual dispositions together with contextual factors affect subjects' perceptions and evaluations of fulfillment or breach of their psychological contract. Because of the subjective nature of the psychological contract construct, it is important to investigate the impact of individual difference variables on its content, characteristics and evaluation. As to date, a few studies exist that have explicitly investigated the impact of individual dispositions on perceptions of and reactions to psychological contract breach, i.e. the evaluative facet of the psychological contract (Ho, 2000; Robinson & Morrison, 2000). For instance, Ho (2000) demonstrated that personality traits influence subjects' evaluation of psychological contract fulfillment as well as their subsequent behavioral intentions. These findings on the relationship between individual characteristics and the perception of psychological contract fulfillment call for more information on how individual difference variables affect another important facet of the psychological contract, i.e. the nature of the promissory beliefs comprising an individuals' psychological contract. This paper wants to

contribute to existing psychological contract research by investigating how individual dispositions relate to the content of employees' psychological contracts, i.e. their promissory beliefs about the employer and employee obligations being part of their employment relationship. Models on the development of psychological contract breach and violation recognize that the promissory beliefs that are part of an individual's psychological contract form the frame of reference against which contract-related experiences are compared and evaluated. Therefore, it is important to understand how individual characteristics affect these promissory beliefs. In this paper, we will consider two types of individual dispositions variables for which we propose a relationship exists with the content of employees' psychological contracts, i.e. work values and exchange orientation. We hereby focus on newly recruited employees, since we can expect that their contract-related perceptions will not be affected yet by actual contract-related experiences.

THE PSYCHOLOGICAL CONTRACT AS A MENTAL SCHEMA OF THE EMPLOYMENT RELATIONSHIP

The conceptualization of the psychological contract is embedded in theories on social schemas (Ho, 1999; Morrison & Robinson, 1997; Rousseau, 1995; Shore & Tetrick, 1994). A schema is defined as "a cognitive structure that represents organized knowledge about a given stimulus – a person or situation – as well as rules that direct information processing" (Fiske & Taylor, 1984). Schemas provide individuals with a knowledge base that serves as a guide for the interpretation of information, actions, and expectations, thereby simplifying the process by which people make sense of events and situations (Bartlett, 1932; Fiske & Taylor, 1984; Gioia & Sims, 1986; Isenberg, 1986; Lord & Foti, 1986). Evidence exists that all individuals use schemas to some significant degree to cognitively organize their experiences (Gioia & Sims, 1986). Schemas typically affect the perception of incoming information, the retrieval of stored information, and inferences based on that information (Lord & Foti, 1986). In this respect, the psychological contract is conceived as a type of schema that individuals hold regarding their employment relationship. It can be thought of as an individual's belief structure of what is expected to occur in the organization and what is expected of him/her in return. This schema helps an individual to define what an employment relationship entails, and it guides his or her interpretation and recollection of the promises that exist within the employment relationship. For example, how an employee interprets information about employment security within his or her organization will

depend on whether security is part of his or her schema for employee-organization relationships in general (Morrison & Robinson, 1997). Schemata are idiosyncratic to the person holding them. This implies that two individuals party to an employment relationship (e.g. an employee and his/her supervisor) may possess very different schemata for what their employment relationship should imply.

Researchers in the area of social perception and cognition stress the importance of an individual's goals and motivations in the development and use of schemata (Fiske, 1993). Depending on their particular goals, individuals will allocate more or less attention to certain information and only information that is personally relevant will be processed consciously (Fiske & Neuberg, 1990; Fiske & Taylor, 1984; Wyer & Gruenfeld, 1995). As Fiske & Neuberg (1990) state: "the self is inextricably involved in any motivational theory because the environment carries desired or feared possibilities only when it impinges on the self" (1990: 36-37). They conclude that motivation plays a substantial role in impression formation. Individual dispositions like personal values and goals can facilitate information processing through directing attention to goal-relevant information. Information that is more relevant compared with an individual's goals, will be more salient and therefore be more likely to be noticed and processed (Fiske & Neuberg, 1990). The impact of personal goals has been demonstrated in areas like impression-formation (e.g. Catrambone & Markus, 1987) and feedback-seeking behaviors (e.g. Ashford & Cummings, 1983). These studies show that individual difference variables influence individuals' schemata. The argument we want to elaborate in this paper is that this also holds for schemata about the employment relationship, i.e. the psychological contract.

PROMISSORY BELIEFS ENTAILED IN EMPLOYEES' PSYCHOLOGICAL CONTRACTS

In accordance with Rousseau (1995) we define the psychological contract as promise-based beliefs about the terms and conditions of the exchange agreement between an employee and his or her organization. This implies that the psychological contract is based on promises, which give rise to expectations about what the individual is obligated to give to and entitled to receive from the organization. As we have indicated above, authors in the field of psychological contract research have paid major attention to the perception of psychological contract fulfillment, breach or violation and subsequent responses. However, the psychological contract is conceived as a multi-faceted construct. As Rousseau & Tijoriwala (1998) have described, three major

perspectives on the construct can be taken, each of them conceptualizing a different facet: (1) content; (2) features; and (3) fulfillment. In our paper, we focus on the first facet, namely the content of the psychological contract, defined as the terms being part of an individual's perception of his/her employment relationship. These terms refer to the organization's obligations towards the individual as well as to the individual's obligations towards the organization and to the reciprocal relationship between both. The psychological contract can contain thousands of items, making a complete description almost impossible. Based on our review of the literature (e.g. Freese *et al.*, 1999; Freese & Schalk, 1996; 1997; 1999; Herriot *et al.*, 1997; Rousseau, 1990; 1998; Schalk, Freese & Van den Bosch, 1995), we consider six categories of employer obligations: (1) job content; (2) opportunities for career development; (3) social aspects; (4) support; (5) rewards; and (6) respect for private life. Although the definition of the psychological contract places reciprocal obligations at its center, few empirical studies have investigated employee obligations to the employer. Based on our analysis of existing assessments of employee obligations (e.g. Dopson & Neumann, 1998; Freese & Schalk 1999; Herriot *et al.*; Rousseau, 1990; 1998), we discern the following categories of employee obligations: (1) job performance; (2) flexibility; (3) extra-role behaviors; (4) loyalty; (5) employability; and (6) ethics. In table 1, a brief description of each of the content areas related to employer and employee obligations is presented.

INDIVIDUAL DIFFERENCE VARIABLES AND THE PSYCHOLOGICAL CONTRACT

The conceptualization of the psychological contract as an individual's mental schema regarding the terms and conditions of his or her employment relationship suggests that individual characteristics could explain differences between employees' psychological contracts. In this paper, we discuss two types individual dispositions for which we propose a relationship exists with the promissory beliefs entailed in newcomers' psychological contracts: work values and exchange orientation. These variables are not personality characteristics and are thus considered as less stable and more subject to change over time. However for both variables extensive research exists indicating that both are related to job-related attitudes and behaviors. Based on these findings, we expect that they may also be predictive of employees' psychological contracts.

Work values

The value or meaning of work varies across individuals. Within the career literature, numerous authors agree that each individual possesses a unique set of personal values relevant to multiple life areas, with some especially appropriate to the work context (e.g. Roe & Ester, 1999; Sagie & Kozlowski, 1998; Schein; 1978; 1993; Schwartz, 1999; Super, 1990). Values are assumed to form a certain organization of an individual's needs, desires, and goals, hierarchically structured according to their relative importance for the individual (Dawis, 1991). In accordance with the Meaning of Work (MOW) International Research Team (Super & Sverko, 1995) we define work values as "the general and relatively stable goals that people try to reach through work". Studies on work values have shown that these values play a significant role not only in individuals' vocational choices, but also in their work-related attitudes and behaviors like job satisfaction and turnover (e.g. Butler, 1983; Judge & Bretz, 1992; Meglino, Ravlin & Adkins, 1991; Roe & Ester, 1999). In the literature on psychological climates, researchers agree that values serve to create the cognitive schema through which individuals interpret their work environment (e.g. James & James, 1989; Meyer, Irving & Allen, 1998; Young & Parker, 1999). In this respect, Ravlin & Meglino (1987) have demonstrated that values influence the selection and interpretation of stimuli as well as actual decision-making behavior at work. This finding corresponds with London's (1983) thesis that individual characteristics associated with career motivation affect how employees perceive their work situation. This relationship will be stronger the more the situation initially is ambiguous or uncertain. The latter is more probable at organizational entry, when individuals have only a restricted image of how their new employment relationship will be in practice. Related to this, there is considerable evidence that people tend to be satisfied with jobs in which they have an opportunity to attain their significant work values. This is a major assumption and focus of research within Person-Environment Fit theories (Taris & Feij, 2000; Van Vianen, 2000). Extensive research in this field indicates that the match between individuals' work values and supplies offered by the organization is important for individual outcomes like job involvement, work motivation, and turnover intentions (e.g. Taris & Feij, 2000; Van Vianen, 2000). Based on these findings we can expect that an individual's work values will impact which promissory beliefs become salient for an employee, thereby affecting the type of promissory beliefs prevalent in his or her psychological contract. In accordance with this, scholars in the field of psychological contract theory have proposed that individuals with

different work values will have different preferences regarding the kind of psychological contract they want to develop with their organization. And this will lead individuals to have different perceptions of the terms of their employment relationship (Ebadan & Winstanley, 1997; Herriot, 1992; Herriot, Pemberton & Hawtin, 1996; Sparrow, 1996). Although no direct empirical evidence exists that supports this proposition, findings of Herriot *et al.* (1996) provide some indirect support for it. These authors found a positive relationship between employees' managerial ambitions and their expectations of a promotion in the future and a negative relationship with job security. Sparrow (1996) found that individuals could be clustered in seven categories depending on their perceptions regarding the type of psychological contract they believed they had with their organization (e.g. in terms of scope and duration) and that these clusters correlated with different types career perspectives. Integrating existing theories and studies on work values, we expect that individuals will vary in the promissory beliefs that are part of their psychological contract depending on the type of work values they want to attain throughout their work life.

H1: There will be a relationship between the type of work values an individual attempts to attain during his/her career and the promissory beliefs entailed in his or her psychological contract.

This general proposition can be further specified by focusing on the types of work values in individuals attempt to attain during their careers. Within the literature, several classifications of work values exist (e.g. Super, 1990; 1995; Coetsier & Claes, 1990; 1995; Dawis & Lofquist, 1984; Ravlin & Meglino, 1987; Roe & Ester, 1999). Super (1957) was one of the first scholars who tried to classify work values. Based on an adapted version of Super's Value Scale (1985), Coetsier & Claes (1990; 1995) developed the "Importance of Values" instrument. Their empirical findings suggest a stable factor structure distinguishing five basic dimensions: Advancement, Autonomy, Economic Rewards, Group Orientation, and Physical values. Since the fifth value (Physical) was found to be less relevant when studying the relationship between work values and other work-related attitudes and behaviors, we focus on the first four values as a basis for formulating more specific hypotheses.

Advancement. People who attempt to attain advancement in their work and their career attach much importance to achievement, making progress, development and power. Elizur *et al.* (1991) describe these values as cognitive in nature, rather than affective or instrumental. People

who value these are more mobile and flexible to move out of the organization compared to their colleagues who value more the economical security their job offers (Schein, 1985). Ravlin & Meglino (1987) describe how individuals with a high concern for advancement in their career are willing to work hard, seek opportunities to learn new skills, take on additional responsibilities at work and have a tendency to sacrifice personal gratification for work-related objectives.

According to London (1983), individuals with a need for advancement are focused on upward mobility. For their career motivation, organizational inducements like career development programs and established career paths are important. They will actively seek for advancement opportunities by requesting to be considered for promotion, or by volunteering for important assignments. The latter implies that they have a strong feeling of personal responsibility for their career development.

H1A: The more an individual attempts to attain advancement in his/her work, the stronger his/her perception of promise-based employer obligations relating to the provision of interesting work, personal support, and opportunities for career development.

H1B: The more an individual attempts to attain advancement in his/her work, the stronger his/her general perception of promise-based employee obligations.

Autonomy. Individuals who value autonomy consider a certain degree of autonomy and the freedom to organize their life as they want, as important. They often have compromised themselves less towards the organization and they tend to seek for work situations in which they can be maximally free of organizational constraints to pursue their professional or technical competence. They have less conflict about missed opportunities for promotion or income increases than their colleagues but instead prefer a work situation in which they experience a sufficient degree of freedom (Schein, 1978; 1993). According to Schein, individuals who value autonomy can link the results of their work with their own efforts and they have a strong feeling of responsibility for what they do. As a result, they generally expect less of the organization than others would to. Often these individuals try to balance their work with their private life, thereby attaching more importance to the respect that their organization shows for their private life (Schein, 1993). Autonomy is also described as a more cognitive value (Elizur *et al.*, 1991).

H1C: The more an individual attempts to attain autonomy in his/her work, the stronger his/her perception of promise-based employer obligations relating to the provision of interesting work, opportunities for career development, and respect for private life.

H1D: The more an individual attempts to attain autonomy in his/her work, the lower his/her global perception of promise-based employer and employee obligations.

Economic Rewards. Economic rewards are material or instrumental, in the sense that their external nature is concrete and of practical use (Elizur *et al.*, 1991). According to Locke & Taylor (1990), individuals who value economic rewards base their self-concept strongly on material outcomes, in particular the amount of money they earn. As a result they often attempt to raise their expectations of what they are entitled to receive from the organization in terms of economic security and rewards. London (1983) describes how a financially-driven career motivation affects employees to search for work situations in which they perceive opportunities for financial rewards. They will strive for money by requesting pay raises or by changing jobs for a higher paying position.

H1E: The more an individual attempts to attain economic rewards in his/her work, the stronger his/her perception of promise-based employer obligations relating to the provision of financial rewards.

Based on our review of the literature, we do not have a specific hypothesis on the relationship between Economic Rewards and employee obligations

Group Orientation. This category refers to values that are not of a material nature like rewards, but which are more centered around relations with people, including peers, supervisors, and others. These values deal with interpersonal relations, and they are affective rather than material (Elizur *et al.*, 1991). Individuals who look for social values within their work situation, often invest more in creating a social network at work (Locke & Taylor, 1990). According to Ravlin & Meglino (1987), this value is descriptive of caring and might be operationalized by helping others perform difficult jobs, encouraging someone who is having a bad day, or sharing information or resources others need to do their jobs. We therefore expect group orientation to be predictive of employees' beliefs regarding the social atmosphere at work (employer obligation) as well as of their employee obligations relation to extra-role behavior at work. Because this value is strongly directed towards caring for others rather than personal achievement, we also expect that individuals scoring high on Group orientation perceive more employee obligations in general than individual scoring low on Group Orientation.

H1F: The more an individual attempts to attain Group Orientation in his/her work, the stronger his/her perception of promise-based employer obligations relating to the social atmosphere at work.

H1G: The more an individual attempts to attain Group Orientation in his/her work, the stronger his/her perception of promise-based employee obligations relating to extra-role behavior.

H1H: The more an individual attempts to attain Group Orientation in his/her work, the stronger his/her higher global perception of promise-based employee obligations.

Exchange Orientation

The conceptualization of the psychological contract is embedded in social exchange theories. In these theories, reciprocity and balance of contributions and inducements are central (Blau, 1964; Gouldner, 1960). According to the reciprocity norm, fulfillment of obligations by one party is conditional on the fulfillment of obligations by the other party (Blau, 1964; Gouldner, 1960; Homans, 1961). The importance of reciprocity and balance in employment exchange relationships has been demonstrated in empirical studies on psychological contract breach (e.g. Coyle-Shapiro & Kessler, 1998; 2000a; Robinson, 1996; Robinson & Morrison, 1995; Turnley & Feldman, 1998). These studies show that employees react to the organization's fulfillment of its side of the bargain (as perceived by the individual) by subsequently reducing or increasing their own contributions to the organization, in order to restore balance and reciprocity in the employment relationship. However, research has demonstrated that individuals differ in the extent to which the norm of reciprocity is central in their perceptions towards exchange relationships and that people vary in their tolerance for inequity. Two constructs have been introduced to take into account these individual differences, i.e. Exchange Ideology and Equity Sensitivity (Coyle-Shapiro & Kessler, 1998; 2000a; Eisenberger et al., 1986; Witt, 1991a; 1991b; 1992; Witt & Wilson, 1990).

Exchange Ideology. Exchange Ideology is defined as a dispositional orientation regarding the relationship between what the individual receives from the organization and what he or she, in return, gives to the organization (Witt, 1992). Exchange ideology is described as a continuum. On one end are individuals who have a strong exchange ideology and who will perform congruent with organization reinforcements. On the other end are individuals with a low exchange ideology and who will put forth effort without regard to what they receive from the

organization. The latter are proposed to work hard even if they perceive themselves as being treaded poorly or unfairly (Witt, 1991a; 1992). Empirical work has demonstrated that Exchange Ideology moderates the relationship between the amount of balance in the exchange of contributions and inducements and outcome variables (Eisenberger *et al.*, 1986, Witt, 1991a; 1991b; 1992; Witt & Wilson, 1990). These authors found that the relationships between perceived employer inducements and outcome variables like job satisfaction, commitment, absenteeism and organizational citizenship behavior were greater for subjects with a strong exchange ideology than for those with a weak ideology. These findings indicate that exchange ideology may affect the relationship between contributions received in the employment exchange relationship on the development of job attitudes and behaviors. More recently, researchers have investigated the role of exchange ideology in the relationship between contributions made by the organization and subsequent employee attitudes and behaviors related to the psychological contract (Coyle-Shapiro & Kessler, 1998; 2000a). These studies show that in general, exchange ideology had a negative effect on employee obligations and on employee contract behavior. More specifically, individuals scoring high on exchange ideology were more likely to hold weaker obligations to the organization and were less likely to fulfill their obligations in return for what they received from the organization. In our study, we examine the degree to which reciprocity exists between employer and employee obligations among recently hired employees who have little or no contract-related experiences with their new employer based on which they could change or adapt their perception of employer and employee obligations. Existing studies have focused on how employees perceive their obligations contingent upon what they experience with respect to the fulfillment of the employer's obligations towards them. We expect that Exchange Ideology may also have a direct effect on the degree to which employees are reciprocal in their beliefs regarding employer and employee obligations. Based on the premises of social exchange theories and the exchange ideology construct, we expect that the degree of balance between these new hires' perceptions of employer and employee obligations will be related to their exchange ideology. We will investigate how employees may differ in their approach of the exchange relationship with their new employer depending on their exchange ideology. As outlined by Coyle-Shapiro & Kessler (2000a), the psychological contract involves beliefs about reciprocal obligations. Individuals with a high level of exchange ideology focus on what they receive from the organization, rather than on what they owe the organization. Consequently, these individuals

are more likely to think the organization is obligated to provide them with contributions and are less likely to think that they are obligated to make contributions to the organization in comparison with individuals with a low level of exchange ideology.

H2A: The higher an individual's level of Exchange Ideology, the stronger his/her global perception of promise-based employer obligations.

H2B: The higher an individual's level of Exchange Ideology, the lower his/her global perception of promise-based employee obligations.

Equity sensitivity. Closely related to Exchange Ideology is the Equity Sensitivity construct. Equity Sensitivity is an individual disposition that characterizes individuals' preferences for equity versus inequity in social exchange relationships and their reactions to situations perceived as equitable or inequitable (Huseman, Hatfield & Miles, 1987; King & Miles, 1994; King, Miles & Day, 1993; Miles, Hatfield & Huseman, 1989; 1994; O'Neill & Mone, 1998). Given these different preferences, individuals with a different type of equity sensitivity will have a different view as to whether ambiguous job elements are outputs or inputs and this will directly affect their perception of outcome/input ratios. The equity sensitivity continuum is divided into three types of equity-sensitive individuals (Huseman *et al.*, 1987): Benevolents, Entitleds, and Equity Sensitives. Benevolents prefer their outcome/input ratios to be less than the outcome/input ratios of the comparison other. Research suggests that Benevolents have more tolerance for under-reward (King *et al.*, 1993) and that being on the receiving end of a social exchange is extremely aversive, while being at the giving end is highly pleasant. Entitled persons prefer their outcome/input ratios to exceed the comparison other's. Researchers assume that Entitleds' contentment derives from perceptions that they are "getting a better deal" than those around them, and that they are not satisfied unless this is the case (O'Neill & Mone, 1998). Finally, Equity Sensitives are situated in between the previous two extremes. Conforming to the traditional norm of equity, they prefer their outcome/input ratios to equal those of comparison others and they seek to avoid both under-reward and over-reward situations.

In their model on the development of psychological contract breach and violation, Morrison & Robinson (1997) first made the link between Equity Sensitivity and an individual's perception of psychological contract breach. They proposed that Equity Sensitivity moderates the comparison process between perceived unmet promises and perceived breach. However, in a recent study these authors conducted to test their model (Robinson & Morrison, 2000), they did

not include Equity Sensitivity as a moderator. Ho (2000) empirically investigated the role of Equity Sensitivity in individuals' responses to a perception of breach but she found no influence of this variable on subjects' reactions. In order to obtain a better understanding of the role of Equity Sensitivity as an individual difference variable affecting the psychological contract, we need to investigate how this variable affects the psychological contract already at the stage of its formation, i.e. the relationship between Equity Sensitivity and the promissory beliefs entailed in new employees' psychological contracts. If Equity Sensitivity affects individuals' preferences for equity of inputs and outputs in exchange relationships, we can expect that the balance between promise-based employer and employee obligations will differ for individuals with a different type of Equity Sensitivity. In this sense we expect that as for individuals scoring high on Exchange Ideology, individuals scoring high on Equity Sensitivity will differ with respect to the promissory beliefs they have when entering the organization, independent of their contract-related experiences.

H3A: The higher an individual's level of Equity Sensitivity, the stronger his/her global perception of promise-based employer obligations.

H3B: The higher an individual's level of Equity Sensitivity, the lower his/her global perception of promise-based employee obligations.

A summary of all the hypotheses we tested in our study can be found in Table 2.

METHOD

Sample and Procedure

The respondent population for this study consisted of 388 newly recruited employees in four large firms (two telecommunication firms and two consulting firms). In each of these organizations, all new employees with a permanent employment contract starting in their new job between August and October 2000 were contacted and invited to participate in the study. Participating in the study was voluntary. Employees were informed about the study during the introduction day in two of the firms, whilst in the other two firms (who have no formal introduction session for newcomers) newcomers were informed by the recruitment specialist when signing their contract. The final sample was comprised of 207 employees.

Written surveys were used to collect data at two measurement occasions: at organizational entry (T1) and four weeks after entry (T2). The data collection procedure for T1 differed

between both consulting firms (research sites 1 and 3) on the one hand, and both telecommunication firms on the other hand (research sites 2 and 4). In research sites 1 and 3, the first author attended the introduction seminar that was organized for all new hires at their first working day. After a brief presentation of the research project, all new hires were invited to participate in the study, thereby guaranteeing them complete anonymity. The researcher then distributed the first questionnaire together with a return envelope. Subjects could fill out the questionnaire at that moment and give it back to the researcher. Due to practical problems (no collective introduction seminar at the first working day), new hires in research sites 2 and 4 received the first questionnaire by mail at the firm together with a pre-stamped return envelope during the first days after entry. The global response rate for the first questionnaire was 72 percent. In addition to this entry questionnaire, a second questionnaire was mailed to all participants at T1 four weeks after they had begun to work with their new employer. For this questionnaire, usable data were obtained from 207 employees. This represents 53 percent of the originally solicited sample and 74 percent of those employees who responded at T1. The analyses conducted were based on a total of 207 employees. Of those, 72% were male and the average age was 26.3 years ($SD = 5.75$ years). Fifty-three percent had a university degree, whilst the others had lower-level degrees. About half the respondents already had professional experience (56%). A comparison of those individuals who completed both questionnaires and those who did not on demographic characteristics indicated that there were no significant differences.

Measures

The major dependent variable is the psychological contract. A distinction was made between promise-based employer obligations and promise-based employee obligations. Work values, exchange ideology, and equity sensitivity were used as independent variables. In addition, we included measures of a number of control variables for use in the data analyses.

Psychological Contract – Employer Obligations. At time 2 employees were asked to indicate the extent to which they believe their employer was obligated to provide them, based on an implicit or explicit promise, a list of inducements. Participants were presented a 5-point Likert scale ranging from “not at all” to “to a very great extent”, along with a list of 25 employer inducements. These obligations were selected based on an extensive study of prior work on psychological contract obligations (e.g. Herriot *et al.*, 1997; Freese *et al.*, 1999; Rousseau, 1990; 1998). Based on our review of the literature, an extensive list of employer obligations was

composed which was subsequently discussed with human resource managers (not belonging to the 4 participating organizations) and which were pre-tested on two samples of graduating MBA-students who had recently signed an employment contract. Based on the analyses of the pre-tests, 25 items were selected for use in the final study. These items were constructed to tap six content areas of employer obligations: (1) job content (e.g. opportunities to show what you can, a job in which you can make decisions by yourself, a job with responsibilities, opportunities to use your skills and capacities in your job); (2) possibilities for career development (e.g. promotion, career development within the organization, opportunities to grow); (3) financial rewards (e.g. rewards for exceptional performance, wage increases, attractive benefits package); (4) social atmosphere at work (e.g. good communication among colleagues, agreeable relationships between colleagues, good mutual cooperation); (5) personal support (e.g. regular feedback, managers who support you); (6) respect for private life (e.g. respect for you personal situation, flexible attitude in the correspondence between your private and working life).

Psychological Contract – Employee Obligations. At T2 employees were also asked to indicate the extent to which they believe they were obligated to provide their employer, based on an implicit or explicit promise, a list of contributions. Participants were presented a 5-point Likert scale ranging from “not at all” to “to a very great extent” along with a list of 30 employee obligations. For selecting the items, the same procedure was followed as the one described above. Items were constructed to tap five content areas of employee obligations: (1) ethics (i.e. protect confidential information, use the organization’s properties and resources in an honest way, follow the organization’s policies and norms); (2) extra-role behavior (i.e. get along with your colleagues, assist your colleagues in their work, share information with colleagues); (3) employability (i.e. participate in training activities, take personal initiative to keep knowledge and skills up to date, further develop your skills); (4) loyalty (i.e. accept no job offers from other organizations, stay with the organization for at least some years, not immediately look for a job elsewhere); (5) flexibility (i.e. take work home regularly, volunteer to do tasks that are strictly not part of your job, work during the weekend when needed).

Work values. The items used to measure work values are based on the instrument of the Work Importance Study (WIS)-group, and more specifically on the adapted Flemish version of this instrument, developed by Coetsier & Claes (1990; 1995). The WIS instrument was originally developed by psychologists out of 14 different countries (Super & Sverko, 1995). The final

instrument has much in common with earlier instruments developed by Super (Super, 1985; The Salience Inventory, The Values Scale). The Flemish version contains 105 items which are assumed to load on 21 value scales. For this study, 30 items that loaded on one of the following four higher-order factors were selected: Advancement, Autonomy, Economic Rewards, and Group Orientation. Participants were presented a 5-point Likert scale ranging from (1) 'not at all important' to (5) 'to a great extent important'. The Advancement scale consisted of 9 items including to perform better than others, to be a leader at work, to develop your own career, to make decisions that are implemented by others, to be promoted, to have power over others. Alpha coefficient for this scale is .81. The scale measuring Autonomy consisted of 9 items including to live according to you own ideas, to realize your personal objectives, to determine your own working hours, to have a good balance between your work and private life (Alpha coefficient is .76). The scale measuring Economic Rewards consisted of 6 items including to have a good salary, to be well-paid, to know that you will always earn your bread (Alpha coefficient is .78). The scale measuring Group Orientation consisted of 6 items including to have contacts with other people at work, to have a job in which you can easily make friends, to have people around you who have time for a chat, to help other people at work. Alpha coefficient for this scale is .77.

Exchange Orientation. Two scales were used to measure exchange orientation. The first scale measures Exchange Ideology and has been developed by Eisenberger, Huntington, Hutchison & Sowa (1986). The scale consists of five items including "An individual's work effort should depend partly on how well the organization treats him or her" and "An employee who is treated badly by the organization should lower his/her work efforts". Participants were provided with a 5-point scale ranging from (1) "not at all" to (5) "to a very great extent" along with the 5 items. After reversed-scoring of 3 items, a composite score for Exchange Ideology was calculated, a higher score indicating a stronger degree of exchange ideology. Alpha coefficient for this scale is .72. The second scale measures Equity Sensitivity and is an adaptation of the Equity Sensitivity Scale initially developed by Huseman *et al.* (1985). We used 3 items. A 5-point bipolar scale was used to measure subjects' preferences for inputs and outputs in a general work situation. For instance: "An employee's work efforts should in the first place (1) benefit himself/herself – (3) benefit himself/herself and the organization equally - (5) benefit the organization". A composite score was calculated for the 3 items such that a higher score indicates

a higher preference for benefiting the organization (= Benevolent response) (Alpha coefficient is .77).

Control variables. In the data analyses, several additional variables were controlled for in order to rule out alternative explanations for the findings. Specifically the number of years of prior work experience was controlled for because this variable might influence both the independent and the dependent variables. Also, age, gender and highest educational degree obtained were controlled for since there were demographic differences across samples. Gender was coded “0” if the respondent was female and “1” if the respondent was male. Finally, in order to control for mean differences across samples, dummy coded variables representing the data collection sites were entered into the regression equations as control variables.

Analyses

We first conducted two principal-components analysis (with varimax rotation) of employer promises and of employee promises measured at time 2 since investigating the major content areas of the psychological contract (both in terms of employer and employee obligations) was the major focus of this study. The results of these analyses were used to create composite measures of psychological contract content areas. Next, hierarchical multiple regression analyses were conducted to examine the proposed relationships between individual characteristics and the content areas of the psychological contract. In step 1, all control variables were entered. In step 2, we entered the four work value and two exchange orientation measures. Scores for these variables were centered by subtracting the scale midpoint value (3.0) to reduce the effects of multicollinearity (see Edwards, 1994). To reduce problems associated with the use of self-report measures (e.g. priming, consistency effects), analyses were conducted only with predictor and criterion data obtained on different occasions.

RESULTS

As explained earlier, previous research has demonstrated that employees’ psychological contracts are made up of several content areas. Hence, to allow for meaningful results, we first analyzed the data for the underlying factor structures of employees’ psychological contracts, using principal component analysis with varimax rotation. This was done separately for the employer promises and the employee promises.

Principal-Components Analyses of Employer Obligations. The analyses revealed that the variables used for measuring perceived employer promises exhibited a six-factor structure, explaining 62% of variance. Items were selected to create the composite measures of content areas of employer obligations on the basis of loading greater than .50 on their primary factor, no appreciable cross loadings ($< .40$), and theoretical meaningfulness. We then eliminated those items that were found to reduce the alpha coefficients of the factors. The final items selected for inclusion in the composite measures are presented in Table 3. As Table 3 suggests, items measuring each of the six content areas loaded on separate factors, as intended. These results suggest that the items measure distinct areas of promise-based employer obligations comprised in employees' psychological contract. In general, participants have the strongest promissory beliefs with respect to the employer obligation to provide possibilities for career development (Mean = 4.06), while respect for private life has the weakest score (Mean = 2.89).

Principal-Components Analyses of Employee Promises. The analyses revealed a six factor structure explaining 61% of the variance. Analyses of the rotated component matrix revealed that the sixth factor had little theoretical meaning and showed a low alpha. Therefore, only the first five factors were retained for composition of composite scales. Items were selected to create the composite measures of content areas of employee obligations on the basis of loading greater than .50 on their primary factor, no appreciable cross loadings ($< .40$), and theoretical meaningfulness. We then eliminated those items that were found to reduce the alpha coefficients of the factors. The items selected for inclusion in these composite measures are presented in Table 4. These final scales do not correspond completely with the proposed six content areas of employee obligations. Namely the content areas Job Performance and Flexibility came out as one factor, which we call Flexibility and which will be used in the subsequent analyses. The other factors corresponded with the content areas that we had expected to find. Subjects have the highest promissory beliefs about their obligation to ensure their employability (Mean = 3.86). They perceive the lowest obligations with respect to Loyalty (Mean = 2.10). In general, all scores on employee obligations are lower than the scores on employer obligations. The general mean for employee obligations was 3.18, while the mean for employer obligations was 3.52. The means, standard deviations, and correlations of the study variables are reported in Table 5.

Relationship between work values and the psychological contract

In order to investigate the relationship between the antecedent variables and the content of promise-based employer obligations, hierarchical regression analysis was used. The results are represented in Table 6 (employer obligations) and Table 7 (employee obligations).

Hypothesis 1 predicted that there would be a relationship between the type of work values an individual attempts to attain during his or her career and nature of the promissory beliefs entailed in his or her psychological contract. As shown in Table 5, only significant correlations were found for the values Advancement and Group Orientation. No significant correlations were found between Autonomy or Economic Security and one of the psychological contract content areas. Hypothesis 1A predicted that attempting to attain advancement in ones work would be positively related to the perception of promise-based employer obligations to provide interesting work, personal support, and opportunities for career development. As shown in Table 6, advancement is positively related to Job Content, referring to the employer obligation to provide interesting work ($b = .18, p < .05$). The proposed relationship with the employer obligations Personal Support and Opportunities for Career Development are not significant. The general regression equation for Job Content is marginally significant ($F = 1.58, p < .01$). Together, all predictors explain only four percent of variance in Job Content ($Adj. R^2 = .04$). This means that Hypothesis 1A was only partially confirmed. Hypothesis 1B predicted a positive relationship between Advancement and employees' general perceptions of promise-based employee obligations. As shown in Table 7, Advancement was significantly and positively related with the employee obligations Employability ($b = .27, p < .01$), Loyalty, ($b = .22, p < .01$) and Flexibility ($b = .19, p < .05$). Advancement was also a significant predictor of the mean score on employee obligations ($b = .26, p < .01$). The relationship between Advancement and the employee obligations Ethics and Extra-role behavior was not significant. However, our hypothesis regarding the overall relationship between Advancement and employee obligations was confirmed.

Hypotheses 1C and 1E were not confirmed by the data. The value Autonomy was not related to any of the employer or employee obligations or to their global means. The same can be concluded for Hypothesis 1E about the relationship between the value Economic Rewards and the employer obligations relating to the provision of financial rewards. No significant relation between these two variables was found.

Hypothesis 1F was supported by the data. Group Orientation is positively related to the employer obligation Social Atmosphere ($b = .32, p < .01$) indicating that individuals who strongly value social relationships at work more strongly believe that their employer has promised them to create a good social atmosphere. In addition to this, we also found a significant positive relationship between Group Orientation and the employer obligation Respect for Private Life ($b = .29, p < .01$). This implies that individuals who score high on Group Orientation also believe their employer owes them more in terms of respect for their personal situation. In general, both findings indicate that the value Group Orientation is related to beliefs that are not directly linked to ones job or career or to material rewards but rather to the atmosphere of the work setting. Finally, this value is also positively related to the general perception of organizational promises ($b = .17, p < .05$). In accordance with Hypothesis H1G, we also found a positive relationship between Group Orientation and the employee obligation Extra-role behavior ($b = .19, p < .05$). This means that those employees who strongly value social relationships perceive obligations both for their employer and for themselves that are related to the creation of a positive atmosphere in the work setting. In addition, Group Orientation was also related to Flexibility ($b = .17, p < .05$) and to the general mean of employee obligations ($b = .17, p < .05$). The latter finding confirms Hypothesis H1H.

Hypotheses 2A and 2B predicted that Exchange Ideology would be positively related to employer obligations and negatively related to employee obligations. As shown in Table 6 and 7, this was not confirmed by the data. Exchange Ideology was not related to any of the employer obligations or to any of the employee obligations. Also the relationship between Exchange Ideology and the difference between the mean score on employer obligations and the mean score on employee obligations was not significant (see Table 8). The relationships between Equity Sensitivity and the psychological contract were also non-significant, meaning that no support was found for hypotheses 3A and 3B. As shown in Table 5, both the mean score on Exchange Ideology (3.20) and Equity Sensitivity (3.41) center around the midpoint of the scale.

DISCUSSION

This study examined the relationship between two types of individual dispositions (work values and exchange orientation) on the nature of promissory beliefs entailed in new employees' psychological contracts. Departing from the conceptualization of the psychological contract as

subjects' mental model of the terms of their employment relationship, we proposed that individual difference variables would influence the prevalence of contract terms in their promissory beliefs. We considered four work values that have previously been found to be predictive of important work-related attitudes and behaviors, namely (1) Advancement; (2) Autonomy; (3) Economic Rewards; and (4) Group Orientation. We proposed that these values would be related to the type of employer and employee obligations that are prevalent in an employee's psychological contract. Besides subjectivity, reciprocity and balance are also central characteristics of the psychological contract construct, thereby embedding the research field in theories on social exchange. Previous studies have demonstrated that individuals differ in their preference for reciprocity and balance inherent in exchange relationships and that these findings are also applicable to the employment context. As individual difference variables, both Exchange Ideology and Equity Sensitivity previously have been investigated as predictors of individuals' perceptions of and reactions to psychological contract fulfillment. In fact, exchange orientation is almost the only individual difference variable that has received attention in empirical studies on individual antecedents of psychological contracts. It was our objective to extend these findings that were done with regard to the evaluative facet of the psychological contract (i.e. its perceived fulfillment) to the nature of the promissory beliefs inherent in newcomers' psychological contracts (i.e. the content facet). Because exchange constructs like reciprocity, mutuality and balance have received major attention in existing work on psychological contract fulfillment, we proposed that individual dispositions relating to exchange orientation would also be predictive of the balance between promissory beliefs about employer and employee obligations inherent in newcomers' psychological contracts. We hereby defined reciprocity in the eye of the beholder, namely the balance between obligations that employees perceive for themselves and the obligations for which they hold their organization responsible. To test the proposed hypotheses, a two-wave longitudinal study was conducted.

Content Areas of the Psychological Contract

Consistent with prior research in psychological contracts, this study revealed that newcomers' promissory beliefs are made up of several content areas of employer and employee obligations. Based on our review of psychological contract measurements (e.g. Freese & Schalk, 1999; Herriot *et al.*, 1997; Rousseau, 1998) we tried to capture six different content areas of employer obligations. Consistent with our expectations, these six content areas were found in the

data, namely (1) Social Atmosphere; (2) Opportunities for Career Development; (3) Job Content; (4) Financial Rewards; (5) Personal Support; (6) Respect for Private Life. We also expected to find six different content areas of employee obligations, but only five interpretable factors came out of the factor analyses, namely (1) Ethics; (2) Extra-role behavior; (3) Employability; (4) Loyalty; (5) Flexibility. In general, the results of our study appear to corroborate those in previous studies measuring the content facet of the psychological contract, thereby indicating that the proposed content areas are useful for describing and investigating employees' perceptions of the terms of their employment relationship.

Work Values and the Psychological Contract

Based on our review of the literature on work values, we considered four basic types of work values for which we proposed a relationship would exist with the nature of promissory beliefs inherent in newcomers' psychological contracts. The results of the present study suggest that organizational work values relating to Advancement and Group Orientation have an impact on new employees' promissory beliefs about their obligations towards their new employer and the obligations of their new employer towards them. These findings provide evidence for the assumption that individual dispositions affect employees' perceptions of their employment relationship, thereby confirming the thesis about the idiosyncratic and subjective nature of the psychological contract construct. The weak relationship between the work values Autonomy and Economic Rewards might be explained by the fact that values, as a central construct, should predict broad modes of behavior over time (see Ravlin & Meglino, 1987). Consequently, at any point in time, the relation between values and perceptions (in this case promissory beliefs regarding the psychological contract) could be somewhat weak. Ravlin & Meglino (1987) also argue that an important issue in the study of values concerns the number and type of values investigated. They argue that it should be investigated how a network of values affects perception. As to date, there is limited consensus on the basic structure of work values (Roe & Ester, 1999). Although the questionnaire we used in this study was based on Super's value instrument, which has received major attention in the international research literature, other structures of work values have been proposed (i.e. the basic values measured by the Minnesota Importance Questionnaire by Dawis & Lofquist, 1984 and the Work Aspect Preference Scale by Pryor, 1979). Using a multitrait-multimethod design, Macnab & Fitzsimmons (1987) investigated the relatedness of the constructs measured by these two scales as well as the Work Values

Inventory (Super, 1985) and the Canadian version of the MOW value scale (adapted from Super's scale). They found sufficient convergent validity for eight traits that had common labels or operational definitions across all four instruments: Authority, Co-workers, Creativity, Independence, Security, Altruism, Work conditions and Prestige. Two of these values were included in our study (Co-workers and Independence). For Co-workers (which we labeled "group orientation") the proposed relationships were confirmed by the data. It might be that other significant relationships could be found for value factors discerned in other typologies.

Exchange Orientation and the Psychological Contract

Contrary to our expectations, our results did not reveal any relationship between the two constructs used to measure exchange orientation (i.e. Equity Sensitivity and Exchange Ideology) and participants' promissory beliefs. This is surprising given the existing evidence for the impact of both variables on the perception of psychological contract fulfillment and subsequent reactions to a perceived breach (e.g. Coyle-Shapiro & Kessler, 1998; 2000a; Ho, 2000). Apparently, individual differences with respect to the norm of reciprocity are not apparent yet at organizational entry, when employees' promissory beliefs have not been evaluated in the light of their actual experiences at work. Our results suggest that individual differences with regard to reciprocity may only become apparent when individuals are being in their new employment for some time, and have actual contract-related experiences based on which they form an evaluation of their employer's fulfillment of his side of the bargain.

Limitations

Although the measures we used in this study were all perceptual, common method variance was reduced because we created a time lag between the measurement of work values and exchange orientation (our antecedent variables) and the measurement of the psychological contract (dependent variable). However, by using a longitudinal research design involving a one-month time lapse, we ignore the events that may have occurred in this period since we could not control participants' experiences during this time-interval. This means that no account was taken of potential change in employees' work values and exchange orientation between time 1 and time 2. There might have been an influence of experiences encountered during the first four weeks of employment that could have changed their work values or exchange orientation, thereby reducing the correlation between these dispositions and the psychological contract. On the other hand, it is generally accepted that individuals establish relatively stable values through life experiences and

that organizational socialization is unlikely to alter the basic value structure an individual brings to the organization (Judge & Bretz, 1992). Additional analyses did not reveal any differences in our findings when we analyzed the data for inexperienced and experienced employees separately so we can infer that the existence of prior work experience had no impact on our findings. We also explicitly choose to use different items for the measurement of work values and the psychological contract terms in order to minimize potential effects of the use of common methods. On the other hand, by using the same categories of work values as the categories we used for measuring the content areas of the psychological contract, we would have facilitated a more direct comparison between both variables. This might have provided more evidence for the link between values and the psychological contract.

Implications and Directions for Future Research

This study has a number of practical implications. The findings suggest that employers should attempt to understand what employees value in their work setting and how this affects their beliefs about what their employer owes them and what they owe their employer. Our findings also suggest that employees enter the organization with a rather balanced view on employer and employee obligations, although they do perceive more obligations for their employer than for themselves. Although our results do not provide evidence for individual differences relating to exchange orientation, the results from previous studies indicate that the relative balance that exists at entry can easily change depending on the experiences newcomers encounter in their work situation (e.g. Coyle-Shapiro & Kessler, 1998; 2000a; 2000b). From a practical viewpoint, our results suggest that organizations should pay more attention to employees' general work values and to their expectations about their employment relationship already during the recruiting process. In many organizations recruitment activities are mainly focused on measuring job-related skills and attitudes and on the exchange of general information about how the new job will be. Paying more attention to potential new hires' expectations about their psychological contract could reduce the risk of unmet expectations and subsequent negative attitudes or behaviors like dissatisfaction or turnover.

The results of this study suggest many paths for future research. The most important of these is that the impact of individual dispositions like the ones we included in our study need further attention and should be extended to other variables in subsequent studies. Further exploration of individual dispositions that are relevant for making predictions about the

psychological contract is needed. It would also be interesting to investigate how these individual dispositions not only relate to the nature of promissory beliefs entailed in employees' psychological contracts, but also to their evaluation of psychological contract fulfillment over time. Evidence exists for the relationship between personality and reactions to psychological contract breach (Ho, 2000) and between exchange ideology and perceived contract fulfillment (Coyle-Shapiro & Kessler, 1998; 2000a). Although not all of our hypotheses could be confirmed, our study suggests that individual dispositions could also influence what individuals believe their employer had promised them and vice versa at organizational entry. A next step would be to combine both lines of research and to examine the possible mediating effects of individual dispositions in the relationship between promissory beliefs, contract-related experiences and subsequent evaluations of contract fulfillment. Given that the psychological contract is an individual level construct and given its perceptual and idiosyncratic nature, it is necessary to more fully explore what factors differentiate how employees view the terms of their psychological contract.

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TABLE 1

Description of Content Areas of Promise-Based Employer and Employee Obligations being Part of the Psychological Contract

| <i>Employer obligations</i> | |
|-----------------------------|--|
| 1. Job content | To provide challenging, varied and interesting work |
| 2. Career development | To provide opportunities for promotion and development within the organization / field of work |
| 3. Social atmosphere | To provide a pleasant and cooperative work environment |
| 4. Personal support | To provide supportive human resource management procedures |
| 5. Rewards | To provide appropriate rewards |
| 6. Respect for private life | To show respect and understanding for an employees' personal situation |

| <i>Employee obligations</i> | |
|-----------------------------|---|
| 1. Job performance | To provide good work in terms of quality and quantity |
| 2. Flexibility | To be flexible in terms of tasks and work hours |
| 3. Extra-role behavior | To engage in tasks that are not specified in the formal job description |
| 4. Loyalty | To stay with the organization for a minimum period of time |
| 5. Employability | To keep one's skills and competencies up-to-date |
| 6. Ethics | To protect the organization's image |

TABLE 2
Overview of Research Hypotheses

| H1 Relationship between work values and perceived employer and employee obligations | |
|---|--|
| H1A | The more an individual attempts to attain advancement in his/her work, the stronger his/her perception of promise-based employer obligations relating to the provision of interesting work, personal support, and opportunities for career development. |
| H1B | The more an individual attempts to attain advancement in his/her work, the stronger his/her general perception of promise-based employee obligations. |
| H1C | The more an individual attempts to attain autonomy in his/her work, the stronger his/her perception of promise-based employer obligations relating to the provision of interesting work, opportunities for career development, and respect for private life. |
| H1D | The more an individual attempts to attain autonomy in his/her work, the lower his/her global perception of promise-based employer and employee obligations. |
| H1E | The more an individual attempts to attain economic rewards in his/her work, the stronger his/her perception of promise-based employer obligations relating to the provision of financial rewards. |
| H1F | The more an individual attempts to attain Group Orientation in his/her work, the stronger his/her perception of promise-based employer obligations relating to the social atmosphere at work. |
| H1G | The more an individual attempts to attain Group Orientation in his/her work, the stronger his/her perception of promise-based employee obligations relating to extra-role behavior. |
| H1H | The more an individual attempts to attain Group Orientation in his/her work, the stronger his/her higher global perception of promise-based employee obligations. |
| H2 Relationship between exchange ideology and perceived employer and employee obligations | |
| H2A | The higher an individual's level of Exchange Ideology, the stronger his/her global perception of promise-based employer obligations. |
| H2B | The higher an individual's level of Exchange Ideology, the lower his/her global perception of promise-based employee obligations. |
| H3 Relationship between equity sensitivity and perceived employer and employee obligations | |
| H3A | The higher and individual's level of Equity Sensitivity, the stronger his/her global perception of promise-based employer obligations. |
| H3B | The higher an individual's level of Equity Sensitivity, the lower his/her global perception of promise-based employee obligations. |

TABLE 3
Items defining the content areas of promise-based employer obligations

| Item | Factor 1 $\alpha = .84$ | Factor 2 $\alpha = .83$ | Factor 3 $\alpha = .79$ | Factor 4 $\alpha = .68$ | Factor 5 $\alpha = .69$ | Factor 6 .66 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------|
| To what extent has your employer – explicitly or implicitly- made the following promises to you? | | | | | | |
| 1. A good atmosphere at work | .86 | | | | | |
| 2. Respect for what you do | .50 | | | | | |
| 3. Agreeable relationships among colleagues | .87 | | | | | |
| 4. A good mutual cooperation | .68 | | | | | |
| 5. Good communication among colleagues | .77 | | | | | |
| 6. Opportunities for promotion | | .81 | | | | |
| 7. Possibilities to develop you career | | .87 | | | | |
| 8. Opportunities to grow | | .83 | | | | |
| 9. A job in which you can make decisions by yourself | | | .75 | | | |
| 10. Opportunities to show what you can | | | .73 | | | |
| 11. A job with responsibilities | | | .74 | | | |
| 12. Opportunities to use your skills and capacities | | | .65 | | | |
| 13. Financial rewards for exceptional performance | | | | .84 | | |
| 14. Wage increases based on your performance | | | | .66 | | |
| 15. An attractive benefits package | | | | .51 | | |
| 16. Regular benefits and extras | | | | .56 | | |
| 17. Regular feedback about your performance | | | | | .73 | |
| 18. Support in you career development | | | | | .74 | |
| 19. Respect for your personal situation | | | | | | .67 |
| 20. Flexible attitude concerning the correspondence between you work and private life | | | | | | .72 |

Note: Factor 1 = Social atmosphere at work; Factor 2 = Opportunities for career development; Factor 3 = Job content; Factor 4 = Financial rewards; Factor 5 = Support; Factor 6 = Respect for private life

TABLE 4
Items defining the content areas of promise-based employee obligations

| Item | Factor 1 $\alpha = .81$ | Factor 2 $\alpha = .76$ | Factor 3 $\alpha = .73$ | Factor 4 $\alpha = .72$ | Factor 5 $\alpha = .66$ |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| To what extent have you – explicitly or implicitly- made the following promises to your employer? | | | | | |
| 1. Protect confidential information about the company | .70 | | | | |
| 2. Use the organization's properties honestly | .66 | | | | |
| 3. Subscribe the organization's values | .57 | | | | |
| 4. Use the resources you receive from the organization honestly | .79 | | | | |
| 5. Follow the organization's policies and norms | .66 | | | | |
| 6. Cooperate well with your colleagues | | .63 | | | |
| 7. Assist your colleagues in their work | | .72 | | | |
| 8. Share information with your colleagues | | .62 | | | |
| 9. Get along with your colleagues | | .71 | | | |
| 10. Participate in training activities | | | .65 | | |
| 11. Keep your knowledge and skills up to date | | | .72 | | |
| 12. Further develop your skills | | | .81 | | |
| 13. Accept no job offers from other organizations | | | | .70 | |
| 14. Remain with the organization for at least some years | | | | .78 | |
| 15. Not immediately look for a job elsewhere | | | | .78 | |
| 16. Take work home regularly | | | | | .70 |
| 17. Volunteer to do tasks that are strictly no part of your job when needed | | | | | .68 |
| 18. Work during the weekend if necessary | | | | | .68 |

Note: Factor 1 = Ethics; Factor 2 = Extra-role behavior; Factor 3 = Employability; Factor 4 = Loyalty; Factor 5 = Flexibility

TABLE 5
Means, Standarddeviations and Intercorrelations of Variables Included in the Study

| Variable | Mean | S.D. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 14 | 15 | 16 | 17 |
|-----------------------------|-------|------|--------|------|--------|--------|------|--------|-------|-------|-------|------|--------|-------|-------|
| 1. Age | 26.63 | 5.75 | | | | | | | | | | | | | |
| 2. Gender | n.a. | n.a. | .00 | | | | | | | | | | | | |
| 3. Degree | 3.28 | .90 | .03 | .01 | | | | | | | | | | | |
| 4. Years experience | 3.59 | 5.91 | .95** | .03 | -.12* | | | | | | | | | | |
| 5. Research site | 2.77 | 1.06 | -.06 | .03 | .15* | -.10 | | | | | | | | | |
| 6. Advancement | 3.57 | .51 | .00 | .08 | .12* | -.01 | .07 | | | | | | | | |
| 7. Autonomy | 3.95 | .48 | .09 | .06 | -.07 | .11 | .05 | .28** | | | | | | | |
| 8. Economic rewards | 3.76 | .63 | .02 | -.02 | -.27** | .07 | .00 | .16** | .39** | | | | | | |
| 9. Group Orientation | 3.59 | .60 | -.16** | .07 | -.15** | -.10 | -.07 | .15* | .31** | .30** | | | | | |
| 10. Exchange Ideology | 3.20 | .69 | .11 | -.07 | .15* | -.14* | -.01 | .08 | .03 | .02 | .04 | | | | |
| 11. Equity Sensitivity | 3.41 | .77 | .16** | -.10 | -.27** | .19** | -.05 | -.17** | -.15* | -.03 | -.08 | .06 | | | |
| 12. OP Social Atmosphere | 3.25 | .78 | -.23** | -.01 | -.03 | -.21** | -.12 | .05 | .01 | .02 | .32** | -.06 | -.01 | | |
| 13. OP Career Development | 4.06 | .84 | -.26** | -.06 | .19** | -.29** | -.03 | .08 | .01 | -.08 | .01 | .02 | -.13 | .15* | |
| 14. OP Job Content | 3.75 | .68 | .00 | .04 | .12 | -.02 | -.10 | .19** | .03 | -.04 | -.02 | -.02 | -.07 | .34** | .45** |
| 15. OP Financial Rewards | 3.23 | .83 | -.09 | .06 | .20** | -.09 | .01 | .13 | -.02 | -.03 | .08 | -.06 | -.24** | .30** | .41** |
| 16. OP Support | 3.60 | .95 | -.30** | .07 | .15** | -.32** | .12 | .10 | -.06 | -.06 | .05 | -.03 | -.11 | .25** | .40** |
| 17. OP Respect Private Life | 2.89 | .92 | -.13 | -.06 | -.09 | -.11 | .08 | -.02 | .04 | .12 | .28** | .01 | -.06 | .50** | .12 |
| 18. OP Mean | 3.52 | .49 | -.24** | .00 | .14 | -.25** | .00 | .14* | .03 | .01 | .19** | .01 | -.13 | .68** | .61** |
| 19. EP Ethics | 3.80 | .82 | -.11 | .08 | -.06 | -.08 | .12 | .18* | .06 | .07 | .08 | -.09 | -.05 | .41** | .10 |
| 20. EP Extra-role behavior | 3.65 | .78 | -.26** | .04 | -.13 | -.19** | -.11 | .09 | .06 | .09 | .27** | .05 | -.03 | .56** | .05 |
| 21. EP Employability | 3.86 | .85 | -.24** | .00 | .00 | -.25** | .00 | .25** | .08 | .12 | .12 | -.04 | -.10 | .32** | .22** |
| 22. EP Loyalty | 2.10 | .99 | -.09 | .15* | -.12 | -.08 | -.07 | .21** | .12 | .09 | .18** | -.03 | -.02 | .29** | -.02 |
| 23. EP Flexibility | 2.46 | .80 | -.09 | .02 | -.10 | -.09 | -.01 | .15* | -.05 | -.01 | .13 | -.05 | .04 | .21** | .00 |
| 24. EP Mean | 3.18 | .59 | -.23** | .11 | -.12 | -.19** | -.01 | .26** | .08 | .12 | .24** | -.05 | -.07 | .51** | .12 |
| 25. OP-EP | .35 | .57 | .03 | -.11 | .24** | -.01 | .01 | -.14* | -.05 | -.11 | -.09 | .06 | -.04 | .06 | .40** |

* = $p < .05$; ** = $p < .01$

TABLE 5 (continued)
Means, Standarddeviations and Intercorrelations of Variables Included in the Study

| Variable | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 |
|-----------------------------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|
| 1. Age | | | | | | | | | | | |
| 2. Gender | | | | | | | | | | | |
| 3. Degree | | | | | | | | | | | |
| 4. Years experience | | | | | | | | | | | |
| 5. Research site | | | | | | | | | | | |
| 6. Advancement | | | | | | | | | | | |
| 7. Autonomy | | | | | | | | | | | |
| 8. Economic rewards | | | | | | | | | | | |
| 9. Group Orientation | | | | | | | | | | | |
| 10. Exchange Ideology | | | | | | | | | | | |
| 11. Equity Sensitivity | | | | | | | | | | | |
| 12. OP Social Atmosphere | | | | | | | | | | | |
| 13. OP Career Development | | | | | | | | | | | |
| 14. OP Job Content | | | | | | | | | | | |
| 15. OP Financial Rewards | .33** | | | | | | | | | | |
| 16. OP Support | .33** | .46** | | | | | | | | | |
| 17. OP Respect Private Life | .15* | .28** | .24** | | | | | | | | |
| 18. OP Mean | .66** | .70** | .61** | .58** | | | | | | | |
| 19. EP Ethics | .21** | .19** | .29** | .33** | .39** | | | | | | |
| 20. EP Extra-role behavior | .23** | .16* | .14* | .31** | .37** | .54** | | | | | |
| 21. EP Employability | .19** | .22* | .30** | .33** | .41* | .50** | .46** | | | | |
| 22. EP Loyalty | .08 | .21* | .13 | .28** | .25** | .23** | .30** | .30** | | | |
| 23. EP Flexibility | .11 | .10 | .11 | .15* | .16** | .32** | .33** | .43** | .44** | | |
| 24. EP Mean | .24** | .27** | .27** | .38** | .44** | .75** | .75** | .68** | .60** | .69** | |
| 25. OP-EP | .32** | .32** | .24* | .10 | .40** | -.44** | -.45** | -.35** | -.41** | -.57** | -.65** |

* = $p < .05$; ** = $p < .01$

TABLE 6
Hierarchical Regressions predicting the content areas of promise-based employer obligations being part of the psychological contract

| Outcomes: | Social Atmosphere | | Career Development | | Job Content | | Financial Rewards | | Personal Support | | Respect for private life | | Mean OP | |
|---------------------|-------------------|--------|--------------------|------|-------------|-------|-------------------|--------|------------------|--------|--------------------------|-------|---------|--------|
| | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 |
| Predictors: | | | | | | | | | | | | | | |
| Step 1: | | | | | | | | | | | | | | |
| Age | -.14 | -.10 | -.08 | -.11 | .11 | .04 | -.33 | -.29 | -.24 | -.26 | -.16 | -.06 | -.25 | -.23 |
| Gender | .02 | .03 | .09 | .10 | -.01 | .00 | .01 | .02 | -.03 | -.03 | .07 | .08 | -.04 | .05 |
| Degree | -.04 | -.01 | .15 | .14 | .05 | .06 | .18 | .18 | .08 | .10 | -.11 | -.10 | .09 | .10 |
| Years Experience | -.05 | .06 | -.15 | -.14 | -.10 | -.06 | .32 | .30 | -.03 | -.03 | .05 | .00 | .04 | .03 |
| Site 1 | .05 | .06 | .08 | .08 | .18* | .17* | .02 | .01 | .24** | .24** | -.01 | .01 | .11 | .12 |
| Site 2 | .11 | .11 | .18* | .16' | .17 | .12 | .31** | .27** | .25** | .23** | .14' | .15' | .24** | .21* |
| Site 3 | -.09 | -.04 | -.03 | -.04 | -.02 | -.05 | -.03 | -.01 | -.01 | -.02 | .12 | .18* | .05 | .07 |
| Step 2: | | | | | | | | | | | | | | |
| Advancement | | .03 | | .04 | | .18* | | .04 | | .07 | | -.06 | | .09 |
| Autonomy | | -.08 | | .07 | | .01 | | -.06 | | -.02 | | -.08 | | -.05 |
| Economic Rewards | | -.06 | | -.06 | | .01 | | .03 | | .01 | | .03 | | .01 |
| Group Orientation | | .32** | | -.07 | | -.10 | | .08 | | .02 | | .29** | | .17* |
| Exchange Ideology | | .02 | | -.03 | | -.04 | | -.08 | | -.05 | | -.01 | | -.04 |
| Equity Sensitivity | | .06 | | .01 | | .02 | | -.13' | | .04 | | -.06 | | -.01 |
| <i>F</i> | 2.29* | 2.72** | 4.64** | 2.58 | 1.92' | 1.58' | 4.59** | 2.96** | 7.67** | 4.18** | 1.44 | 2.04* | 3.83** | 2.64** |
| Change in <i>F</i> | | 3.06** | | .28 | | 1.17 | | 1.05 | | .32 | | 2.64* | | 1.23 |
| Adj. <i>R</i> -Sq. | .04 | .10 | .11 | .09 | .03 | .04 | .11 | .12 | .19 | .17 | .02 | .06 | .09 | .10 |
| <i>R</i> -Sq Change | | .08 | | .01 | | .03 | | .03 | | .01 | | .08 | | .03 |

' = $p < .10$; * = $p < .05$; ** = $p < .01$

TABLE 7
Hierarchical Regressions predicting the content areas of promise-based employee obligations being part of the psychological contract

| Outcomes: | Ethics | | Extra-role Behavior | | Employability | | Loyalty | | Flexibility | | Mean EP | |
|---------------------|--------|------|---------------------|--------|---------------|--------|---------|-------|-------------|-------|---------|--------|
| | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 |
| Predictors: | | | | | | | | | | | | |
| Step 1: | | | | | | | | | | | | |
| Age | -.40 | -.43 | -.30 | -.30 | -.04 | -.09 | .01 | -.03 | .05 | -.01 | -.33 | -.37 |
| Gender | -.05 | -.03 | -.04 | -.02 | -.01 | .02 | -.19 | -.15 | -.02 | -.01 | -.10 | -.06 |
| Degree | -.07 | -.05 | -.07 | -.06 | -.02 | .01 | -.13 | -.12 | -.15 | -.12 | -.12 | -.09 |
| Years Experience | .33 | .34 | .09 | .11 | -.21 | -.19 | -.11 | -.08 | -.13 | .02 | -.15 | .17 |
| Site 1 | -.02 | -.02 | -.09 | -.08 | .02 | .02 | .02 | .03 | .07 | .06 | .01 | .02 |
| Site 2 | .21* | .15 | .00 | -.01 | -.02 | -.11 | -.05 | -.11 | .10 | .05 | .14' | .07 |
| Site 3 | .12 | -.11 | -.18* | -.14' | .00 | -.01 | .06 | .05 | .03 | .05 | -.01 | .01 |
| Step 2: | | | | | | | | | | | | |
| Advancement | | .17 | | .09 | | .27** | | .22** | | .19* | | .26** |
| Autonomy | | -.01 | | -.04 | | -.03 | | .02 | | -.13 | | -.06 |
| Economic Rewards | | .01 | | -.02 | | .07 | | -.02 | | -.06 | | .10 |
| Group Orientation | | .02 | | .19* | | .04 | | .11 | | .17* | | .17* |
| Exchange Ideology | | -.09 | | .03 | | -.10 | | -.04 | | -.03 | | -.07 |
| Equity Sensitivity | | -.01 | | .01 | | -.04 | | -.00 | | .06 | | -.01 |
| <i>F</i> | 1.96' | 1.34 | 3.25** | 2.43** | 1.70 | 2.46** | 1.67 | 2.02* | .80 | 1.33 | 3.10** | 3.47** |
| Change in <i>F</i> | | .98 | | 1.43 | | 3.19** | | 2.32* | | 1.93' | | 3.60** |
| Adj. <i>R</i> -Sq. | .05 | .05 | .07 | .09 | .02 | .09 | .02 | .06 | -.01 | .02 | .07 | .09 |
| <i>R</i> -Sq Change | | .07 | | .04 | | .09 | | .07 | | .06 | | .14 |

' = $p < .10$; * = $p < .05$; ** = $p < .01$

TABLE 8
Hierarchical Regressions predicting the difference between promise-based employer and employee obligations

| Outcomes: | Mean OP – Mean EP | |
|--|----------------------|-------|
| | 1 | 2 |
| <hr/> | | |
| Predictors: | | |
| Step 1: | | |
| Age | .13 | .18 |
| Gender | .13 [†] | .11 |
| Degree | .20* | .18* |
| Years Experience | -.12 | -.15 |
| Site 1 | .08 | .08 |
| Site 2 | .06 | .11 |
| Site 3 | .05 | .05 |
| Step 2: | | |
| Advancement | | -.19* |
| Autonomy | | .03 |
| Economic Rewards | | -.01 |
| Group Orientation | | -.03 |
| Exchange Ideology | | .03 |
| Equity Sensitivity | | .01 |
| <i>F</i> | 2.39* | 1.84* |
| Change in <i>F</i> | | 1.19 |
| Adj. <i>R</i> -Sq. | .05 | .05 |
| <i>R</i> -Sq Change | | .03 |
| <hr/> | | |
| † = $p < .10$; * = $p < .05$; ** = $p < .01$ | | |



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