# The Dynamic Character of a Psychological Contract between the Superior and the Employee (According to Empirical Research)

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## **Abstract**

This article analyses the dynamic character of relationships between superiors and employees in the context of a psychological contract. One of the assumptions is that superiors and employees' shared understanding of their mutual obligations and expectations underpins the performance of the psychological contract. The article explains the concept of a psychological contract and addresses possible breaches thereto as well as their impact on the shape of relationships between superiors and employees. Information necessary to carry out the analysis was obtained from surveys conducted with 178 representatives of large and medium-sized firms based in Poland and with 800 of their employees. In addition to determining the state and contents of a psychological contract as felt by superiors and employees, the article provides also a description and the rankings of their mutual expectations and obligations related to a psychological contract. The degree of similarity between the opinions of the surveyed superiors and employees on each other's obligations and expectations was assessed with a specially constructed index (an opinion coincidence index, OCI). The results of the surveys and the direction and amount of OCI's deviation from show that while employees and superiors frequently differ in the perceptions of their expectations and obligations, there are also areas where their opinions are identical. It has also been found that employees' perception of the contents of a psychological contract depends on their age and the number of years they have worked in the organisation. This fact points to the dynamic character of a psychological contract.

**Key words:** *employee expectations, mutual expectations, psychological contract, psychological contract breach, superior expectations.* 

JEL classification: M12, M54

#### INTRODUCTION

People are the only asset that organisations acquire based on a mutual contract. An analysis of employment relationships understood as contractual arrangements is well established in science (Shore, Tetrick, Lynch, Barksdale, 2006). Unlike the employment contract that has formal contents regulated by the law, the psychological contract that supplements it is a set of usually unwritten, but more or less openly defined expectations and obligations that the superior and the employee hold towards each other. Because a psychological contract is not

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written but follows from the subjective judgments and beliefs of the members of the organisation, the parties to it may understand and perceive it differently it. The scope of this contract may therefore be much wider than the official contractual arrangements made in connection with the Labour Code, a collective agreement, a managerial contract, or an employment contract (Westwood, Sparrow, Leung, 2001). The benefits of a psychological contract are greater in every respects than those arising under a formal contract, but its fundamental weakness lies in the ease with which either party can breach it by behaving in a way perceived by the partner as unethical or unfair (Światowiec-Szczepańska, 2012).

A psychological contract is concluded between two parties that have some expectations and obligations towards each other. The contract is considered performed when the parties comply with their obligations and fulfil the expectations of the partner. If both the employee and the employer perceive a psychological contract as honest and fair, their relations will be satisfying for them. Otherwise, if any of the parties has doubts about the fairness of the exchange and feels wronged, a change to the contract may be proposed. Rogozińska-Pawełczyk's research has showed that the relations between superiors and employees should be based, above all, on mutual trust, respect, openness and equality (Rogozińska-Pawełczyk, 2014). A perfect situation that the parties should work towards, however very difficult to achieve, is one where all their expectations are met. In practice, the parties do not perceive all their expectations and obligations in the same way, nor are they ready to redefine all their expectations when new circumstances call for changes to the contract.

Different expectations and obligations arising at different times, the asymmetry of information, time pressures, emphasis on performance, and perceived risks – are only some of the factors that can hurt the fairness of exchange. In many cases, they induce the parties into behaviour that ends up with a breach or termination of a psychological contract. This fact perfectly illustrates the dynamic nature and interaction of the relationships between the superior and the employee.

A psychological contract is very important for the parties to maintain positive relationships. Its usefulness arises from three main sources. Firstly, it concentrates on the parties' mutual expectations and obligations and can be analysed from the perspective of either of them. Secondly, it is concerned with the psychological nature of expectations and obligations that are different from the legal arrangements. Thirdly, being comprehensive, it helps manage the superior-employee relationships. The concept of a psychological contract encompasses a number of specific approaches and tools that are used within human resource management (HRM), but frequently in a selective or incomplete manner, without giving due attention to other factors that may affect the course and value of workplace relationships (Robinson & Morrison, 1995; Shore & Tetrick, 1994; Sparrow, 1998).

Starting from the assumption that a psychological contract is based on the mental perception of mutual contractual arrangements that an individual has (Rousseau, 1995), the article has been designed to present the results of surveys showing the dynamic character of a psychological contract between the superior and the employee. The presentation of the contract's theoretical dimension against the backdrop of superior-employee relationships is followed by an analysis of possible breaches of the contract and of the effect they may have on future relationships between the parties. Further, the state and contents of a psychological contract as perceived by surveyed employees and superiors are presented.

Lastly, changes made to a psychological contract as a result of the parties having different understanding of their mutual expectations and obligations are discussed. The main source of the data used in the analysis is surveys financed by the grant "A HRM model based on a psychological contract" no UMO-2013/09/B/HS4/00474 awarded by the National Science Centre (NSC).

## 1. THE PSYCHOLOGICAL CONTRACT – THEORETICAL FRAMEWORK

Psychology received the concept of a psychological contract derived from the social exchange theory already in the 1960s (Argyris, 1960). The psychological literature initially defined the contract as a set of unwritten, long-term expectations connecting each member of an organisation and different managers and other employees (Schein, 1965). This perspective implies that expectations can be economic (such as being paid for a job done), as well as intangible and psychological.

The definition of a psychological contract was extended in time with the addition of issues related to the promises of mutual obligations (Robinson & Rousseau, 1994). Rousseau (1994) indicates that people rank obligations towards them above the fulfilment of their expectations, so they tend to react more strongly and more emotionally when obligations are not met. In her earlier works, Rousseau stressed one more important thing; namely, that these are the mutual obligations of superiors and employees. Mutual beliefs and promises lead to obligations that make two or more parties to act (Rousseau, 1995).

A psychological contract arises when one party develops a belief that a promise of future gains has been made to it (Bellou, 2007) and exactly knows and understands the nature of the promises and obligations (Coyle-Shapiro & Kessler, 2000). As Cullinane and Dundon have shown, some authors stress the importance of latent obligations assumed by one or both parties to the contract, others accentuate that both parties must understand what is expected of them, and that one school of thought holds that a psychological contract is founded on reciprocality (Cullinane & Dundon, 2006). All these cases are similar in that in concluding the contract the superior and the employee are always guided by some mental model or a vision of employment relationships that influence their expectations and obligations and thereby their reactions (Bellou, 2007).

The psychological contract theory, too, has been permanently incorporated into the theory of HRM. It is employed to analyse the nature of relationships between employees and superiors and to identify the set of dynamic expectations and obligations occurring between particular employees and their superiors. A psychological contract is, most of all, to provide a point of reference for changing expectations, promises and obligations of the parties (Guest, 2004; Cullinane & Dundon 2006).

The concept of a psychological contract is also useful in analysing organisational relationships of a more complex nature. Its practicality has been confirmed by Zaheer et al., who found strong correlation between interpersonal trust and interorganisational trust (Zaheer, McEvily & Perrone, 1998). The psychological contract theory offers two criteria for identifying the relationships between the superior and the employee – the time when they are formed and the difficulty of assessing the amount of effort put in to maintaining a relationship. Based on the first criterion, relationships can be grouped into short- and long-term; the second one divides them into those that are relatively easy to assess regarding the

amount of effort involved in them and ongoing and complicated relationships. The second category of relationships is connected with incomplete contracts concluded in cases when the parties cannot predict all events and necessary actions, much less estimate their real cost (Hart & Moore, 1988). For the success of these contracts, the goodwill of the partners is particularly important.

A psychological contract is special in that is implicit and reflects the parties' vision of its nature (Rousseau, 1995). Its fundamental weakness is therefore that at some point the parties may change their perception of each other's obligations. Because it is based on what the parties believe to be the obligation of their partner, a breach of a psychological contract may only be noted by one of them. This means that the parties may be in conflict over whether a breach has actually taken place or not. The experience of a breach is frequently a purely emotional experience that comes with anger and frustration, a feeling of being cheated, dissatisfaction and disappointment. Studies into employment relationships point out that all these emotions may undermine the parties' trust and satisfaction with their relations (Robinson & Rousseau, 1994; Robinson, 1996; Restubog, Bordia & Tang, 2006).

#### 2. A BREACH OF A PSYCHOLOGICAL CONTRACT

A psychological contract may be breached for two main reasons: a promise being broken or the parties having different expectations (Zhao, Wayne, Glibkowski & Bravo, 2007). The first situation occurs when one party intentionally fails to fulfil its obligation, or when it is physically or financially unable to act on it. The second situation may arise from one of three factors. Firstly, because of different backgrounds and experiences, the partners may be guided by different cognitive patterns. Secondly, the conditions of the relationships between them may be complicated or unclear. Thirdly, the parties may have a problem communicating with each other (Paulraj, Lado & Chen, 2008).

Differences in cognitive patterns may show up when the acknowledgement of employee's performance by the superior is interpreted by the person's colleagues as favouritism or partiality, and this interpretation affects relationships in the whole group of workers. Studies investigating differences between employees and superiors' perceptions of their psychological contract show that the fulfilment of the contract is more important for employees than for superiors, and that employees more frequently perceive violations of contractual arrangements regarding wages, promotion or good workplace relations than the latter. At the same time, both groups have the same opinions regarding bonuses, performance and guidance from the superior. Most superiors are convinced that the organisation is in full right to change a contract that has been violated, whereas employees are more divided on this issue (Ratajczak, Bańka & Turska, 2006).

Another reason for a gap between expectations and obligations to arise is the complexity and ambiguity of a psychological contract. The parties to it should therefore review and evaluate their relationships now and then. The contract may become complex when concluded to regulate relationships within a group of employees or when new superiors unaware of the type of relationships their predecessors have established are appointed too often.

Lastly, an unintentional breach of a psychological contract may be caused by inefficient communication between the parties and result in the parities perceiving its contents

differently. The importance of communication for successful relationships between the superior and employees is well covered in the literature (Morrison & Robinson, 1997).

The three causes of breaches are similar in that their circumstances are not always obvious and realised by the 'culprit'. More often than not, they are indirect and difficult to discern. This is why the parties should collaborate to work out problems as they spot them by presenting clearly their expectations, by introducing mechanisms enabling regular reviews and alterations to contracts, by coordinating cooperation to keep their complex relationships under control, and by establishing and maintaining effective channels of two-way communication. These are the main precautions protecting against unintended breaches of psychological contracts. A breach of a contract always erodes partners' mutual trust and involvement (the scale of this erosion depends on the gravity of the perceived failure) and reduces productivity, ultimately turning against employees and their superiors (Fox, Spector & Miles, 2001).

A precisely defined psychological contract allowing the parties to fulfil each other's basic expectations and obligations decreases tensions and makes it easier for them to predict partner' actions and to understand shared goals and challenges.

Based on the above discussion, an assumption is made that one of the prerequisites for successful relationships between superiors and employees as parties to a psychological contract is their awareness of mutual expectations and obligations. The results of this analysis into dynamic relationships between employees and superiors may therefore be interesting for both parties.

## 3. METHODOLOGY

Between 2014 and 2015, two surveys were carried out with the representatives of 178 large and medium-sized companies based in Poland and 800 of their employees.

To gain insight into the character of psychological contracts in these organisations, particularly into the unwritten expectations and obligations of employees and their superiors, the following research questions were formulated:

- What expectations and obligations do both categories of respondents hold towards each other?
- Which of them are recognised as crucial and which are secondary?
- ☐ How much do the respondents differ in their understanding of mutual expectations and obligations?

The survey started by asking all consenting employees and superiors to provide written answers to the following open-ended question: "What expectations and obligations do employees and superiors have towards each other?" Their responses were used to compile a list of 11 main needs in the workplace. Subsequently, the respondents were delivered forms with expectations and obligations that they were to assess for importance in their workplace by assigning them a weight of 1-5 (1 meaning that an item is completely irrelevant to the superior-employee relationships and 5 that it describes it very well).

The results of both surveys were compiled into one database to enable comparison of answers given by superiors and employees.

Items in the employees' form "Employees' obligations towards superiors" and in the superiors' form "Employers' obligations towards employees" were identical. The same approach was adopted in preparing the forms "Employees' expectations of superiors" and "Employers' expectations of employees". This solution allowed comparing the frequency with which employees and superiors gave the same answers to a particular item. For the purpose of comparisons, a special opinion coincidence index (OCI) was constructed as a quotient of the frequency of identical answers given by superiors and employees based on the following formula:

An index value of 1 means that equal percentages of employees and superiors chose the same answer. An index value higher than 1 points to superiors choosing some answer more frequently than employees do. An index value lower than 1 shows that the situation was reverse. The interval in which superiors and employees' opinions were similar is therefore around 1. An upward or downward deviation of the index from 1 and the amount of the deviation explain the character and amount of disagreement between both groups on some items (by indicating how much more frequently one group of respondents chose some answer). In analysing the coincidence of superiors and employees' opinions an  $\{0.8 - 1.2\}$  interval of index values was arbitrarily adopted to designate the area where their opinions were the same.

In the next step, the descriptive statistics and statistical inference methods were used to answer the research questions and analyse the dynamics of relationships between employees and superiors. Correlations and the significance of the obtained correlation coefficients were analysed with the Pearson's linear correlation coefficient (at p<0.05).

Most of the 178 firms participating in the survey were based in the following sectors: industry (64), other services (25), transport, telecommunications (17), banking, finance and insurance (12), trade (14), construction (11), health care (8), education (11) and public administration (16).

The first survey was conducted with 178 superiors from 65 firms employing more than 250 people and 113 firms employing from 50 to 250 people; the private sector and the public sector were represented by 126 and 52 firms, respectively. Interviews were carried out with the top and medium-level managers (29 presidents or CEOs; 57 directors of departments, 48 managers of autonomous units in the organisations) and 44 heads of personnel departments. Among the respondents, 91 were females and 87 were males. Most respondents were aged 40-49 years (37%). The next age groups consisted of respondents aged 50-55 years (24%), 31-39 years (23%), and older than 55 years (13%); the smallest group was respondents younger than 30 years of age (3%). As far as the years of service are concerned, 112 respondents were employed in the organisation longer than 5 years and 66 to 5 years.

In the employee survey, 272 (34%) respondents worked in large firms and 528 (66%) in medium-sized organisations; 46% were females and 54% were males. Most of them were employed in their firm longer than 10 years (67.5%), around 11% worked to 3 years and 22% longer than 3 years. Non-managerial jobs accounted for 82%. Regarding the educational attainment of these respondents, 40% had secondary education and another 40% tertiary education; 20% accounted for education lower than secondary. Almost 30% of the surveyed employees were aged 31-39 and 40-49 years. The smallest group consisted of persons older than 55 years of age - 7%.

## 4. RESEARCH RESULTS

In both surveys, superiors and employees chose answers from the middle range rather than the extreme ones to evaluate the importance of 11 expectations and obligations verbalised in connection with psychological contracts. The respondents much less frequently indicated on the five-point scale options such as "not important at all" or "to a very high degree" than "to a slight, some, or high degree". In both groups, most of them (over 70%) chose "to some or a high degree". This shows that expectations and obligations were in balance and that the parties were engaged in meeting most of them.

## 4.1. Employees' obligations towards superiors

The employees rated their obligations with respect to superiors such as "Sharing knowledge with other workers" (63.3% of respondents) and "Cooperation with colleagues to perform tasks efficiently" (63.1%) as very important. The obligations were strongly correlated with each other (r=0.51, p<0.001). The respondents considered also very important that obligations such as "Keeping confidential firm's plans, actions and data" (61.3%), "Listening carefully to others and showing empathy" (60.8%), as well as "Accepting the culture and values of the organisation" (56.0%) and "Promoting a positive image of the organisation" (54.7%) are met. Their answers reveal their strong desire to be involved in work, considerable adaptability, as well as acceptance of superiors' requirements.

As the least important of their obligations, the respondents chose "Accepting time and scope of work suited to the changing needs of the employer" (35.2% of them indicated it as "not important at all") and "Suggesting improvements to the organisation" (35% answered "not important at all" or "to a slight degree"). The low ratings of the first item are strongly correlated with "Achieving the expected results in performing specific tasks" (r=0.54, p<0.001) and moderately with "Suggesting improvements to the organisation" (r=0.43, p<0.001). These obligations were deemed secondary, meaning that employees did not want to fully engage in activities other than specified in their employment contracts.

The above implies that many employees want to assume the responsibility for their careers instead of adjusting their occupational competencies to the needs of their organisations.

## 4.2. Employees' expectations of superiors

Employees were also asked to state what they expected of their superiors. Most of them chose "Guarantee of collaboration with colleagues dedicated to their job" (59.5%), "Information on how the job one does relates to the strategy of the team and of the firm" (54.4%) and "Opportunities to apply one's talents and skills at work" (47.3%). "Nice

interiors and pleasant surroundings of the firm" was also ranked high (45.6%). Interestingly, "Guarantee of stable employment and working conditions" (43.4%) was not viewed as very important and was ranked only fifth. Certainty of employment, of the firm being tomorrow where it is today, and of getting paid for the job done were considered important but not essential. This seems to indicate that employees have learnt to function in the framework of a new psychological contract that requires only temporary engagement in work and allows individuals to concentrate on improving their employability. The accuracy of this observation is confirmed by 41.5% of respondents for whom "Fair pay and extra bonuses for special achievements" was the least important of all expectations. Moreover, its importance was decreasing with increasing age (r= -0.33, p<0.01) and years of service (r= -0.51, p<0.01) of the respondent.

## 4.3. Superiors' obligations towards employees

According to the surveyed superiors, the most important of their obligations were "Information on how the job one does relates to the strategy of the team and of the firm" (77.5%), "Assistance in solving job-related problems" (76.4%) and "Guarantee of collaboration with colleagues dedicated to their job" (74.1%). "Opportunities to apply one's talents and skills at work" and "Fair pay and extra bonuses for special achievements" were indicated as equally important by a smaller percentage of respondents (65.9%). The least significant of superiors' obligations turned out to be "Nice interiors and pleasant surroundings of the firm" (19.1%) and "Guarantee of stable employment and working conditions" (15.8%).

Statistical analysis revealed that the importance of the promise of "Guarantee of stable employment and working conditions" and "Respect for the employee's private life" was the higher the older the respondent was (r=0.19, p<0.01), and that the younger the superior was the more significance was attached to "Information on how a job one does relates to the strategy of the team and of the firm" (r=0.14, p<0.001).

The hierarchy of superiors' obligations towards employees shows preference for relational psychological contracts that obligate the organisation to create an inspiring environment in which employees can develop personally and improve their skills, thus increasing their value in the labour market.

## 4.4. Superiors' expectations of employees

Superiors expect employees to be strongly committed to "Promoting a positive image of the organisation" (91.0% of responses), "Achieving the expected results in performing specific tasks" (89.3%) and "Keeping confidential firm's plans, actions and data" (83.7%) in return for superiors' compliance with their obligations. Other valued expectations were "Accepting the culture and values of the organisation" (82.0%) and "Enthusiasm at work" (76.4%).

The smallest group of superiors wanted employees to fulfil their expectations such as "Accepting time and scope of work suited to the changing needs of the employer" and "Listening carefully to others and showing empathy" (respectively 13.0% and 12.9%).

The correlation between the number of years worked in the firm and expectations such as "Developing one's knowledge, skills and experience" (r=-0.40, p<0.001), "Accepting time and scope of work suited to the changing needs of the employer" (r=0.31, p<0.001), "Suggesting improvements to the organisation" (r=-0.14, p<0.001) and "Sharing knowledge with other workers" (r=-0.14, p<0.01) was found to be negative.

In this case, too, the survey data imply that superiors show flexibility towards employees, expecting them to make a significant contribution to the organisation and to feel responsible for their careers.

## 4.5. Employees' obligations and superiors' expectations

Table 1 shows the coincidence of superiors and employees' opinions on their respective expectations and obligations. The values of the OCI index were calculated with the formula explained above. The same answers chosen by superiors and employees are highlighted in colour.

Table 1. The OCI index values for superiors' expectations and employees' obligations

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Item	Superiors' expectations and employees' obligations	Not importa nt at all	To a slight degree	To some degree	To a high degree	To a very high degree
		1	2	3	4	5
1	Achieving the expected results in performing specific tasks	0.0	0.1	0.2	1.3	15.0
2	Accepting time and scope of work suited to the changing needs of the employer	0.0	0.7	0.5	1.6	12.1
3	Developing one's knowledge, skills and experience	0.1	0.2	0.8	0.9	5.8
4	Cooperation with colleagues to perform tasks efficiently	0.0	0.1	0.6	0.7	6.7
5	Accepting the culture and values of the organisation	0.0	0.2	0.5	0.9	5.8
6	Sharing knowledge with other workers	0.0	0.4	0.9	0.8	3.7
7	Suggesting improvements to the organisation	0.0	0.5	1.1	1.4	3.7
8	Promoting a positive image of the organisation	0.0	0.1	0.2	0.9	6.2

Item	Superiors' expectations and employees' obligations	Not importa nt at all	To a slight degree	To some degree	To a high degree	To a very high degree
9	Listening carefully to others and showing empathy	0.0	2.2	1.2	0.7	1.6
10	Enthusiasm at work	0.1	0.2	0.6	1.4	3.6
11	Keeping confidential firm's plans, actions and data	0.2	0.5	0.4	0.5	6.0

*Source*: the questionnaire survey for the project "A HRM model based on a psychological contract" no. UMO-2013/09/B/HS4/00474 financed by the National Science Centre (NSC).

#### The data in the table show that:

- superiors rarely chose "not important at all" to describe their expectations of employees, so the OCI value for this answer is zero for almost all items;
- □ superiors evaluating their expectations pointed to "to a very high degree" much more frequently than employees describing their obligations, so the OCI value for this answer is many times higher than 1. The substantial difference between respondents' opinions on the first two items in the survey is interesting superiors indicated "to a very high degree" 15 times more frequently than employees did;
- □the OCI values for "to a slight degree" are slightly lower than for "to some degree" and clearly lower than for "to a high degree", pointing to the greatest difference superiors and employees in the use of the first answer. Employees chose it much more frequently than superiors did (ten times and five times as often for OCI values of respectively of 0.1 and 0.2) for "Achieving the expected results in performing specific tasks" and "Accepting time and scope of work suited to the changing needs of the employer";
- the highest coincidence of respondents' choices was found for "to a high degree". The answer "to some degree" was chosen by superiors and employees as frequently (four out of eleven items), but the other OCI values are closer to the rating coincidence interval.
- □OCI values lower than 1 are more frequent in the case of answers pointing to the smaller importance of superiors' expectations and employees' obligations. This means that employees rate their obligations with respect to superiors below the superiors' ratings of their expectations of employees. This observation is additionally confirmed by the proportion of answers "not important at all" (2.6% -

16.6%) among employees and practically absence thereof (05 -0,6%) among superiors.

## 4.6. Employees' expectations and superiors' obligations

Employees' expectations and superiors' obligations were compared in the same way. Table 2 presents the values of the OCI index calculated for each possible answer. The same choices made by superiors and employees are highlighted in colour.

Table 2. The OCI index values for superiors' obligations and employees' expectations

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Item	Employers' obligations and employees' expectations	Not important at all	To a slight degree	To some degree	To a high degree	To a very high degree	
		1	2	3	4	5	
1	Nice interiors and pleasant surroundings of the firm	0.9	0.8	1.1	1.0	1.5	
2	Information on how the job one does relates to the strategy of the team and of the firm	0.0	0.6	0.5	1.0	5.3	
3	Respect for employee's private life	0.1	1.2	0.6	1.2	4.5	
4	Opportunities to apply one's talents and skills at work	0.0	0.2	0.8	1.2	3.3	
5	Encouraging to improve knowledge and assume greater responsibility	0.1	0.2	0.9	1.3	5.9	
6	Possibility of coming up with new ideas and solutions	0.0	0.4	1.2	1.3	4.2	
7	Guarantee of employees' ideas and opinions being listened to	0.0	0.1	1.2	1.5	5.0	
8	Fair pay and extra bonuses for special achievements	0.1	0.4	0.8	2.5	2.3	
9	Guarantee of collaboration with colleagues dedicated to their job	0.0	0.3	0.8	1.1	2.7	

Item	Employers' obligations and employees' expectations	Not important at all	To a slight degree	To some degree	To a high degree	To a very high degree
10	Assistance in solving job-related problems	0.0	0.1	0.6	1.6	6.5
11	Guarantee of stable employment and working conditions	0.1	1.1	0.7	1.0	5.6

*Source*: the questionnaire survey for the project "A HRM model based on a psychological contract" no. UMO-2013/09/B/HS4/00474 financed by the National Science Centre (NSC).

Superiors' ratings of their obligations and employees' ratings of their expectations were the same in 17 out of 55 possible cases.

The OCI values for each of employees' expectations were greater than 1 when the answer was "to a very high degree". This means that superiors viewed employees' obligations that way more frequently than employees would expect. The answer "not important at all" was chosen by superiors never or very rarely (its share ranged from 0 to 8%) compared with employees (a share of 2.5-22%). In both surveys, the highest coincidence of answers "to a high degree" and "to some degree" was noted for "Nice interiors and pleasant surroundings of the firm", "Information on how the job one does relates to the strategy of the team and of the firm" and "Guarantee of stable employment and working conditions".

#### CONCLUSIONS

It is stressed today that in the labor market the obligations of employees and of their superiors are clearly disproportionate today. Because of the rising expectations and entitlements of superiors, the quantitative and qualitative demands that employees have to cope with are ever increasing. The spreading use of fixed-term employment contracts and part-time jobs makes employees feel more uncertain and fearful about whether they will remain in employment. Employees' inflated and frequently unrealistic expectations of their jobs, their ambitions and needs, and the expected levels of performance heighten workplace stress, too. Unreasonable expectations and unrealistic perceptions of the job and of interpersonal relations in the workplace may turn into disillusionment entailing reluctance and exhaustion. Fair exchange and compliance with a psychological contract are particularly difficult when faced with real-life circumstances.

The relationships between superiors and employees have changed considerably in recent years. As the surveys have shown, the number of employees for whom security of employment is not the main expectation is growing, likewise of employers that view their relationships with employees as a temporary contract concluded to achieve some specific goal. These trends are particularly distinct among younger superiors and employees who have joined organisations relatively recently. The surveyed employees perceive a psychological contract as based on self-managed professional development of an individual who independently designs his or her career and assumes all responsibility for its course. Superiors, on the other hand, are concentrated on creating a workplace environment

motivating employees to augment their competence capital by improving their knowledge, skills and experience, or through teamwork and cooperation.

The direction and amount of the deviation of the opinion coincidence index designed for this study shows that superiors and employees frequently hold different opinions on their mutual expectations and obligations. Generally, employees' obligations are slightly less important for superiors than superiors' expectations are for employees. However, areas where both parties fully agree as what their obligations and expectations are, and those where they completely differ from each other can also be found.

The survey has revealed that the contents of a psychological contract vary with employees' age and the number of years they have worked in the organisation. Younger and relatively new employees choose a new type of a psychological contract based on transactional relations.

Summing up, a well-defined psychological contract that allows the parties to fulfil each other's key expectations and obligations reduces tensions caused by the widespread uncertainty of employment. It also makes it easier to guess what the other party may intend to do and improves the understanding of organisation's goals and challenges.

There are two reasons why knowing each other's obligations and expectations can be useful. Firstly, it is easier for the superior to understand how employees envisage their future careers. Secondly, the employee is aware of what the superior can do to make employees contribute to the goals of the organisation. This means that an area of mutual relations and actions should be delineated, where the expectations of both superiors and employees will be met. This is all the more important that a breach of a psychological contract may cause employees to consider the termination of their employment or undermine their loyalty to the organisation, ultimately making it less efficient.

#### **ACKNOWLEDGEMENTS**

This paper is a part of the research project "A HRM model based on a psychological contract" no. UMO-2013/09/B/HS4/00474 financed by the National Science Centre of Poland (NSC).

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