# GREAT EXPECTATIONS: UNDERSTANDING HOW PSYCHOLOGICAL CONTRACT EXPECTATIONS FORM PRIOR TO ORGANIZATIONAL ENTRY

by

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(Under the Direction of Robert J. Vandenberg)

#### **ABSTRACT**

This dissertation explores how job seekers develop expectations about their future employment relationship prior to organizational entry. The organizational behavior literature acknowledges that individuals hold expectations regarding the type of relationship that they will have with the organization (e.g., trust-based vs. purely economic exchange) and the type of inducements that the organization offers (e.g., compensation, organizational support) before their first day of work. However, little research has addressed how expectations form prior to organizational entry. This research suggests that pre-entry expectations are influenced by the general expectations and beliefs that individuals hold before the recruiting process begins and information that is provided during recruitment. That is, individuals do not begin the job search process as a "clean slate." Instead, they bring certain general expectations regarding the type of relationship that the organization offers and beliefs about the employing organization to the job search. Specifically, beliefs about the organization and general expectations influence job seekers' expectations about their future employment relationship with an organization directly and through their filtering effect on the job information that is provided during recruitment (i.e., in the job posting and during the information session).

INDEX WORDS: psychological contract, employee-organization relationship, expectation

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A Dissertation Submitted to the Graduate Faculty of The University of Georgia in Partial

Fulfillment of the Requirements for the Degree

DOCTOR OF PHILOSOPHY

ATHENS, GEORGIA

2009

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#### **CHAPTER I**

#### INTRODUCTION

There has been a renewed interest in the employee-organization relationship due to changes in the economic environment that individuals and organizations face. Increases in environmental complexity, competition, and technology have lead organizations to respond by restructuring (e.g., mergers, acquisitions, downsizing), and offering new work arrangements (e.g., temporary employees, virtual teams). As a result, employee-organization relationships have become more complex (Capelli, 1999). The traditional inducements-contributions model in which organizations provide job security in exchange for employee loyalty (Blau, 1964; Porter, Pearce, Tripoli, & Lewis, 1998) does not hold in contemporary organizations. Instead, employers may offer opportunities for skill development (i.e., a career "stepping stone") in exchange for high levels of performance. The employee-organization relationship is relevant to contemporary organizations because it captures the wide range of inducements and contributions that employees and employers exchange (Shore et al., 2004).

The employee-organization relationship encompasses the perspectives of both the employee (i.e., individual level) and the organization (i.e., group level). From the employee's perspective, the employee-organization relationship is defined by the contributions that they will provide (e.g., performance, time worked), and the inducements that the organization will provide in return (e.g., compensation) (Shore et al., 2004). From the employer's perspective, the employee-organization relationship consists of the human resource practices it uses to shape employee behavior and the resulting performance outcomes. The employee's perception of the employment

relationship is important because it influences work-related attitudes and behavior, including commitment, citizenship behavior, and in-role performance (Coyle-Shapiro & Shore, 2007). Likewise, the organization's perspective is important because it determines the types of employees that it will attract and retain and the level of performance that it can expect from employees (Shore et al., 2004). An underlying tenet of the employee-organization relationship literature is that the organization can control employees' behavior (i.e., performance) and shape their attitudes through the inducements it provides and the human resource practices it adopts (e.g., self-managed teams).

The organization's perspective of the employee-organization relationship is theoretically grounded in the strategic human resource literature (Tsui, Pearce, Porter & Tripoli, 1997). This literature suggests that human resource practices send messages to employees regarding the behavior that is expected (Roussseau, 1995). The primary theoretical engine driving the employee's perspective of the employee-organization relationship is the psychological contract. Psychological contract theory suggests that the employee-organization relationship involves individuals' beliefs regarding the mutual obligations between employees and employers. While the organization's perspective is important, the focus of the current study in on the employee's perspective.

The term "psychological contract" originated with Argyris (1960), and Levinson, Price Munden, Mandl, and Solley (1962). It was originally used to describe unspoken understandings between the foreman and employees regarding work arrangements (e.g., production and grievance norms). Rousseau's (1989) article marked the beginning of the contemporary perspective of the psychological contract. In this article, Rousseau suggests that psychological contracts exist at the individual level and are perceptual in nature. In the 20 years since

Rousseau's publication, the primary premises underlying the psychological contract have changed very little. In brief, the psychological contract is a schema of the employment relationship that includes expectations regarding the inducements and employee contributions which will be exchanged, and the manner in which they will be exchanged (e.g., over a specific time period, or under more subjective and open-ended conditions; Rousseau, 1995).

Psychological contract theory suggests that the terms (i.e., perceived mutual obligations) of the contract develop very early in the employee-organization relationship. Over time, the terms may shift as employees' work conditions and personal lives change. Psychological contracts are very powerful determinants of behavior. Employees modify their behavior in order to receive certain rewards that they expect the organization will provide (Vroom, 1964). In fact, previous research suggests that psychological contract expectations are more powerful in determining employees' attitudes and behavior than legal employment contracts (Rousseau & Tijoriwala, 1998).

One assumption of the psychological contract literature is that employees are engaged in an ongoing assessment of the mutual obligations comprising the contract (Morrison & Robinson, 1997). It is from this evaluation process that they determine which attitudes and behaviors are appropriate. Their perception of the extent to which the organization has fulfilled these obligations determines their trust, job satisfaction, organizational satisfaction, and decision to stay or leave (Robinson & Rousseau, 1994), among other outcomes. The majority of psychological contract research has focused on employees' evaluation of their psychological contracts and the outcomes associated with their evaluations (Rousseau, 2001). Psychological contract breach, the individual's perceptions that the organization did not fulfill its obligations, has been one focus of much of the psychological contract research. Contract breach is associated with a wide range of negative outcomes (e.g., decreased trust, job satisfaction, and intention to

remain within the organization; Robinson & Morrison, 1995; Robinson & Rousseau, 1994; Zhao, Wayne, Glibkowski, & Bravo, 2007). Rousseau (2001) suggests that focusing on perceived breach and its associated outcomes, rather than the factors leading to the breach obscures the true nature of the psychological contract: "Particularly in one-shot cross sectional studies, there is a danger of psychological contracts being evoked to account for the negative responses people have to unpleasant events, without providing evidence of their existence prior to the violation experience" (p. 534).

Because most of the psychological contract literature focuses on evaluation, employees are often asked to describe their psychological contracts after several years on the job or after a major organizational change (e.g. Deery, Iverson & Walsh, 2006). As a result, the original psychological contract is often reconstructed retrospectively. Conceptualizing the psychological contract as those expectations which have been breached or violated elucidates individuals' initial psychological contract expectations, which emerge during early stages of the employment relationship. By approaching psychological contracts in this way, researchers cannot provide evidence of expectations that led to the perceived breach (Rousseau, 2001, p. 534). The result is a body of research which examines the negative outcomes associated with perceived breach and violation, but does not identify factors which may have lead to the perceived breach. Furthermore, this retrospective approach to psychological contracts obscures the true nature of the psychological contract as a set of expectations about the *future* employment relationship. Psychological contract researchers cannot predict employee reactions to breach without understanding how psychological contract expectations develop. For example, the organization's failure to fulfill expectations which are based on explicit promises made by a supervisor during

recruitment will likely elicit more negative reactions than expectations based on information in recruiting brochures.

The purpose of the current study is to examine how psychological contract expectations develop during pre-organizational entry. Within this purpose are several goals. The first goal is to provide a model of psychological contract expectation formation. Examining how psychological contract expectations form is important because psychological contract theory suggests that the expectations that develop prior to the individual's first day of work form the psychological contract that the individual holds throughout employment. In Rousseau's words, "Once created, contracts tend to resist revision..." (Rousseau, 1995, p. 1). Furthermore, the way in which psychological contract expectations are managed during the pre-employment period has consequences for work-related attitudes and behaviors (Herriot, 1989; Kotter, 1973). The second goal is to examine the contextual influences on psychological contract expectations. Specifically, I will examine how job seekers' beliefs about the organization and its values influence their expectations regarding the future employment relationship. One problematic assumption in the psychological contract literature is that psychological contracts are based on individual differences and needs (Nikolaou, Tomprou, & Valkola, 2007; Raja, Johns & Ntalianis, 2004). For example, individuals who desire mobility within an industry rather than within a particular organization (i.e., careerists), seek out transactional contracts (Rousseau, 1995, p. 106; Hall, 1993), while conscientious individuals seek out relational contracts (Raja et al., 2004). Contrary to this assumption, it is likely that individuals look to the organization's context for cues regarding what they should need.

The third purpose is to offer a more complete model of psychological contract expectations.

The psychological contract literature is theoretically grounded in Blau's (1964) model of

organizational inducements, which suggests that employees expect the organization to provide economic, socioemotional, or ideological inducements. For example, economic and socioemotional inducements include compensation and mentoring, respectively. Blau (1964) also suggests that organizations offer ideological inducements in the form of opportunities to fulfill highly valued causes. However, the majority psychological contract literature acknowledges only those expectations related to economic and socioemotional inducements. Researchers have criticized this two-dimensional conceptualization stating that it fails to capture the full range of expectations that employees hold of their employers (Thompson & Bunderson, 2003). As such, this study will extend existing psychological contract research by empirically testing a three dimensional model of the economic, socioemotional, and ideological psychological expectations which develop during pre-organizational entry.

In order to fulfill these three goals, the next chapter will review the pre-organizational entry and psychological contract literatures. Chapter two will provide evidence that the dearth of research on psychological contract formation represents a significant gap in the psychological contract literature. This chapter will also illustrate how integrating these two literatures fills this gap by elucidating psychological contract formation during pre-entry.

## **Summary**

The emphasis on psychological contract breach, rather than individuals' initial psychological contract expectations represents a major gap in the psychological contract literature. This study contributes to the psychological contract literature by providing a model of psychological contract expectation formation during pre-organizational entry. Furthermore, it addresses contextual antecedents which previous research has overlooked. Finally, this study contributes to the psychological contract literature in that it bridges the gap between existing models of

psychological contracts and Blau's (1964) organizational inducements model by acknowledging that individuals have expectations of receiving ideological, in addition to transactional and relational rewards.

#### **Overview of Dissertation**

Chapter two will review the pre-organizational entry and psychological contract literatures, emphasizing the need to address psychological contract expectation formation and factors influencing individuals' expectations. Figure 1.1 provides an overview of the pre-organizational entry and post-organizational entry phases of the psychological contract. The job search is the period during which individuals gather information about job opportunities and the organization, but do not necessarily interact with organizational agents. During recruitment, organizational agents contact job seekers to provide additional information about the organization and the job. Recruiters may hold information sessions, take recruits to dinner, or conduct interviews. At the end of the recruitment phase, the organization may extend an offer to the job seeker. The post-organizational entry phase begins on the individual's first day of work. While the majority of psychological contract research addresses employees' evaluations of the extent to which the organization has fulfilled its obligations, this dissertation addresses the antecedents of those perceived obligations.

This dissertation focuses on the psychological contract expectations that individuals hold before their first day of work, rather than the psychological contracts that they hold during employment. As suggested in Figure 2.1, pre-entry expectations develop into the perceived obligations that comprise the psychological contract once the individual joins the organization and resources are exchanged. Psychological contract researchers differentiate between obligations and expectations by suggesting that unmet expectations will not elicit the same

strong negative reaction that as unfulfilled obligations (e.g., anger, counterproductive work behavior). This is because expectations do not contain a promissory element (Millward & Brewerton, 1999). Obligations arise when one party gives something to the other party, eliciting a felt obligation to reciprocate. Social exchange theory (Emerson, 1976) suggests that exchange relationships develop over time as one party provides benefits, and the other party reciprocates. However, prior to organizational entry, individuals will develop expectations rather than perceived obligations because nothing has been exchanged. Expectations include anticipated features of the employment relationship including pay and promotions. In sum, psychological contracts contain expectations, but expectations are not psychological contracts (Atkinson et al., 2003; Rousseau & Tijoriwala, 1998; Tekleab & Taylor, 2003). Chapter three describes the theoretical model and offers hypotheses. Chapter four provides an overview of the methods used to test the hypotheses. Chapter five presents the results of the hypothesis testing, and chapter six discusses the significance of the findings and limitations of the dissertation.

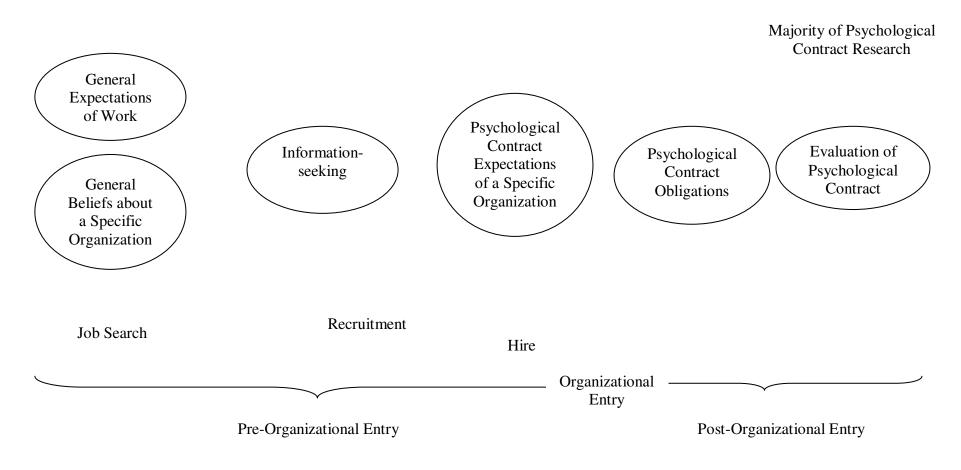


Figure 1.1: Phases in Psychological Contract Formation (1995, 2001)

#### **CHAPTER II**

#### LITERATURE REVIEW

This literature review consists of two sections. The first section will review preorganizational entry experiences, including recruitment. The pre-organizational entry literature is
relevant to psychological contract formation because an individual's experiences during
recruitment influence the psychological contract expectations that s/he holds on the first day of
work (Cable & Turban, 2001; Coyle-Shapiro & Kessler, 2000; Rousseau, 1995, 2001). The
second section will review the psychological contract literature. Within this section, I will first
address existing literature on psychological contract evaluation, which is the focus of the
majority of the psychological contract research. Next, I will review the existing literature on
psychological contract formation, highlighting how the current study extends existing findings.

### **Pre-Organizational Entry**

Psychological contract researchers acknowledge that individuals' pre-organizational entry experiences, including recruitment, influence the psychological contracts that they hold as employees (Rousseau, 2001). During recruitment, both organizations and individuals feel that it is important to give and receive information about the employee-organization relationship (Rousseau, 1995; Shore et al., 2004; Wanous, Poland, Premack & Davis, 1992). Recruitment is the period during which the broadest searches for psychological contract related information occur (Rousseau, 1995). Furthermore, individuals seek out psychological contract related information during recruitment and stop once their initial questions are answered (Rousseau, 1995). The information that individuals gather about organizational rewards during recruitment

forms the foundation of their understanding of the employment relationship and the terms of the psychological contracts that they hold throughout employment (Rousseau & Greller, 1994).

Therefore, pre-organizational entry is one of the most critical periods of psychological contract formation.

The terms that individuals agree to when they accept employment with an organization form the core of the psychological contracts that they hold throughout employment. This is because the psychological contract expectations that they hold before the first day of work do not change, even after some time on the job (Rousseau, 1995; Rousseau & Greller, 1994). For example, individuals hired into the organization under a stable base pay plan may resist the organization's transition to a performance based pay plan. This is not to suggest that post-entry socialization experiences do not influence individuals' psychological contract expectations. Rather, the perceptions of psychological contract expectations that form during pre-organizational entry establish the foundation of the psychological contract, and changes are made to this foundation after organizational entry. Rousseau (1995) acknowledges that psychological contracts change over time, but suggests that employees gauge their perceptions of breach against their initial expectations held prior to organizational entry: "The psychological contract people use to think about their jobs and guide their actions is one they have accepted. For many people, the only operative contract is the one they were hired under...Veterans may gauge compensation practices and statements of their manager in terms of their previously established contract (p. 30)." Shore and Coyle-Shapiro (2003) stress "the importance of understanding factors that influence the formation of the psychological contract, especially since this early understanding of the EOR [employee-organization relationship] appears critical for subsequent interactions between employees and agents of the organization" (p. 445). In sum, without understanding how

psychological contract expectations form during pre-organizational entry, researchers cannot fully understand the psychological contracts that individuals hold as employees.

The pre-organizational entry literature provides insight into how expectations form prior to organizational entry. Research on met expectations and realistic job previews (RJPs; Hom, Griffeth, Palich, & Bracker, 1999; Wanous, Poland, Premack & Davis, 1992) suggests that individuals possess expectations on their first day of work. These expectations serve as a benchmark for evaluating future work experiences (Taylor, Fisher, & Ilgen, 1984). Specifically, job candidates who form realistic expectations of job characteristics and tasks prior to organizational entry will show more favorable attitudes and behaviors (Wanous et al., 1992). Employees who believe that the organization met their pre-organizational entry expectations are more committed (Tannebaum, Mathieu, Salas, & Cannon-Bowers, 1991), show higher levels of performance (Wanous et al. 1992), and are more satisfied (Greenhaus, Seidel & Marinis, 1983). Conversely, employees who believe that the organization did not meet their expectations show lower levels of adjustment (Van Maanen, 1975; Wanous, 1980), higher absenteeism, and higher turnover intentions and actual turnover (Porter & Steers, 1973; Wanous et al., 1992). Taken together, these results suggest that the expectations that employees hold on their first day of work influence attitudes and behavior throughout employment.

Empirical evidence from the pre-organizational entry literature suggests that information about the organization that is available prior to or during recruitment shapes job seekers' expectations. Individuals form employment expectations over time and based on random and sometimes secondary sources of information about the organization (Behling, Labovitz, & Gainer, 1968; Rousseau, 1998; Barber, 1998), including recruiting brochures, press releases, rankings (Fulmer, Gerhart, & Scott, 2003), advertising, editorial coverage, word of mouth, and

recruiting activities (e.g., campus visits, information sessions, career fairs). In fact, expectations often develop before the individual interacts with anyone from the organization and before the individual decides to seek employment with the organization (Behling et al., 1968; Rousseau, 1995). Gatewood, Gowan and Lautenschlager (1993) found that job seekers' expectations were based on their general exposure to the organization, knowing employees, being familiar with products or services, having seen ads, having discussed company in class. Perceptions of corporate social responsibility also influence expectations (Turban & Greening, 1997). Barber (1998) states that:

"At early stages of recruitment, potential applicants may have little or no knowledge of the organization other than its image...advertisements, postings, and other initial recruitment contact often provide very little information, so applicants may rely on general impressions of the organization in lieu of more specific knowledge...Job seekers begin looking for jobs with some mental image of at least some of the potential employers they will consider" (p. 34-38).

Cable and Yu's (2006) organizational beliefs scale captures job seekers' beliefs about specific employing organizations. Four dimensions form a circumplex model of beliefs about the organization's values and other characteristics (see Figure 2.1).

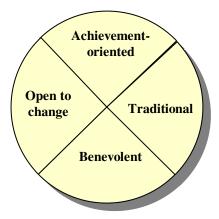


Figure 2.1: Organizational Beliefs Circumplex (adapted from Cable & Yu, 2006)

Each of the two axes differentiates between basic organizational values. The first axis, achievement-oriented versus benevolent, differentiates between self-interests and helping others. Benevolent organizations value altruism and establishing relationships with others (Cable & Edwards, 2004). Cable and Yu (2006) found that individuals perceived Whole Foods Market as benevolent because Whole Foods Market's mission is to promote the well-being of others by providing high quality organic products. Benevolent organizations place greater importance on serving humanity than on serving self-interests. Conversely, achievement-oriented organizations value status, prestige, and gaining respect (Cable & Edwards, 2004). These organizations project the importance of economic rewards such as pay through their policies and behavioral norms. Cable and Yu (2006) found that individuals perceived Microsoft as achievement-oriented because it emphasizes the importance of gaining status of being "the best" in the industry.

The second axis, openness to change vs. tradition, differentiates between novelty and certainty. Open to change organizations value job variety, autonomy, and the pursuit of new interests. Conversely, traditional organizations value certainty, authority, and having a clear chain of command. Cable and Yu (2006) found that individuals perceived Southwest Airlines as being open to change due to its innovative human resource practices. Individuals perceived Sears as traditional because its products are "tried and true." Cable and Yu's (2006) four dimensions of organizational beliefs have been used to describe organizations across a wide range of industries. Empirical evidence suggests that job seekers hold different beliefs of organizations within the same industry (Highhouse, Zickar, Thorsteinson, Stierwalt, & Slaughter, 1999).

While Cable and Yu's (2006) organizational beliefs scale is adapted from a values scale, it captures more than perceived organizational values. Organizational beliefs include perceived attributes of the organization, such as "changing" (Cable & Edwards, 2004; Cable & Turban,

2001; Cable & Yu, 2006). Organizational identity is similar to organizational beliefs in that it captures perceived attributes of the organization (Dukerich, Golden, Shortell, 2002), but organizational beliefs capture the perceptions of prospective employees, while identity is the perception of current employees. Organizational beliefs are similar to attractiveness (Rynes et al., 1991) in that they are an outsider's general perception of the organization. However, attractiveness includes a positive or negative evaluation of the organization, while organizational beliefs are a purely cognitive construct (Cable & Graham, 2000) and doesn't include a "like" or "dislike" component. Furthermore, reputation is similar to organizational beliefs (Ferris, Berkson, & Harris, 2002), but reputation involves different targets such as a "reputation for quality" and a "reputation for safety" (Fombrun & Shanley, 1990) whereas organizational beliefs is an individual's perception of the organization as a whole. Organizational brand is similar to organizational beliefs in that it is an individual's schema of the organization and its products resulting from the organization's marketing efforts (Keller, 1993). However, individuals form organizational beliefs based on sources external to the organization such as word of mouth, and general media.

Cable and Turban (2003) found that job seekers infer job attributes from their beliefs about the employing organization. For example, a job candidate who perceives a potential employer as achievement-oriented may assume that the organization rewards high performers with financial incentives. However, another job candidate perceives the same potential employer as benevolent may assume that the organization rewards high performance with public recognition and social support. In Cable and Yu's (2006) words, beliefs about the organization and its values "...begin to presocialize job seekers in terms of what to expect from the company and what would be expected of them if they joined the company as employees" (p. 828).

While much of the pre-organizational entry research addresses individuals' job expectations (i.e., tasks and job characteristics), it does not fully address their employment relationship expectations. This study extends existing research on pre-entry experiences by specifying how pre-entry experiences influence employment relationship expectations. Employment relationship expectations are at least as important and in some cases more important than job expectations. The nature of work is changing such that the general employment relationship, rather than specific job tasks and characteristics, is the common language between employees and employers. Due to changes in technology, the increasing importance of speed and flexibility, and increasing environmental turbulence and job complexity, it may be difficult or impossible for organizations to provide clear detailed descriptions of job tasks and responsibilities (Cardy & Dobbins, 1996). Furthermore, increases in employees' work-life balance concerns shift the emphasis of the "deal" from specific responsibilities and tasks to the general nature of the employment relationship (e.g., will the relationship be flexible?). Empirical evidence suggesting that pre-entry expectations of job tasks and characteristics change shortly after organizational entry (Vandenberg & Scarpello, 1990) reveals the tenuous nature of jobs. Therefore, job seekers may place more importance on the future employment relationship relative to job characteristics and tasks.

For the most part, the pre-organizational entry and psychological contract literatures have evolved separately. The majority of the psychological contract literature has focused on employees' evaluations of their psychological contracts after some time on the job without considering how pre-organizational entry experiences influenced their evaluations. As such, this dissertation aims to integrate the pre-organizational entry and psychological contract literatures. The next section will review the existing psychological contract literature. First, I will review the

literature on psychological contract evaluation, which comprises the majority of the psychological contract research. Second, I will review the small number of theoretical studies which address psychological contract expectations that develop prior to organizational entry (i.e., pre-entry psychological contract expectations).

### **Psychological Contracts**

Psychological contract evaluation. The psychological contract defines individuals' relationships with their employers. In short, the psychological contract is an individual's perception of the mutual obligations between the employee and the organization (Rousseau, 1989, 1995). One of the contributions of the psychological contract research to the organizational behavior literature is that it captures the subjective factors that legal employment contracts do not address. Culliane and Dundon (2006) suggest that the psychological contract:

"seeks to go beyond the limitations of the legal contract of employment – which focuses exclusively upon the formalized aspects of work – and, instead, considers some of the subjective and normative elements associated with people management... It also recognizes that employment includes implicit and unspecified expectations which provide the relationship with a strong element of indeterminacy." (p. 115).

The current conception of the psychological contract emerged in the 1990s, driven by a need to capture a new type of employment relationship. Increases in economic restructurings, globalization, and decreases in employee loyalty required organizational behavior researchers to define unspoken agreements between employees and employers of a short-term and purely economic nature. The appeal of the psychological contract is its ability to capture employees' implicit expectations and assumptions about the employment relationship (Rousseau, 1989). Specifically, beliefs about mutual obligations may be based on explicit or implicit promises

(Purvis & Cropley, 2003). Explicit promises are spoken or written and involve "verbalizing expectations about what can be offered to, and is expected from the other party" (Purvis & Cropley, p. 228). Conversely, implicit promises are unspoken and unwritten and are "talked about in a third party...indirect way (e.g., in terms of 'shoulds' and 'coulds' and other hypotheticals)" (Purvis & Cropley, p. 228). Implicit promises are more subjective than explicit promises and therefore may reflect individuals' assumptions about the job and the organization. Psychological contracts are perceptual, such that two employees within the same organization working under the same conditions may have very different beliefs about what they owe the organization and what the organization owes them. Rousseau (1995, 1998) suggests that although the term "psychological contract" is widely accepted, it is not really a contract because it exists only in the individual's mind, and is not subject to the same restrictions as legal contracts. That is, the psychological contract is an individual's perception of the exchange relationship with the organization, rather than the actual exchange relationship (Rousseau, 1995; Shore et al., 2004).

In addition to defining the individuals' relationships with their employers, the psychological contract also defines the types of exchanges that are important in the employment relationship. Most contemporary psychological contract models suggest that exchanges may be transactional or relational in nature. Transactional employment relationships involve exchanges of economic currencies while relational employment relationships involve exchanges of socio-emotional currencies (Bingham, 2005; Purvis & Cropley, 2003; Rousseau, 1989; Rousseau & McLean Parks, 1992; Thompson & Bunderson, 2003). In transactional employment relationships, employees and organizations exchange tangible resources such as time worked for compensation. Transactional psychological contracts are generally short-term and focused on

economic or monetary exchanges (e.g., pay for performance; skill-based pay). Often, the assumption is that the employment relationship will last only as long as it is economically beneficial for both parties. Furthermore, employees holding transactional expectations see their employment relationship as a stepping stone and expect the organization to provide opportunities to develop externally marketable skills (Rousseau, 1995). Transactional contracts characterized employment relations of late eighteenth century industrial organizations because skill specialization, clear hierarchies, managerial control, and production efficiency were primary concerns (Rousseau, 1995). Transactional obligations are narrow in scope, fairly stable, and involve closely monitored exchanges (Rousseau, 1995). Employees and employers are more likely to discuss transactional terms explicitly compared to relational terms (Purvis & Cropley, 2003).

In contrast, relational contracts involve exchanges of intangible socioemotional resources (Rousseau & Parks, 1993) such as extra-role behavior for mentoring. Relational contracts are open-ended, dynamic, and involve informal exchanges of a close and personal nature. Relational contracts emerged after the industrial age, when organizations and employees began develop long-term relationships. During this time, organizations focused on creating career opportunities for employees in order to retain and develop them, and sought to foster commitment and identification with the organization's values and goals. The notion of the "organization man" (Whyte, 1956), who joined the organization during early career, assimilated into the organization's culture, climbed the corporate ladder, and developed indispensable organization-specific skills (Rousseau, 1995) is consistent with relational contracts. Organizations that seek to retain and develop key employees and cultivate an internal labor markets are likely to offer relational contracts. As such, the terms of relational contracts may involve mutual obligations of

trust, loyalty and commitment to one another's needs. In exchange for employees' loyalty, the organization offers opportunities for organization-specific skill development, stable pay and benefits, job security, and general stability (Rousseau, 2000). Rewards are based on one's involvement in the organization and relationships with coworkers rather than monetary incentives (Rousseau, 2000).

Early psychological contract research focused on transactional and relational exchanges. However, recently researchers have suggested that exchanges may also be ideological in nature. Empirical and theoretical evidence suggests that Rousseau's relational-transactional model does not capture the full range of expected exchanges between employees and employers (Bingham, 2005; Thompson & Bunderson, 2003). Transactional and relational contracts are driven by self-interest, including desire for personal rewards including compensation, job security, skill-development, access to resources and powerful individuals such as supervisors and mentors.

Many researchers have criticized the assumption of economic self-interest underlying individual and organizational behavior and have suggested alternatives to this perspective (Bowie, 1991; Brickson, 2007; DiTomaso, Parks-Yancy, & Post, 2003; Etzioni, 1988; Ghoshal, 2005; Mintzberg, Simons, & Basu, 2002; Mitchell, 2001; Stormer, 2003).

Employee-organization relationship researchers are beginning to discuss "covenantal exchanges" or exchanges between employees and organizations characterized by identification with and internalization of espoused causes (Bingham, 2005; Coyle-Shapiro, Kessler, & Purcell, 2004; Van Dyne, Graham, & Dienesch, 1994). For example, campaign fundraisers may work long hours in isolation because they are committed to their candidates' political agenda. While transactional and relational promises relate to personal inducements such as pay, training, and flexible work schedules, ideological promises (i.e., covenantal exchange) relate to the

organization's compliance with highly-valued principles. That is, unlike the rewards inherent in transactional and relational exchanges, the rewards inherent in ideological contracts are impersonal in nature. The organization promises to allocate resources toward its mission (Bingham, 2005) and offers employees the belief "that their work has a purpose, and that they are part of a larger effort to achieve something truly worthwhile" (George, 2001, p. 42). In exchange, the employee offers his or her time, effort, and skills toward fulfilling the organization's mission. Researchers suggest that ideological exchanges may develop into mutual obligations between employees and employers to fulfill valued goals and comply with principles (Bingham, 2005; Thompson & Bunderson, 2003). The organization's failure to comply with valued principles may be perceived as a violation of employees' psychological contract.

Consider a nonprofit organization whose espoused mission is to help children living in poverty. If this organization uses charitable donations to fund large executive bonuses instead of buying food and clothing for needy children, employees may view this as a violation of the organization's principles.

Table 2.1: Psychological Contract Forms (adapted from Rousseau, 1995; Thompson & Bunderson, 2003)

Contract	Transactional	Relational Contracts	Ideological Contracts
<b>Characteristics</b>	<b>Contracts</b>		
Focus	Personal inducements	Personal inducements which	Impersonal inducements
	which are economic, and	are socio-emotional and	related to commitment to
	extrinsic in nature (e.g.,	intrinsic in nature (e.g.,	a highly valued cause
	money)	mentoring)	
Time frame	Close-ended, specific	Open-ended, indefinite	Specific or indefinite
	duration	duration	
Stability	Stable, inflexible	Dynamic, flexible	Stable
Scope	Narrow, limited	Pervasive and	Pervasive and
		comprehensive; may relate	comprehensive; employee
		to employee's personal life	internalizes organization's
		(employee identifies with	goals
		work more)	
Tangibility	Public, Easily	Subjective, Understood,	Subjective, understood
	observable, boundaries	boundaries around	
	around responsibilities	responsibilities are less clear	
	are clear		

Despite evidence that transactional, relational, and ideological forms of the psychological contract are distinct dimensions, much of the psychological contract research focuses on individuals' global perceptions of the psychological contract, rather than differentiating between the dimensions. For example, many studies ask participants to "rate the extent to which your employer has fulfilled its obligations" (e.g., Robinson, Kraatz, & Rousseau, 1994). Failing to distinguish between transactional, relational, and ideological terms overlooks Blau's (1964) inducements-contributions model, a theoretical foundation of the psychological contract literature. Blau (1964) emphasizes the importance of differentiating between economic, socioemotional, and ideological exchanges because the currency of the exchange influences the nature of the relationships between employees and employers and elicits different behavior from employees. For example, employees holding relational or ideological expectations may be more likely to offer to help a coworker than employees holding transactional expectations. Reciprocity norms suggest that individuals will return organizational inducements with contributions of a

similar currency. Expectations of receiving socio-emotional rewards (i.e., mentoring) will elicit socio-emotional contributions from employees (i.e., extra-role performance) (Cropanzano & Mitchell, 2005). As such, initial expectations may create a self-fulfilling prophecy such that employees "get what they expect" because their behavior shapes the nature of the rewards that the organization provides. In terms of ideological expectations, organizations may be unaware that organizational actions which don't appear to affect employees directly (e.g. dumping waste into a nearby river; donating to the United Way) may influence employees' perceptions of contract fulfillment or violation. As such, this study will differentiate between transactional, relational and ideological expectations.

Psychological contract formation. Very few studies have addressed pre-entry psychological contract expectations. The existing research in this area is largely theoretical. The little that we do know about psychological contract formation is based on Rousseau's (1995, 2001) work. Consistent with the timeline depicted in Figure 2.1, Rousseau suggests that individuals begin forming psychological contract expectations before the first day of work. During this time, they actively seek information about the organization and the job and make assumptions about the future employment relationship. Employment relationship information is conveyed through advertisements, word of mouth, career fairs, and interviews (Rousseau, 1996, 2001). During recruitment, organizational agents (e.g., recruiters) may make promises. After organizational entry, individuals continue to seek information about the organization and the job (Chan & Schmitt, 2000; Morrison, 1993). However, they are mostly solidifying their perceptions of the mutual obligations between the organization and employee that developed during preorganizational entry. This is because individuals consciously seek out information during preorganizational entry. However, once they settle into the organization, they process information

more automatically (i.e., less deliberately) and rely more on their initial expectations. After the first few months on the job, individuals seek information only in response to work-related changes (e.g., merger, promotion) or changes in their personal lives (e.g., birth of a child). Therefore, psychological contract formation is sporadic, rather than ongoing. In sum, the initial fuzzy image of the employment relationship develops before the individual enters the organization and is refined during the first few months of employment. This image doesn't significantly change until there is a major organizational or life event. Therefore, individuals view much of their work experiences through the lens of the initial expectations that they held when they accepted employment with the organization.

Early research recognized that expectations that develop prior to organizational entry are mostly based on implicit assumptions (Levinson et al., 1962). This is because the recruitment process cannot address all possible terms or details of the employment relationship (Rousseau, 1995). Also, job seekers have "limited frames of reference" and "limited cognitive capacities" (Rousseau, 1995, p. 19) and therefore cannot process all available information about the organization and the job. As a result, they rely on existing cognitive schemas of employment when developing expectations about future employment relationships (Rousseau, 2001). A cognitive schema is a knowledge structure about people and situations that enables individuals to simplify and organize complex information (Fiske & Taylor, 1984). Once formed, schemas are highly inflexible and influence the ways in which information is received and retrieved from memory (Fiske & Taylor, 1984). Individuals prefer to fit information into their existing schema instead of changing it to fit new information. An individual's schema of work will vary depending on his or her employment experiences. For example, a restaurant server's schema of work may include anticipating customers' needs, and coordinating tasks with coworkers.

Conversely, an accounting clerk's schema of work may involve invoices, filing systems, balance sheets, and income statements.

Furthermore, individuals hold schemas of the employing organization's norms and values (Rousseau, 2001). The organization's values will influence the rewards that it offers. For example, individuals may expect a children's hospital to offer socioemotional support and an investment banking firm to offer economic rewards (e.g., performance-based bonuses).

Signaling theory suggests that individuals make inferences about employing organizations from readily available information about the organization. Specifically, outsiders make assumptions about the organization and the quality of its products based on signals that reveal meaningful information (Spence, 1974). For example, well-dressed recruiters and expensive recruiting dinners may signal that the organization is profitable and achievement-oriented; casually dressed recruiters who conduct unstructured interviews in a coffee shop may signal that the organization's culture is more relaxed. Furthermore, job seekers make inferences about job attributes based on signals that they receive during recruitment (Rynes, Dunnette & Hough, 1991). These signals provide information regarding the organization's values, and consequently, the inducements that the organization offers and the way in which inducements and contributions will be exchanged (Nicholson & Johns, 1985; Rousseau, 1995; Rynes, Bretz, & Gerhart, 1991). In sum, job seekers look for signals regarding what they can expect from the organization and what is expected of them as employees (Cable, Aiman-Smith, Mulvey & Edwards, 2000; Cable & Yu, 2006, p. 828). Shore and colleagues (Shore et al., 2004) suggest that future research should examine the ways in which individuals interpret cues regarding the nature of the exchange relationship between employees and employers:

...natural selection has imbued individuals with the ability to recognize cues – in this case, to the nature of the exchange relationship – and match those cues to the appropriate script that provides expectations and information about possible contingencies and outcomes...Future research should endeavor to explain the cues or signals used in defining the nature of the exchange (and hence the script that will be used as a referent)... (p. 358).

Consistent with Shore's assertion that job seekers look for cues, empirical evidence suggests that job seekers hold beliefs about employing organizations which are based on signals found in the general media and recruiting material, etc. (Cable & Turban, 2001; Cable & Yu, 2006; Highhouse, Thornbury & Little, 2007; Lievens & Highhouse, 2003). These beliefs strongly influence a wide range of pre-organizational entry outcomes including job seekers' expectations about employment opportunities. Beliefs about the organization are based on individuals' perceptions of the organization's values and other characteristics including size, profitability, and strategic orientation (Cable & Edwards, 2003; Cable & Yu, 2006). These beliefs determine job seekers' intentions to respond to job advertisements (Belt & Paolillo, 1982; Gatewood, Gowan, & Lautenschlager, 1993), their attraction to the employer (Dutton & Dukerich, 1991; Scott & Lane, 2000), job choice (Barber, 1998; Gatewood et al., 1993), and ultimately their employment relationship expectations (Cable & Turban, 2001).

Together, theoretical work on psychological contract formation suggests that organizational newcomers do not arrive as "blank slates" (Porter et al., 1975). Instead, new hires arrive holding somewhat stable expectations of the nature of the rewards that the organization will offer and the general nature of the relationship that they will have with the organization. Research on psychological contract formation suggests that there are two sources of psychological contract expectations: (a) general expectations, which are based on individuals' previous work

experience, education, etc., and (b) information about the organization that is found in the general media, and in recruitment tools (i.e., job postings, company websites, etc.) (see Figure 2.1). The next two sections will address these two sources.

General expectations of work. Individuals possess cognitive schemas of the employment relationship which are based on the sum of their previous work experience, education, etc. (Rousseau, 2001). These cognitive schemas include general beliefs about the nature of the rewards that most organizations offer (high pay, friendly coworkers, job security), and the general nature of the employment relationship that most organizations offer. Individuals with different work experience will hold very different general expectations of work. Just as psychological contracts are transactional, relational, or ideological in nature (Rousseau, 1989; Thompson & Bunderson, 2003), so are general expectations. For example, an individual who has worked in a volatile environment in which the employment relationship is viewed as a transaction will believe, in general, that organizations do not offer job security (i.e., general transactional expectations). In contrast, an individual who has worked in a stable family-owned firm may believe that, in general, organizations offer work environments in which employees develop strong ties that extend beyond the workplace (i.e., general relational expectations).

General beliefs about an organization. The second source of the expectations that individuals hold on their first day of work is general information about the organization (e.g., size, products, clients, values). This information is found in the general media and provided by organizational agents during recruitment. While organizational beliefs are shaped during recruitment, individuals may hold beliefs before the job search begins, particularly if information about the organization is readily available in the general media or through word of mouth. Shore et al. (2004) suggest that perceptions of the organization's context, including industry,

employment practices, core competencies, and customer market will influence the employment relationship:

"...variability in employment practices and subsequently, in the employment relationship is not random but rather reflects other differences in organizational core competencies (Capeli, 1999), the nature of the customer market (Sherer & Leblebici, 2001), the relative contributions of human and other types of capital, such as technology to the production process (Lepak, Taylor, Tekleab, Marrone, & Cohen, 2003) and strategic value and uniqueness of the contributions different employee groups make to their firm (Lepak & Snell, 1999). We concur that it is important for further research to explore the determinants and effects of such variability in employment relationships within and across organizations." (p. 314).

Similarly, beliefs about the organization and its values are relevant to understanding how individuals perceive job attributes, and ultimately how they develop psychological contract expectations. Turnley and Feldman (1999) suggest that psychological contracts emerge from "perceptions of culture and common practices and their idiosyncratic (and often idealized) expectations of how the organization operates" (p. 370). Rousseau (1995) suggests that organizational values are arranged in a hierarchy such that organizations are willing to trade less important values for more central values: "Given a choice, does the organization prize profit over innovation or innovation over profit?...the choice reflects priorities placed on economic factors and employee-well-being...Seeing the organization as a family can lead to values emphasizing relationships..." (p. 50). Job seekers' perceptions of organizational values are often consistent with employees' perceptions (Cable & Yu, 2006; O'Reilly, Chatman, & Caldwell, 1991), indicating that organizations effectively convey important information about the organization's

culture during recruitment. In sum, the relative importance of the organization's values will influence the relative salience of the range of rewards that the organizations offers (i.e., high pay, socio-emotional support, identification with mission). For example, believing that the organization values achievement over loyalty may lead an individual to assume that promotions will be based solely on objective performance and that the employment relationship will be transactional in nature.

Little psychological contract research has addressed contextual antecedents of psychological contracts (i.e. perceptions of the organization's values). The few studies that examine antecedents of the psychological contracts focus on individual differences in trust, careerism, (Robinson & Rousseau, 1994; Robinson, 1996), work experience, (Cavanaugh & Noe, 1999) and personality traits (Raja et al., 2004). One problematic assumption of these studies is that psychological contracts are individualistic and freely-formed. Given the power asymmetries between organizations and individuals, it is likely that individuals reluctantly accept certain contract terms rather than enter into them freely.

Organizations expect to have a certain level of normative control, and expect employees to accept the organization's culture. Previous research suggests that managers intentionally attempt to control employees' expectations through the information they provide (Griener, 1988; Grugulis et al, 2000; Kunda, 1992). Consistent with social information processing perspective (Salancik & Pfeffer, 1977), Cullinane and Dundon (2006) suggest that organizations shape employees' perceptions of the future employment relationship by signaling what their needs should be:

...employee needs and expectations are often imposed by corporate values and interests, particularly through the use of advertising, marketing and deregulated and privatized

market regimes...[however] much of the psychological contract literature seems to presuppose some level of an equal two-way exchange process between individuals, who freely construct their own sense of expectations and obligations... (p. 123).

Even through much of the evidence from the pre-organizational entry literature suggests that beliefs about the organization and its values influence expectations, much of the current psychological contract research assumes that individual differences and needs determine individuals' psychological contract expectations (e.g., Raja et al., 2004). This research overlooks how organizations provide cues regarding what individuals *should* expect. For example, Accenture's "Be a Tiger" advertising campaign featuring Tiger Woods suggests that the organization values being the best (i.e., advancement) and helping clients achieve high performance goals. However when a recruiter at the American Cancer Society states that "we're looking for a compassionate team player to join the ACS family," this signals that the organization values relationships with coworkers and clients. In sum, viewing psychological contract expectation formation through social information processing lens (Salancik & Pfeffer, 1978), individuals may look for cues from the organization regarding which inducements they *should* value.

Chapter 3 will address the specific ways in which general expectations and general beliefs about an organization influence individuals' perceptions of job attributes, and how perceived job attributes influence their transactional, relational, and ideological psychological contract expectations.

#### **CHAPTER III**

#### **HYPOTHESES**

# Overview of the Hypothesized Model

As mentioned earlier, this study has three goals. The first is to provide a model of psychological contract expectation formation. The second is to examine general beliefs about employers as contextual antecedents of psychological contract expectations that form prior to organizational entry. The third is to examine ideological contract expectations, an overlooked psychological contract form. In this chapter, I seek to accomplish these goals by offering a model and hypotheses specifying how psychological contract expectations form during preorganizational entry.

The hypotheses are divided into three sections. The first section will address job seekers' general expectations of work. The two sets of hypotheses in this section suggest that general expectations of work influence expectations of a specific employer (H1) and job seekers perceptions of job attributes (H2-H4). The second section will address job seekers' general beliefs about employing organizations. Two sets of hypotheses are offered in this section.

Specifically, general beliefs about an employer influence expectations of a specific employer directly (H5-H8), and through their filtering effect on the job information that is provided during recruitment (H9-H12). Finally, the third section suggests that individuals make inferences about their future employment relationships from their perceptions of job attributes (H13-H17). The proposed model and hypotheses are depicted in Figure 3.1.

### **General Expectations of Work**

As will be discussed in chapter 4, employment schemas (which exist before individuals begin the job search) greatly influence the way in which they view job opportunities. Rousseau (2001) suggests that "pre-employment schemas provide a lens through which workers view employment experiences and the obligations these create" (p. 515). That is, the job search begins in the head of the job seeker (Cable & Turban, 2001). It is often difficult for job seekers to acquire specific accurate information about jobs prior to organizational entry (Rynes et al., 1991, Stigler, 1962). This difficulty is compounded when job seekers feel pressured to quickly assess job attributes in order to decide whether to accept or decline a job offer. As such, individuals will rely on their pre-existing schemas of work when assessing employment opportunities.

Psychological contract theory suggests that the employment schemas that individuals bring to the job search include general expectations about what it means to be an employee (i.e., general expectations of work; Rousseau, 2001). These general expectations are idiosyncratic and are based on the sum of their previous work experience. General expectations of work include the minimum inducements that an individual believes all organizations should offer the job incumbent. For example, an individual who has worked as a pharmaceutical sales representative for various large pharmaceutical companies may believe that, in general, most organizations offer employees jobs which provide autonomy and performance-based pay. General expectations of work influence the way in which individuals interpret information that is provided during recruitment. Specifically, job seekers attend to information which is familiar and consistent with their existing schemas (Christie & Klein, 1995). In addition, they discount information which is inconsistent with their existing beliefs. For example, if an individual associates work with

supportive colleagues, this individual will attend to information which suggests that job offers opportunities to work in teams and opportunities to collaborate with colleagues.

**Relationship between general and specific expectations.** Individuals possess a general orientation toward work which is transactional, relational, or ideological in nature. This general orientation is based on one's previous work experience and determines the nature of the relationship that an individual expects to establish with other employers. For example, an individual who has worked in a collegial team-based environment and enjoyed job security may expect the employment relationship to be more relational in nature. Conversely, an individual who worked autonomously in a volatile environment may expect the future employment relationship to be more transactional in nature. Empirical evidence suggests that job seekers often do not process specific information about job opportunities during recruitment; instead they prefer to rely on pre-existing schemas of work which are based on their previous work experience, educational background, occupational ideologies and other factors (Cable & Turban, 2001; Rousseau, 2001). Job seekers are under pressure to evaluate and compare employment opportunities, and make decisions based on limited information that is provided during recruitment. Therefore, they may take shortcuts by drawing conclusions about the future employment relationship based solely on their general expectations of work rather than processing information about the job. This leads to the following hypotheses:

Hypothesis 1a: General transactional expectations will be positively related to transactional expectations of a specific organization.

Hypothesis 1b: General relational expectations will be positively related to relational expectations of a specific organization.

Hypothesis 1c: General ideological expectations will be positively related to ideological expectations of a specific organization.

Relationship between general expectations and perceived job attributes. General expectations will also influence specific expectations through its filtering effect on job information which is provided during recruitment. As discussed in chapter 2, job seekers are motivated to "fill in the blanks" when information about the job is not available. Previous research suggests that the job attributes that job seekers care about and base their job acceptance decisions on are: (a) challenging work, (b) pay and promotion opportunities, and (c) supportive coworkers (Carless & Imber, 2007; Feldman & Arnold, 1978; Rousseau, 1990; Rynes et al., 1991). Job seekers who believe that the job offers challenging work believe that they will have an opportunity to demonstrate their skills and engage in a variety of activities (Carless & Imber, 2007). Challenging work is enjoyable and interesting work which offers opportunities to learn. Pay and promotion opportunities include opportunities for rapid advancement within the organization, high salary, and good benefits (Carless & Imber, 2007). Individuals who believe that the job offers supportive coworkers believe that their colleagues will be warm, friendly, competent, and that they will support their development (Carless & Imber, 2007).

Psychological contract theory suggests that challenging work, pay and promotion opportunities, and supportive coworkers are also important components of individuals' psychological contracts (Rousseau, 1990; Lambert, Edwards & Cable, 2003; Kikul & Lester, 2001; Sutton & Griffin, 2004). Empirical evidence suggests that there are as many as seven components of psychological contracts (Kickul & Lester, 2001; Rousseau, 1998; Robinson, 1996; Lambert, Edwards & Cable, 2003). Psychological contract research suggests that employees may expect the organization to provide a work environment in which they can work

autonomously, express themselves creatively, and develop new skills (i.e., challenging work; Kickul & Lester, 2001). This includes opportunities for professional development, mentoring, and extensive training. Challenging work may lead to the development of organization-specific or externally marketable skills depending on the organization's and the individual's goals. Individuals may also expect the organization to offer job security, benefits, and competitive salaries (i.e., pay and promotions; Kickul & Lester, 2001). Pay may be stable and secure (e.g., merit-based pay), or more volatile and competitive (e.g., performance-based pay) (Lawler, 1990). Lastly, connecting with others and gaining social support is a basic human need (Baumeister & Leary, 1995). As such, individuals may expect the organization to provide opportunities to develop supportive relationships with coworkers (Lambert et al., 2003).

At a very broad level, these components can be understood as extrinsic or intrinsic in nature (Kickul & Lester, 2001). Extrinsic components are outcomes of performing the job (Kickul & Lester, 2001) and are associated with transactional contracts (Rousseau, 1990). For example, competitive salary, benefits, and promotions are extrinsic psychological contract components (Kickul & Lester, 2001). Intrinsic components focus on the job itself (Kickul & Lester, 2001) and are associated with relational (Rousseau, 1990) or ideological (Bingham, 2005; Thompson & Bunderson, 2003) contracts. For example, autonomy, participation in decision making, opportunities for skill development, and personal growth are intrinsic psychological contract components (Kickul & Lester, 2001).

The recruiter's job is to provide very clear information about the extent to which the job offers certain inducements. However, it is likely that job seekers' general expectations will influence the way that job seekers process the job information that recruiters provide during recruitment. Job seekers attend to information which is consistent with their schemas of work.

Therefore, individuals holding general transactional expectations will attend to information about extrinsic inducements while individuals holding relational expectations will attend to information about intrinsic inducements.

Since individuals holding general transactional expectations are instrumental in their approach to employment relationships, they will attend to information pertaining to how the employment relationship will benefit them. That is, they will attend to information related to extrinsic inducements. Individuals who hold general transactional expectations are concerned with external employability (Rousseau & Parks, 1993). Therefore, they will attend to information suggesting that the job offers opportunities to build externally marketable skills. Challenging work involves learning and engaging in a variety of activities which enables the job incumbent to develop valuable skills (Carless & Imber, 2007; Kickul & Lester, 2001). While these activities may lead to the development of organization-specific skills, they may also lead to the development of externally marketable skills (Rousseau, 1995). Individuals holding transactional expectations seek out employment opportunities which provide mobility within an industry rather than within an organization (Rousseau, 1990; Rousseau, 1995). Therefore, they will attend to information which suggests that they will work on assignments which increase their external marketability, externally marketable skills, and create job opportunities outside the organization. Even though challenging work is intrinsic in nature, it is relevant those holding general transactional expectations because it may lead to extrinsic outcomes (i.e., employment opportunities at other organizations).

Additionally, individuals holding general transactional expectations will also attend to information suggesting that the job offers pay and promotional opportunities. This is because pay and promotional opportunities are extrinsic components of psychological contracts (Kickul &

Lester, 2001), as they are outcomes associated with the job. Individuals holding general transactional expectations will attend to information which is extrinsic in nature because it is consistent with their schemas of what work entails (i.e., their general expectations). However, individuals holding general transactional expectations would not attend to information about the supportive work environment because this is a purely intrinsic inducement. This leads to the following hypotheses:

Hypothesis 2: General transactional expectations will be positively related to perceptions that the job offers (a) challenging work, and (b) pay and promotional opportunities.

Unlike individuals holding general transactional expectations of work, individuals holding general relational expectations of work believe that the employment relationship will be trust-based and long-term in nature. Because their general expectations are intrinsic in nature, they will attend to psychological contract information which relates to intrinsic inducements. Challenging work is relevant to job seekers holding general relational expectations because it is intrinsic in nature and involves developing organization-specific skills (Carless & Imber, 2007). Organizations which offer employees opportunities to develop organization-specific skills though training or engaging in a variety of job assignments signal the organization's desire to invest in and retain employees. This long-term orientation is consistent with relational contracts. Another factor which distinguishes relational contracts from transactional contracts is employee flexibility and acceptance of changing job responsibilities (Rousseau, 1995; p. 98). Similarly, challenging work involves engaging in a wide variety of activities (Carless & Imber, 2007). Therefore, individuals holding general relational psychological contract expectations are more likely to attend to information which suggests that the job offers challenging work because it involves flexibility and opportunities to develop internally marketable skills.

Furthermore, they will attend to information which suggests that the job offers stable wages and benefits, and opportunities for advancement within the organization since they assume that the employment relationship will be long-term. Job security is a key concern of individuals holding relational expectations (Rousseau, 1990, 1995). That is, individuals holding relational expectations believe that the employment relationship will be paternalistic in nature such that the organization protects employees by offering job security and benefits, and the employee reciprocates by remaining within the organization and performing at high levels (Blau, 1964). Therefore, individuals holding general relational expectations associate work with internal career paths and financial stability (i.e., pay and promotional opportunities).

Lastly, individuals holding general relational expectations expect the organization to provide socioemotional inducements, including organizational support, mentoring, and commitment (Rousseau, 1995). Therefore, individuals holding general relational expectations will expect the organization and its employees to be supportive and show concern for their well-being. Because a supportive work environment is an intrinsic component, individuals holding general relational expectations will attend to information about supportive coworkers. This leads to the following hypothesis:

Hypothesis 3: General relational expectations will be positively related to perceptions that the job offers (a) challenging work, (b) pay and promotion opportunities, and (c) supportive coworkers.

As discussed earlier, researchers have suggested that individuals may also hold generalized ideological expectations, or expectations that the organization will support highly-valued causes and will allow employees to contribute to that cause (Bingham, 2005; Thompson & Bunderson, 2003). Individuals who view work as an expression of their values or individuals who have

worked for mission or cause-based organizations (e.g., Habitat for Humanity) may hold general ideological expectations. As hypothesis 1c suggests, job seekers holding general ideological psychological contract expectations will pay attention to information which suggests that the organization will provide opportunities to fulfill highly valued causes. They may expect organizations to provide an environment in which employees identify with the organization's mission and values (Thompson & Bunderson, 2003; Bingham, 2005). Ideological expectations will also influence individuals' perceptions of job attributes.

Specifically, individuals holding general ideological expectations may expect to work with individuals who share their values. They may believe that all organizations should provide an environment in which employees identify with the organization's mission and values, and that they will therefore work with others who are similar to them (Schneider, 1987). As such, job seekers may believe that the job and the organization will offer opportunities to work with supportive coworkers, and therefore will pay more attention to information in the job posting, information session, and interview indicating that the job and the organization offers opportunities to work with develop relationships with like-minded people.

However, unlike general transactional or relational expectations, it is not likely that ideological expectations will influence individuals' perceptions of the extent to which the job offers challenging work or pay and promotional opportunities. Ideological inducements are provided at the organization level through the mission statement, culture, and values, rather than through the organization's reward and merit systems (Thompson & Bunderson, 2003). Furthermore, while some jobs aimed at fulfilling the organization's mission may offer challenging work (e.g., overseeing construction of a church in Honduras), other jobs may not (e.g., campaign worker calling voters). Employees holding ideological expectations define their

job responsibilities broadly (Bingham, 2005). This is because their contributions benefit the organization as a whole and/or stakeholders, rather than a particular function within the organization.

Hypothesis 4: General ideological expectations will be positively associated with perceptions that the job offers supportive coworkers.

The next section will review how general beliefs about an employer influence individuals' perceptions of job attributes and expectations of a specific organization.

### General Beliefs about a Specific Employer

In addition to bringing general expectations of work, individuals also bring general beliefs about an employer to the job search. As discussed in chapter two, general beliefs about a specific organization include the adjectives that a job seeker would use to describe what is central, enduring and distinctive about an organization. Sources of organizational beliefs include company websites, annual reports, recruitment materials, produce information, advertisements, and word of mouth (Cable et al., 2000; Cable & Turban, 2001). Just as marketing and public relations professionals work to project favorable images of the organization in the general media, supervisors and recruiters work to project favorable images of the organization to job candidates. They may emphasize positive organizational characteristics (e.g. growth-oriented), and values (e.g., creativity) in order to attract candidates who are a good fit. Pratt (2000) gives an example of how Amway recruiters illustrate the organization's values in order to convey the relational inducements that the job offers to a potential employee:

There is a whole line of sponsorship that gives you all of the support you need...I was having a difficult time going through a divorce, and I'd be a disaster now if it weren't for

my upline [mentor]...Try getting that kind of support in the dog-eat-dog news business [her former occupation]" (p. 470).

### Relationship between general organizational beliefs and specific expectations.

Empirical evidence suggests that job seekers often prefer to process general information about the organization that is found in advertisements and organizational artifacts (e.g. company logo) rather than closely scrutinizing specific job information (Cable & Turban, 2001; Petty & Cacioppo, 1981). As such, job seekers' beliefs about the organization's values and the rewards that it offers may be at least as important and in some cases more important than specific job information in determining their psychological contract expectations. Individuals look for cues regarding the organization's values and the nature of the inducements that the organization offers. Organizational values are one element of the organization's social context that provides cues regarding the rewards that it offers employees. Organizations possess a "value hierarchy" in that some values may be more important to members of the organization than other values (Rousseau, 1995). The relative importance of certain values may be apparent in the way in which the organization presents itself during recruitment. An organization's survival depends on its ability to attract qualified candidates who fit the culture, internalize its values, and value its rewards. Therefore, an organization will send signals which convey information about its culture and values in job descriptions and other recruitment efforts. In turn, individuals will infer the type of employment relationship that it seeks to establish with employees based on these values (Rousseau, 1995; Schein, 1992). For example, individuals may believe that because an organization that values efficiency and achievement over all else, that the employment relationship will be mostly economic rather than socio-emotional in nature. They may also believe that the employment relationship will last only as long as the relationship is economically beneficial for both parties (i.e., it is transactional in nature). Table 3.1 provides an overview of the similarities between the dimensions of organizational beliefs and the dimensions of psychological contract expectations.

Rousseau (1995) suggests that during recruitment, organizations seek individuals who share the organization's values. This is because individuals who share the organization's values and are similar to existing members assimilate more easily into the organization and are less likely to leave (Schneider, 1987). Therefore, recruiters have a strong incentive to present as much information as possible about the organization's culture. Rousseau (1995) suggests that individuals' beliefs about the organization, including its fundamental assumptions, values, and behavioral norms of members influence psychological contracts as much as explicit promises about the inducements that it will provide. Individuals look for information about the organization's values, history, traditions, (Rousseau, 1995) strategic orientation, and size (Shore et al., 2004). Considerable evidence exists which suggests that job seekers' knowledge about the organization influences what they expect from the organization after entry (Cable et al., 2000; Cable & Turban, 2001; Wanous, 1980). New hires arrive with expectations about the organization (Barber, 1998), which are based on general organizational information as well as job information (Cable & Turban, 2001). Cable and Turban (2001) suggest that beliefs about the organization are "a template that a job seeker uses to categorize, store, and recall information about the various employers that the job seeker evaluates and considers joining" (p. 124).

Cable and Yu's (2006) measure is the only existing measure of the beliefs that job seekers hold about organizational attributes (see Figure 2.2 p. 14). It captures range of details that job seekers consider to be important, including size, centralization, human resource and environmental policies, values, culture, competitive position, and the personalities of current

employees (Cable & Turban, 2001, p. 126). As suggested in Table 3.1, transactional contracts and achievement-oriented beliefs are similar in that they both focus on economic rewards.

Table 3.1: Similarities between Organization Beliefs and Perceived Job Attributes

Perceived Org. Beliefs	Work Values Associated with Beliefs	Perceived Job Attributes	Psychological Contract Expectations
Achievement -oriented	<ul> <li>High compensation</li> <li>Prestige – gaining respect, obtaining status, being looked up to by others</li> <li>Getting ahead is more important than getting along</li> <li>Importance of economic inducements</li> </ul>	<ul> <li>Challenging work that prompts individuals to set and achieve high goals and develop externally-marketable skills</li> <li>High performance-based pay</li> </ul>	- Transac.
Open to change	<ul> <li>Variety – doing a variety of things, doing something different every day</li> <li>Autonomy – determining the way work is done, making one's own decisions</li> <li>Importance of embracing change and ambiguity</li> <li>Following one's ideals rather than the status quo</li> </ul>	- Challenging work defined by changing job responsibilities, autonomy, and opportunities to be creative	- Ideological
Traditional	<ul> <li>Security – being certain of duration of job</li> <li>Authority – distinct reporting relationships, clear chain of command, paternalism</li> <li>Courtesy, showing respect</li> <li>Importance of stability, certainty, predictability, and clearly defined responsibilities</li> <li>Importance of developing relationships based on mutual respect</li> </ul>	<ul> <li>Stable pay and clearly defined internal promotional opportunities</li> <li>Supportive, courteous and respectful coworkers</li> </ul>	- Relational
Benevolent	<ul> <li>Altruism – serving society, contributing to humanity</li> <li>Relationships with coworkers; Getting along is more important than getting ahead</li> </ul>	- Supportive coworkers who share the same values of serving society	<ul><li>Relational</li><li>Ideological</li></ul>

Specifically, achievement-oriented organizations value economic exchanges over socioemotional and ideological exchanges. Achievement-oriented beliefs suggest that the organization endorses a pay-for-performance mentality in which high performers receive raises and promotions (Cable & Edwards, 2004). These beliefs are consistent with the economic focus of transactional contracts. Furthermore, both transactional contracts and achievement-oriented beliefs focus on self-interests or "getting ahead" rather than "getting along." Transactional contracts are instrumental in nature and can be described as quid pro quo, or "a fair day's work for a fair day's pay" (Rousseau, 1995, p. 91). Individuals holding transactional contracts are not emotionally involved in their jobs or their organizations, and instead focus on achieving specific performance goals in order to fulfill obligations. Because the values and assumptions underlying achievement-oriented organizations and transactional contracts are similar, individuals holding achievement-oriented beliefs may believe that the organization seeks to establish transactional relationships. This suggests the following hypotheses:

Hypothesis 5: Achievement-oriented beliefs will be positively associated with transactional expectations of a specific organization.

In a similar vein, ideological contracts and open to change beliefs show several parallels. First, open to change organizations follow their own ideals, rather than industry standards (Cable & Yu, 2006; Schwartz, 1994; see Table 3.1). Similarly, for individuals holding ideological expectations, fulfilling a highly valued cause is more important than conforming to corporate norms of profit maximization (Cable & Yu, 2006; Schwartz, 1994). Individuals are strongly attracted to nonconforming (i.e., open to change) organizations, and are more likely to identify with them (Rindova, Pollock, & Hayward, 2006). Organizations which do not follow industry norms ("deviants") are often able to elicit positive emotional responses from job seekers

(Rindova et al., 2006). For example, Southwest Airlines is viewed favorably because it seeks to differentiate itself from other airlines by offering flexible seat assignments and fewer add-on fees (Rindova et al., 2006). Furthermore, individuals hold higher expectations of nonconforming organization's products, performance, and culture (Rindova et al., 2006). Open to change organizations are believed to value creativity, independence, and freedom of expression (Schwartz, 1994). Similarly, individuals holding ideological expectations expect to express themselves and their values at work (Thompson & Bunderson, 2003). Change itself may be a highly valued cause. That is, the organization may be seen as a catalyst for change in a dysfunctional industry (e.g. Southwest Airlines), or a catalyst for social change (e.g., Habitat for Humanity). As such, individuals who believe that the organization is open to change may also believe that the organization will offer opportunities to pursue highly valued causes. This leads to the following hypothesis:

Hypothesis 6: Openness to change beliefs will be positively associated with ideological expectations of a specific organization.

On the other hand, traditional organizations provide signals that the employment relationship will be relational in nature. This is because the values associated with traditional beliefs are consistent with the terms of relational contracts. Just as traditional organizations have a long-term orientation and value stability (Cable & Edwards, 2004; Cable & Yu, 2006; Schwartz, 1994), individuals holding relational contracts make a long-term commitment to the organization (Rousseau, 1995). Traditional organizations expect employees to honor and respect their superiors (Cable & Edwards, 2004; Cable & Yu, 2006; Schwartz, 1994). Similarly, individuals holding relational contracts often have a paternalistic view of the employee-organization

relationship, in which the organization is a benevolent guardian (Rousseau, 1995). This leads to the following hypothesis:

Hypothesis 7: Traditional beliefs will be positively related to relational expectations of a specific employer.

Similarly, benevolent organizations provide signals that the employment relationship will be based on loyalty, honesty, close ties, and willingness to commit (Cable & Edwards, 2004; Schwartz, 1994). Employees within benevolent organizations are expected to develop strong friendships with their coworkers, internalize the organization's values, and sacrifice in order to achieve the organization's objectives (Cable & Edwards, 2004; Cable & Yu, 2006; Schwartz, 1994). These expectations are consistent with the terms of relational psychological contracts, which are characterized by long-term orientation, affective commitment, and identification with the organization (Rousseau, 1995, p. 98-102). Therefore, benevolent organizations will provide signals that the employment relationship will be relational in nature.

Benevolent organizations also provide signals that employees should internalize the organization's altruistic values and contribute to its mission of serving others (Cable & Yu, 2006; Schwartz, 1994). These organizations value serving society, contributing to humanity, and place more importance on universal ideals than on achieving economic goals (Cable & Edwards, 2004; Cable & Yu, 2006; Schwartz, 1994). For example, Chick-Fil-A decision to close its restaurants on Sundays in order to fulfill its mission of being a faith-based organization, illustrates the importance of its cause relative to economic goals. Similarly, ideological obligations involve commitment to a highly valued cause or principle. Individuals holding ideological expectations expect their employers to provide an environment in which the employee can contribute to that cause (Thompson & Bunderson, 2003). In return, employees

internalize the organization's goals and contribute to its mission by "taking initiative to serve the needs of a particular constituent, acting as a public advocate for the espoused cause, or sacrificing nonwork time to contribute to the organization's ideological mission" (Thompson & Bunderson, 2003, p. 574). As such, benevolent organizations provide signals that the organization is committed to a cause (i.e., serving others), and therefore will provide ideological inducements. This suggests the following hypothesis:

Hypothesis 8: Benevolent beliefs will be positively associated with (a) relational, and (b) ideological expectations of a specific organization.

Relationship between general organizational beliefs and perceived job attributes. As discussed in the previous section, the organization's values are salient to job seekers because they provide information regarding the nature of the future employment relationship. Beliefs about the organization's values may also provide information about a specific job opportunity. Work values are important because they indicate the behaviors that the organization endorses and expects employees to follow (Rokeach, 1973). The organization's values provide information about its human resource systems, including its reward and mobility systems (Roussuea & Greller, 1994). Reward systems dictate how compensation, benefits, and other rewards are distributed among the organization's employees (Gerhart & Milkovich, 1992). Reward systems vary in terms of the extent to which the organization values retention or output (Milkovich & Newman, 1987). Organizations which value retention may reward employees based on seniority. Conversely, organizations which value output will reward employees based on performance. Organizational values may also provide cues regarding the organization's mobility systems. Organizations will distribute resources among employees according to that which it values most. For example, organizations which value stability may endorse a senioritybased mobility system in which individuals are promoted from within based on their loyalty and commitment to the organization's goals (Rosenbaum, 1984). Alternatively, organizations which value achievement may endorse a performance-based mobility system in which individuals are promoted based solely on their performance. Organizations which endorse a performance-based mobility system place more importance on specific skills and abilities which are important to the organization's survival than on employees' loyalty to the organization (Lawler, 1990). Therefore, current employees may have to compete with highly skilled outsiders for open positions. In sum, organizational values provide signals regarding job characteristics and the inducements associated with jobs (Bretz & Judge, 1993).

Empirical evidence suggests that job seekers infer job attributes from their beliefs about the organization just as consumers infer product quality from the organization's reputation (Cable & Turban, 2003; Shapiro, 1983), Turban, Foret, & Hendrickson, 1998). For example, Cable and Turban (2003) found that job seekers believed that jobs within organizations with positive reputations offered better promotional opportunities, higher future salaries, and more challenging work than organizations with less favorable reputations. Often, the job seeker has broad information about the organization's values (from advertisements, knowledge about the organization's products, etc.) before s/he has specific information about the job. Due to increasing environmental volatility and demands for organizational flexibility, organizations may not be able to offer specific information about a job. Therefore, job seekers often have only limited information about a job opportunity (Rynes et al., 1991) and may therefore rely on their general knowledge about the organization.

Previous research suggests that the work values that are most salient to job seekers include achievement and concern for others (Ravlin & Meglino, 1987). Achievement values are

related to the internal career paths that the organization offers, opportunities to develop new skills, and to take on new assignments (i.e., promotional opportunities and challenging work). Concern for others relates to the organization's philosophy regarding helping others perform their jobs, sharing information with colleagues, and providing support (Judge & Bretz, 1992). Job seekers who believed that the organization values achievement and concern for others found job opportunities at these organizations more attractive than opportunities at organizations which do not endorse these values (Judge & Bretz, 1992).

Empirical evidence suggests that individuals attend to job information which is consistent with their beliefs about the organization's values (Cable & Turban, 2001; Lievens & Highhouse, 2003). For example, a job seeker who believes that the organization is more concerned with achieving goals than with providing a supportive and collegial environment will pay more attention to information which suggests that the job offers performance-based pay than to information suggesting that the job offers opportunities to develop close relationships with colleagues. Table 3.1 provides an overview of the similarities between general beliefs about an organization and perceived job attributes.

As table 3.1 suggests, achievement-oriented images signal that the organization values getting ahead over getting along (Cable & Yu, 2006). For example, on its careers webpage, Microsoft emphasizes the importance of achievement and individualism through the slogan "Think and dream big" and the statement that "They [Microsoft employees] like setting their own goals and working hard to achieve them in their own style." (Microsoft Corporation Careers, n.d.). Messages like Microsoft's provide signals that employees should focus on their own individual goals. Achievement-oriented organizations value advancement, status, and prestige and may endorse an "up or out" mentality. Accordingly, employees would be expected

to set very high performance goals. Therefore, job seekers who believe that the organization is achievement-oriented will infer that the job offers opportunities for challenging work.

Additionally, job seekers may assume that the job offers promotional opportunities. However, achievement-oriented organizations will not provide signals that the work environment will be supportive. This is because achievement-oriented organizations endorse a competitive orientation (Cable & Yu, 2006; Schwartz,1994). That is, an achievement-oriented organization's goal to be the best in the industry may create a culture of competition rather than cooperation. For example, the organization's adoption of a forced distribution plan for employee performance evaluations encourages employees to compete for promotions and bonuses rather than help one another with job tasks. This leads to the following hypothesis:

Hypothesis 9: Achievement-oriented beliefs will be positively related to perceptions that the job offers (a) challenging work, and (b) pay and promotion opportunities.

In contrast to achievement-oriented organizations, benevolent organizations place great importance on serving the interests of others within and outside the organization (Cable & Edwards, 2004; Cable & Yu, 2006; Schwartz, 1994). That is, "getting along" by developing close relationships with coworkers and external stakeholders is more important than "getting ahead." Work values associated with the benevolent beliefs include honesty, forgiveness, promoting the welfare of all people, making the world a better place, and tolerance of others (Cable & Yu, 2006; Cable & Edwards, 2004; Schwartz, 1994). Benevolent organizations provide signals that employees should be emotionally involved in their jobs and with their organizations and that their commitments should extend beyond the workplace to coworkers' families (Cable & Edwards, 2004; Schwartz, 1994). Therefore, individuals who believe that the organization is benevolent will perceive that its employees will be sympathetic and kind. Because benevolent

organizations emphasize getting along over getting ahead, upward mobility and opportunities for skill development (i.e., pay and promotional opportunities, challenging work) will not be salient. Instead, benevolent organizations provide signals that human resource systems reward loyalty with organizational support and a friendly and collegial work environment rather than with difficult assignments (i.e., challenging work), high pay, and promotions. This leads to the following hypothesis:

Hypothesis 10: Benevolent beliefs will be positively related to perceptions that the job offers supportive coworkers.

While organizational beliefs differ in terms of the importance place on achievement vs. helping others, they also differ in terms of the organization's orientation toward change (i.e., traditional vs. open to change; see Figure 2.2). Open to change organizations embrace change and value novelty, independence, creativity, and flexibility (Cable & Edwards, 2004; Schwartz, 1994). Open to change organizations value growth and innovation over certainty and predictability. Therefore, job seekers will assume that a job within an open to change organization will offer job variety, autonomy, and opportunities to be creative. For example, on its careers webpage, Google emphasizes the importance of innovation and states that each employee will have an opportunity to express him or herself creatively (Google Jobs, n.d.). Statements such as this signal that employees will engage in a wide variety of activities and that work will be exciting. Open to change organizations do not provide clearly defined responsibilities and reporting relationships. Instead, employees accept changes in their work responsibilities, work conditions, and performance requirements as a necessary condition of the organizations' survival. In return, they expect the organization to invest in their training and development in order to ensure that they can meet the challenges of the changing work

environment. However, information about pay, promotions, and a supportive work environment will be less salient to job seekers who believe that the organization is open to change. For example, many high tech organizations often struggle financially, particularly during startup phases and are unable to offer stable pay or a career path. Furthermore, due to workforce instability, it may be difficult for these organizations to offer a stable, supportive environment. This suggests the following hypothesis:

Hypothesis 11: Open to change beliefs will be positively related to perceptions that the job offers challenging work.

Unlike open to change organizations, traditional organizations value stability, respect for authority, a clear chain of command, and clearly defined roles and reporting relationships. Employees are expected to maintain the status quo; change is seen as something that should be avoided. Traditional organization are associated with steadiness and solidity (Cable & Yu, 2006). Solidity, in turn, is associated with job security, stable wages and benefits, and advancement opportunities within the organization. Traditional organizations are consistent with the attractionselection-attrition ASA model (Schneider, 1987). The ASA model suggests that an organization's values are maintained over time partly because those individuals who are similar to others within the organization (i.e., those who have internalized the organization's values) are retained and promoted. Therefore, job seekers who believe that the organization is traditional will pay attention to information which suggests that the job offers internal promotional opportunities. Furthermore, traditional organizations also value self-discipline, obedience, courteousness, and modesty (Schwartz, 1994). Employees are expected to show respect for their coworkers (Cable & Edwards, 2004; Cable & Yu, 2006). For example, the U.S. Marine Corps values tradition and authority, but also instills a strong sense of brotherhood and mutual respect

among its members; friendship bonds among members often last for a lifetime. The ASA model suggests that the employees who remain within the organization share similar values. Therefore, employees will identify and feel comfortable with one another and therefore be more willing to support one another. This leads to the following hypothesis:

Hypothesis 12: Traditional beliefs will be positively related to perceptions that the job offers

(a) pay and promotional opportunities, and (b) supportive coworkers.

### **Specific Psychological Contract Expectations**

As discussed in chapter 2, empirical evidence suggests that individuals' psychological contract expectations of a specific organization will be based partly on their perceptions of job attributes (Rousseau, 1995). For example, while an organization espousing traditional values may signal the importance of developing close relationships with coworkers, an individual seeking a temporary commission-based sales representative job within this organization may not hold relational expectations of this job. While the nature of the employment relationship will depend on organizational-level factors (i.e., merit and reward systems), it will also depend on job-level factors (i.e., opportunities to interact with coworkers).

One job attribute that job seekers look for during the job search is challenging work. Jobs that offer opportunities for challenging work are ideal for individuals who desire upward mobility. Challenging work offers opportunities to demonstrate one's abilities by performing at high levels. High performance, in turn, may lead to higher compensation, particularly in organizations which offer performance-based pay. Furthermore, individuals who are able to demonstrate their abilities may have greater chances of being promoted. This leads to the following hypotheses:

Hypothesis 13: Perceptions that the job offers challenging work will be positively related to pay and promotional opportunities.

As environmental volatility increases and job security decreases, individuals may seek out challenging assignments as a way to develop externally marketable skills which provide upward mobility within an industry rather than within a specific organization. One central component of transactional contracts is performance (Rousseau, 1989, 1995); that is, the employment relationship is seen as a quid pro quo exchange of high levels of performance for high levels of pay (Rousseau, 1995). Transactional employment relationships are appropriate for individuals who prefer to focus on performance and skill development and do not want to become involved in their organizations beyond their job responsibilities. They are also appropriate for organizations that need high performers but also need to maintain workforce flexibility (Hall, 1993; Rousseau, 1995, p. 106-107). In sum, because challenging work is associated with opportunities to develop externally marketable skills and high levels of performance, individuals may assume that the employment relationship will be transactional in nature. This leads to the following hypotheses:

Hypothesis 14: Perceptions that the job offers challenging work will be positively related to transactional expectations of a specific employer.

As discussed earlier, the organization's goal in offering employees challenging work may also be to help them develop organizational-specific skills. Challenging work includes training, and the opportunity to engage in a variety of activities (Carless & Imber, 2007). Offering employees training signals the organizations desire to invest in and retain its employees. The purpose of offering employees training is often to accomplish organizational goals (e.g., implementing a new performance evaluation system). However, many organizations offer training designed

solely for employees' personal development (i.e., communication). For example, many organizations offer teambuilding workshops. Offering this type of training conveys the organization's desire to create a close-knit and supportive work environment. Furthermore, allowing employees to take on different job assignments conveys information about the nature of the employment relationship. Specifically, due to the learning curve associated with learning new tasks, allowing employees to engage in a variety of activities signals that their job satisfaction is more important than task efficiency. This leads to the following hypothesis:

Hypothesis 15: Perceptions that the job offers challenging work will be positively related to relational expectations of a specific employer.

A second job attribute that job seekers look for during the job search is pay and promotional opportunities (Carless & Imber, 2007). Pay is one of the most important factors in job seekers' job acceptance decisions (Feldman & Arnold 1978; Gerhart & Milkovich, 1990). Job seekers make inferences about the organization's profitability and the quality of its workforce based on the pay that it offers relative to competitors. High levels of performance-based pay signal that the employment relationship will involve economic exchanges (high pay for high performance). Furthermore, job seekers will make inferences about the nature of the future employment relationship based on the pay time-frame (Rousseau, 1995, p. 75-76). Organizations that offer short-term incentives (e.g., piece-rate incentives, monthly sales bonuses) signal that the employment relationship may be short-term in nature. An organization that offers high levels of individual performance-based pay may signal the organization is generous to its employees (Rousseau, 1995, p. 38-39). In sum, pay that is based on short-term performance goals, signals that the employment relationship will be short-term in nature and consist of purely economic exchanges (i.e., skills and effort for money). Furthermore, individuals will look for information

about the future employment relationship in the organization's mobility system (i.e., career ladder). Opportunities for promotion, or a "fast track" enable employees to develop externally marketable skills and may create employment opportunities outside the organization (Clarke & Patrickson, 2008). This is consistent with transactional employment relationships.

Hypothesis 16: Perceptions that the job offers pay and promotion opportunities will be positively related to transactional expectations of a specific employer.

However, pay may be more stable and secure, and based on long-term performance or tenure. This is consistent with relational employment relationships (Rousseau, 1995). Organizations that offer long-term incentives including restricted stock, stock options, bonuses which are based on performance over several years, and other forms of compensation which tie the employee to the organization signal that the employment relationship will be long-term in nature. Offering stock options to lower level employees suggests that the organization wants all employees to identify with and commit to its mission. Rewarding employees for their loyalty to the organization (i.e., seniority) signals that the employment relationship will be secure and that the organization will invest in the employee by providing training, mentoring, and other forms of organizational support. In return, the employee is expected to remain loyal to the organization. Organizations which offers stable pay and benefits will most likely offer employment relationships which are stable and based on mutual trust and commitment (i.e., relational in nature).

Individuals will also make inferences about the future employment relationship from their perceptions of the organization's career ladder. Organizations that offer opportunities for rapid advancement within the organization signal the organization's desire to invest in and retain employees. An internal career ladder signals that the organization will invest in its employees by providing extensive training and valuable work experiences; in return, employees are expected to

remain loyal to the organization. For example, Michael L. Eskew, United Parcel Service's CEO, started working for the organization as an engineer in 1972, and gradually worked his way up the organization's hierarchy by developing organization-specific skills. In sum, perceptions that the job offers promotion opportunities may lead job seekers to develop relational expectations because they believe that the employment relationship will be more long-term in nature. This leads to the following hypotheses:

Hypothesis 17: Perceptions that the job offers pay and promotion opportunities will be positively related to relational expectations of a specific employer.

A third factor that individuals look for in job opportunities is a supportive work environment (Carless & Imber, 2007). In general, job seekers prefer to work with friendly and competent coworkers who support their development (Carless & Imber, 2007). However, contexts in which employees work autonomously (e.g., pharmaceutical sales), or organizations which encourage competition among employees (e.g., General Electric's forced distribution performance evaluations) or emphasize efficiency over relationships may not offer supportive, friendly work environments. Individuals look for social cues from organizational members when determining how they should relate to others in the organization and the extent to which the organization and its employees will be supportive (Rousseau, 1995). Perceiving that the job offers opportunities to work with caring coworkers will signal that the employment relationship will be based on trust, and that employees are seen as members of a family. Similarly, relational contracts involve socio-emotional inducements, including support, mentoring, job security, and commitment. A supportive environment is a socio-emotional inducement that many organizations may offer employees. As discussed earlier, individual holding relational contracts often view the employment relationship as paternalistic. That is, the organization supports and

protects employees. As such, believing that the job offers supportive coworkers may lead a potential employee to develop expectations that the employment relationship will be relational in nature. This leads to the following hypothesis:

Hypothesis 18: Perceptions that the job offers supportive coworkers will be positively related to relational expectations of a specific employer.

## **Table 3.2:** *Summary of Hypotheses*

H1a: General transactional expectations will be positively related to transactional expectations of a specific organization.

H1b: General relational expectations will be positively related to relational expectations of a specific organization.

H1c: General ideological expectations will be positively related to ideological expectations of a specific organization.

H2a: General transactional expectations will be positively related to perceptions that the job offers challenging work.

H2b: General transactional expectations will be positively related to perceptions that the job offers pay and promotional opportunities.

H3a: General relational expectations will be positively related to perceptions that the job offers challenging work.

H3b: General relational expectations will be positively related to perceptions that the job offers pay and promotion opportunities.

H3c: General relational expectations will be positively related to perceptions that the job offers supportive coworkers.

H4: General ideological expectations will be positively associated with perceptions that the job offers supportive coworkers.

H5: Achievement-oriented beliefs will be positively associated with transactional expectations of a specific organization.

H6: Openness to change beliefs will be positively associated with ideological expectations of a specific organization.

H7: Traditional beliefs will be positively related to relational expectations of a specific organization.

H8a: Benevolent beliefs will be positively associated with relational expectations of a specific organization.

H8b: Benevolent beliefs will be positively associated with ideological expectations of a specific organization.

H9a: Achievement-oriented beliefs will be positively related to perceptions that the job offers challenging work.

H9b: Achievement-oriented beliefs will be positively related to perceptions that the job offers pay and promotion opportunities.

H10: Benevolent beliefs will be positively related to perceptions that the job offers supportive coworkers.

H11: Open to change beliefs will be positively related to perceptions that the job offers challenging work.

H12a: Traditional beliefs will be positively related to perceptions that the job offers pay and promotional opportunities.

H12b: Traditional beliefs will be positively related to perceptions that the job offers supportive coworkers.

H13: Perceptions that the job offers challenging work will be positively related to pay and promotional opportunities.

- H14: Perceptions that the job offers challenging work will be positively related to transactional expectations of a specific organization.
- H15: Perceptions that the job offers challenging work will be positively related to relational expectations of a specific organization.
- H16: Perceptions that the job offers pay and promotion opportunities will be positively related to transactional expectations of a specific organization.
- H17: Perceptions that the job offers pay and promotion opportunities will be positively related to relational expectations of a specific organization.
- H18: Perceptions that the job offers supportive coworkers will be positively related to relational expectations of a specific organization.

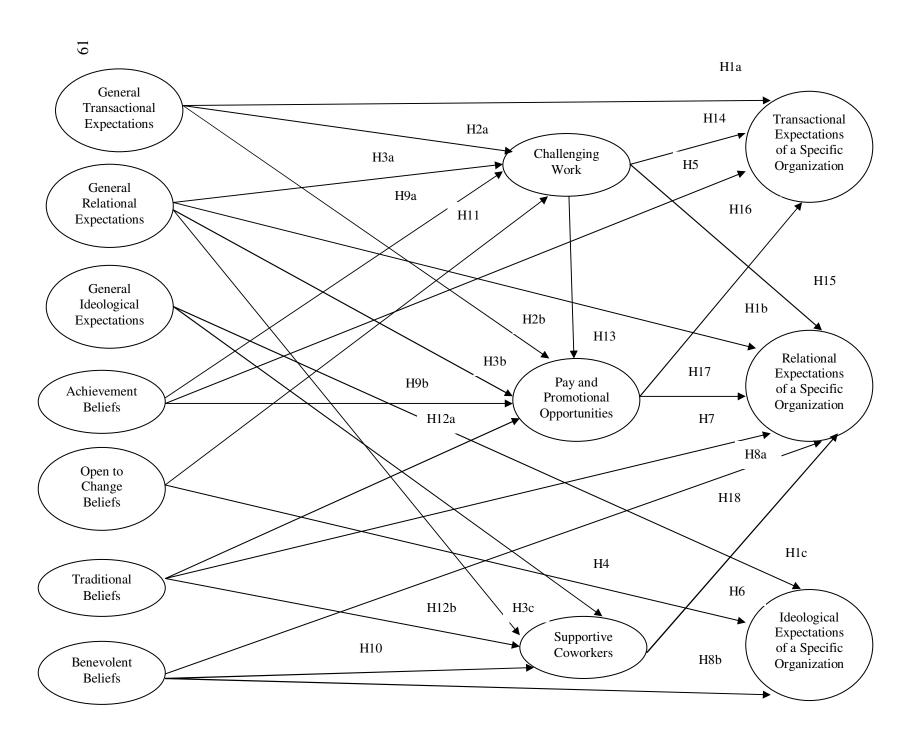


Figure 3.1: Hypothesized Model

#### **CHAPTER IV**

#### **METHODS**

This chapter describes the sample, data collection procedure, measures and methodological techniques used to test the hypotheses. Chapter V describes the results of both studies. Two studies were undertaken. All hypotheses were tested in each study. The first study was a laboratory study. It was conducted in a controlled classroom setting and targeted undergraduates. The second study (i.e., the field study) was conducted in a field setting and targeted students (undergraduate and graduate) who were actively seeking employment. Scandura and Williams (2000) suggest that it is necessary to test hypotheses using a variety of methods (i.e., "triangulation," p. 1249). This is because the strengths of one method may compensate for the weaknesses of another. Lab studies allow the researcher to control for or manipulate variables (e.g., job attributes, recruiting interventions). However, because the setting is often artificial and unrealistic, the results of lab studies are often low in generalizeability. Field studies, however, allow the researcher to measure behavior in a more realistic setting. The tradeoff, however, is the lower precision of measurement and control of external factors. When field and lab studies are combined to test the same model, the researcher can have greater confidence in internal and external validity. If the results converge across studies, then the researcher can have greater confidence in the findings.

Since the focus of the dissertation was the general expectations and general beliefs that individuals bring to the job search rather than job attributes, we controlled for job attributes by asking all participants to read a job description for a customer service representative. This was

done in order to isolate the effects of general expectations and general beliefs on specific expectations. In order to create variance in general organizational beliefs, participants were assigned to four different organizations: Microsoft, Whole Foods, Southwest Airlines, and Sears. Empirical evidence suggests that job seekers perceive these organizations to be achievement-oriented, benevolent, open to change, and traditional, respectively (Cable & Yu, 2006).

However, because the lab study involved an artificial job search, a second study which captured expectation formation in a field setting was necessary. The field study offers several advantages over the lab study. First, many lab study participants may have been looking for employment when the lab study was conducted, but some may have already secured employment, been accepted into graduate school, or may not have been actively looking for a job. Therefore, lab study participants may not have been as engaged as field study participants. Furthermore, because the lab study was conducted in a classroom setting, it may have seemed artificial. Field study participants, however, responded to questions about jobs that they were actively seeking. Second, the lab study targeted two majors: business and consumer economics. The field study targeted undergraduate and graduate students across all majors.

One disadvantage of the field study relative to the lab study is that the effects of general expectations and general beliefs on job attributes could not be isolated. That is, field study participants were seeking a wide range of jobs, including entry-level auditor, teacher, and sales representative. Another disadvantage of the field study is that recruitment interventions cannot be controlled in the field study. In the lab study, participants were asked to describe their beliefs about one of four organizations, and then read a job description. Field study participants may have interacted with employees prior to reading the job posting, or may have friends who work for the organization.

### **Data Collection and Sample**

*Lab Study*. The purpose of lab study was to simulate the job search while controlling for job attributes and the way in which information about the job and the organization is presented). Data collection for lab study began in October 2008 and ended in November 2008. The lab study consisted of two phases; each phase represents a different phase of a mock job search. First, students were asked to describe their general expectations of work (see Appendix A). Approximately two weeks later, they were asked to describe their general beliefs about one of four organizations: (a) Microsoft, (b) Southwest Airlines, (c) Sears, and (d) Whole Foods (see Appendix B). Cable and Yu (2006) found that individuals believe that these organizations are (a) achievement-oriented, (b) open to change, (c) traditional, and (d) benevolent, respectively. Each class was assigned one of four different organizations: (a) Microsoft (n=78, 26%), (b) Southwest Airlines (n=60, 20%), (c) Sears (n=68, 23%), and (d) Whole Foods (n=95, 32%). Students were assigned to these four organizations in order to create variance in the nature of organizational beliefs. In addition, participants read an actual job posting from the website of their assigned organization (see Appendix C). Participants were told that the job postings were taken from the organization's website. This phase of the lab study was designed to capture students' perceptions of job attributes and their expectations of a specific organization.

The surveys were administered during the first 15 minutes of class during both phases. Participants were told that (a) they have an opportunity to participate in a multi-phase study designed to capture their work-related expectations, (b) their participation is voluntary, and (c) their responses would be kept confidential. Students who participated in the study received extra credit points ranging from 1 to 15 points on their final exam or final participation grade in the class, and they had an opportunity to win an Apple iPhone. Students read and completed

informed consent forms which described the survey. They completed and returned the paper surveys, and their responses were entered into an excel spreadsheet that was used for data analysis.

Approximately 324 students in six upper-level business and consumer economics classes were surveyed. Twenty-three of the surveys were not used because they contained incomplete data. Therefore, the final sample contained 301 usable responses, yielding a response rate of 93%. The sample was predominantly male (n=183, 61%) and the mean age was 22. Participant age ranged from 19 to 40 years. On average, participants had 10 months of full-time work experience and 41 months (3.4 years) of part-time work experience. Most of the participants were business majors (n=212, 70%). Approximately 18% (n=54) of the participants were consumer economics majors, and 6% (n=18) fell within the "other majors" category. Several participants (6%, n=17) did not indicate a major.

Field Study. Field study participants were undergraduate students who were graduating during the 2008-2009 academic year and actively seeking full-time employment. We asked that only those students who had submitted a resume to an employer through the UGA Career Center's online job database, but had not interviewed with the organization complete the survey. On October 17, 2008, an email requesting participation was sent to 4,108 seniors and graduate students who were registered with the university's career center (see Appendix D). A reminder email was sent in on November 6, 2008. The email contained an URL link to the survey host website. The survey was administered through Student Voice, an online survey targeting university students. Participants were told that they have an opportunity to participate in a study designed to capture their work-related expectations. The first page of the survey provided an overview of the survey, and anticipated time to complete it (15-20 minutes). It also stated that

participation is voluntary, responses would be kept confidential, and that participants have an opportunity to win an Apple iPhone. Participants indicated their consent by checking "I Agree" at the bottom of the page.

Approximately 600 students participated in the survey, yielding a response rate of 15%. Approximately 273 of the surveys were not used because they contained incomplete data. Therefore, the final sample contained 327 usable responses. The sample was approximately equal in terms of gender (female, n=183, 56%) and the mean age was 23. Participant age ranged from 19 to 60. On average, participants had one and a half years of full-time work experience and approximately four years of part-time work experience. Participants sought job opportunities in a variety of industries: (a) manufacturing (n=19, 5.8%), (b) utilities (n=6, 1.8%), (c) retail (n=22, 6.7%), (d) financial/insurance (n=34, 10.4%), (e) real estate (n=3, .9%), (f) information (n=26, 7.9%), (g) professional, scientific, and technical services (PST) (n=53, 16.2%), (h) administrative (n=5, 1.5%), (i) education (n=25, 7.7%), (j) healthcare (n=11, 3.4%), (k) arts, entertainment, and recreation (AER) (n=13, 4%), (l) other services (n=12, 3.7%), and (m) public administration (n=18, 5.5%).

### Measures

Established measures were used in both of the studies. Small adaptations to the instructions.

Refer to the Appendices A and B for a list of survey items used in the lab study. Refer to

Appendix E for the field study survey as it appeared online.

Psychological contract expectations of a specific employer. Psychological contract expectations of a specific employer were measured using Rousseau's (2008) Psychological Contract Inventory (PCI) and Bingham's (2005) measure of ideological psychological contract terms. Due to the concern about the length of the survey, a shortened version of the PCI was

used. Because we were only interested in individuals' perceptions of employers' obligations to employees, we did not use items related to employee obligations to employers. The original version of the employer obligations of the PCI includes 28 items (8 items per form). For the sake of brevity, only the 6 most consistently-loading items (Bingham, 2005; Dabos & Rousseau, 2004) related to the transactional and relational forms were included in the survey. Participants were asked to describe the extent to which "you expect [X organization] to make the following commitments or obligations to you" using a 5-point Likert scale ranging from 1 = not at all to 5 = to a great extent. Sample items include "makes no commitments to retain employees in the future," and "stable benefits for employees' families." Lab study reliabilities for the transactional  $(\alpha = .74)$  and relational  $(\alpha = .73)$  forms were acceptable (> .70, Nunnally, 1978). Field study reliabilities for the transactional  $(\alpha = .79)$ , and relational  $(\alpha = .80)$  forms were also acceptable.

As discussed in chapter 2, previous research suggests that psychological contracts consist of transactional, relational, and ideological components (Bingham, 2005; Thompson & Bunderson, 2003). However, Rousseau's (2008) PCI does not include items designed to measure ideological forms. Therefore, items from Bingham's (2005) measure of ideological contracts were used. Bingham found that ideological contract forms are distinguishable from transactional and relational forms, and that the items show an acceptable reliability ( $\alpha$  = .94). Bingham's original measure included 7 items. For the sake of brevity, the four highest loading items in Bingham's (2005) study were included in the survey. Sample items include "maintaining a corporate culture that promotes the corporate principles." Lab and field study reliabilities for the ideological form were acceptable ( $\alpha$  = .79 for both studies).

#### **Predictor Variables**

General expectations of work. General expectations of work were measured using an adaptation of Rousseau's (2008) Psychological Contract Inventory (PCI) and Bingham's (2005) measure of ideological contracts, which were discussed earlier. Participants were asked to describe the extent to which "most organizations would make the following commitments or obligations to their employees" using a 5-point Likert scale ranging from 1 = not at all to 5 = to a great extent. In terms of the lab study, reliability for the transactional form was low ( $\alpha = .54$ ), and reliabilities for the relational ( $\alpha = .71$ ), and (b) ideological ( $\alpha = .79$ ) forms were acceptable. The field study reliabilities were consistent with those of the lab study. Reliability for the transactional form was low ( $\alpha = .65$ ), and reliabilities for relational ( $\alpha = .82$ ), and ideological ( $\alpha = .79$ ) forms were acceptable. While the reliabilities for the transactional form were low in both studies, the transactional scale is well-established and has shown consistently high reliabilities in previous research (Rousseau, 2000; Rousseau, 2008).

General beliefs about a specific employer. Cable and Yu's (2006) 16-item measure of organizational images was used to measure general beliefs about a specific employer. This measure captures that which job seekers believe to be central, distinctive and enduring about an employer. The measure captures the following four beliefs: (a) achievement-oriented, (b) benevolent, (c) open to change, and (d) traditional. Participants were asked to "rate each set of adjectives in terms of how well it describes [organization]" using a 7-point Likert scale ranging from 1 = not at all descriptive to 7 = extremely descriptive. Sample phrases include "control over others, dominance" (achievement-oriented image), and "modest, self-effacing" (traditional image). Cable and Yu (2006) reported internal consistency estimates of 0.81 (achievement-oriented), 0.77 (benevolent), (traditional), 0.77 (open to change). In the lab study, internal

consistency estimates were acceptable for each of the four dimensions: (a) achievement-oriented (.88), (b) open to change (.81), (c) traditional (.81), and (d) benevolent (.81). In terms of the field study, internal consistency estimates were also acceptable for each of the four dimensions: (a) achievement-oriented (.88), (b) open to change (.81), (c) traditional (.81), and (d) benevolent (.81).

*Perceived job attributes*. Perceived job attributes were measured using Carless and Imber's (2007) measure of job and organization characteristics. Participants were asked to rate the extent to which the information provided during recruitment indicates that the job offers (a) challenging work, (b) pay and promotion opportunities, and (c) supportive coworkers. Participants responded to 14 items using a 5-point Likert scale ranging from 1 = *strongly disagree* to 5= *strongly agree*. In terms of the lab study, reliabilities for the three dimensions were acceptable: (a) challenging work (α = .81), (b) pay and promotion opportunities (α = .83), and (c) supportive coworkers (α = .79). In terms of the field study, reliabilities for the three dimensions were acceptable: (a) challenging work (α = .81), (b) pay and promotion opportunities (α = .83), and (c) supportive coworkers (α = .79).

### **Control Variables**

Attractiveness. Attractiveness of the job opportunity is defined as general interest in an organization as an employer and probability of applying for a job with the organization (Cober, Brown, Keeping, & Levy, 2004). Individuals who find the opportunity unattractive are less likely to process information about the job and the organization due to their general disinterest (Cable & Turban, 2001). That is, if individuals are not attracted to the job opportunity or the organization, they may not be interested enough to attend to information about the organization or job attributes. Therefore, it is likely that attractiveness will influence organizational beliefs

directly, rather than strengthening or weakening the hypothesized relationships. Previous research suggests that attraction to an organization is related to perceptions of its values (Judge & Bretz, 1992). Attraction to the job and the organization was measured using Saks, Wiesner and Summers (1994) measure of job seekers' perceptions of the attractiveness of the job and organization. Participants responded to two questions: "How attractive is the job to you?" and "How attractive is the organization to you?" using a 5-point Likert scale ranging from 1 = extremely unattractive to 5 = extremely attractive. Reliabilities for this scale were acceptable (lab study  $\alpha = .78$ ; field study  $\alpha = .78$ ).

Equity benevolence. Empirical evidence suggests that equity benevolence predicts psychological contract form (Raja et al., 2004). Individuals differ in the extent to which they expect to receive certain organizational inducements (Huseman, Hatfield, & Miles, 1987). Entitled individuals expect to receive more than they give, while benevolents are comfortable giving more than they receive from the organization. Entitled individuals tend to hold transactional contracts (Raja et al., 2004). Therefore, it is reasonable to expect that equity benevolence would predict the nature of participants' general expectations of work. Equity benevolence was measured using Shore and Strauss's (2008) 5-item Equity Sensitivity Instrument. Participants were asked to "divide 10 points between the two choices (choice A and choice B) by giving the most points to the choice that is most like you and the fewest points to the choice that is least like you." Sample items include "get from the organization" vs. "give to the organization" and "benefit the organization" vs. "benefit me." A high score indicates entitlement, while a low score indicates benevolence. Reliabilities for this scale were acceptable (lab study  $\alpha = .81$ ; field study  $\alpha = .80$ ).

**Previous work experience**. Empirical evidence suggests previous work experience may influence individuals' work expectations. Individuals without full-time work experience may hold different psychological contracts because they do not have a cognitive framework for the employment relationship. Participants indicated their full-time work experience in months.

*Gender*. Because there may be gender differences in the types of psychological contracts sought, we will control for gender. Females were coded as 1 and males as 0.

Industry. Because the nature of the industry may influence individuals' expectations of that which the organization will provide (Bunderson, 2003), industry was included as a control variable. Industry, rather than organization, was used as a control variable in the lab study in order to maintain consistency between the lab and field studies. Industry control variables are based on the North American Industry Classification System (NAICS) codes. Industry variables were dummy coded as categorical variables for use in the analyses. Three industry control variables were used in the lab study: (a) professional, scientific, and technical services (Microsoft), (b) retail (Sears and Whole Foods), and (c) transportation (Southwest Airlines). Thirteen industry control variables were used in the field study: (a) manufacturing, (b) utilities, (c) retail, (d) financial and insurance, (e) real estate, (f) information, (g) professional, scientific, and technical services (h) administrative, (i) education, (j) healthcare, (k) arts, entertainment, and recreation, (l) other services, (k) public administration.

### **Analytical Procedures**

Before testing the hypothesized model using structural equation modeling, data diagnostic procedures were performed in order to test the normality of the data and identify any unusual or problematic cases (e.g., outliers, missing data). Missing data was replaced using the full information maximum likelihood (FIML). Previous research suggests FIML methods for

replacing missing data are more effective than traditional methods such as listwise or pairwise deletion (Peters & Enders, 2002).

In order to normalize full-time work experience, it was transformed by taking the square root. Factor analyses were also conducted on the specific expectations, general expectations, general organizational beliefs, and perceived job attributes scales. Some of the scales were modified based on the results. Often, researchers make modify existing scales before testing the measurement model in order to ensure that the items measure the construct. However, these modifications should be based on both theoretical and statistical factors (Anderson & Gerbing, 1988; Lance & Vandenberg, 2002). Scale modifications are discussed below.

### **Measure Evaluation**

Analytical procedures. The measures used in the study are relatively new; therefore, there is a certain degree of uncertainty regarding the factor structures of the constructs. In order to identify any problems with the measures before testing the full measurement model, we conducted exploratory factor analyses (EFAs) on each of the measures using field study data. Exploratory factor analysis using principal axis factoring with varimax rotation was used. After conducting the EFAs, restrictive factor analyses (RFAs) were performed on each of the measures using field study data. RFAs are appropriate when the researcher has identified the main items which define factors in preliminary analyses (e.g. EFA) and uses this information in subsequent factor analyses (Ferrando, Lorenzi-Sera & Virgili, 2000). When conducting RFAs, the information from the preliminary analyses guides a second factor analysis in which the number of factors and pattern of loadings of the observed variables onto the factors is specified a priori. Next, RFAs were conducted on each of the measures using lab study data. That is, the results of

the field study EFAs informed the lab study RFAs. EFAs were not conducted using lab study data.

## Results of Measure Evaluation

Psychological contract expectations of a specific employer. With respect to the field study EFA, several of the items showed high cross-loadings or did not load onto the appropriate factors. Items with loadings less than .40 and items with high cross-loadings were dropped from the analyses. The exploratory factor analysis indicated that the transactional items loaded onto two factors instead of one. These results are consistent with previous research which shows that items related to external employability often load onto a separate factor (Rousseau, 2000). Two transactional items were retained: (a) "makes no commitments to retain employees in the future," and (b) "only limited involvement in the organization." Three items were dropped from the relational dimension. When problematic items were removed, an acceptable three-factor solution emerged. Refer to Appendix F for a list of items retained and dropped.

In terms of the field study RFA, the three-factor model of psychological contract expectations of a specific organization showed acceptable fit ( $\chi^2$  = (24, N=327) = 122.2; CFI = .94; TLI = .91; RMSEA = .11; SRMR = .07) (see Table 4.2). While the RMSEA (.11) was slightly above the recommended cutoff range of .08 to .10, it is very sensitive to model complexity and should be evaluated in combination with other fit indices (Kline, 2005; MacCallum, 1993). All factor loadings were significant at p < .05 (see Table 4.1). In terms of the lab study RFA, the three-factor model of psychological contract expectations of a specific organization showed acceptable fit ( $\chi^2$  = (24, N=301) = 37.7; CFI = .98; TLI = .97; RMSEA = .05; SRMR = .03) (see Table 4.2). All factor loadings were significant at p < .05 (see Table 4.1).

Because psychological contract researchers have just begun to recognize the ideological dimension, the three factor structure was compared to a one-factor and a two-factor structure in which the ideological and relational dimensions were constrained to load onto one factor (see Table 4.2). The one factor model in which all items were constrained to load onto one factor failed to converge. The three factor model showed better fit than the two factor model in the lab study ( $\chi^2 = (26, N=301) = 122.15$ ; CFI = .88; TLI = .83; RMSEA = .12; SRMR = .07). Similarly, the three factor model showed better fit than the two factor model ( $\chi^2 = (26, N=327) = 422.53$ ; CFI = .74; TLI = .64; RMSEA = .22; SRMR = .07) in the field study. A significant chi-square difference suggests that there is a significant difference between the one- and three-factor models (see Table 4.2). Chi-square difference tests are often used to compare nested models (Steiger, Shapiro, & Browne, 1985). In sum, these results provide evidence that transactional, relational, and ideological forms are distinguishable.

General expectations of work. The results for the field study EFA of general expectations of work were similar to expectations of a specific employer. Specifically, the items loaded onto four, rather than three factors and the transactional items loaded onto two factors instead of one. Items with loadings less than .40 and items with high cross-loadings were dropped. Four transactional and three relational items were dropped. When problematic items were removed, a three-factor solution that is identical to the focal variable (psychological expectations of a specific employer) emerged.

In terms of the field study RFA, The three-factor model of general expectations of work showed acceptable fit indices ( $\chi^2 = (24, N=327) = 35.67$ ; CFI = .99; TLI = .98; RMSEA = .04; SRMR = .03) (see Table 4.4). All factor loadings were significant at p < .05 (see Table 4.3). In terms of the lab study RFA, the three-factor model of general expectations of work showed

acceptable fit indices ( $\chi^2$  = (24, N=301) = 29.93; CFI = .99; TLI = .99; RMSEA = .03; SRMR = .03) (see Table 4.4). All factor loadings were significant at p < .05 (see Table 4.3).

The three factor structure was compared to a two-factor structure in which the ideological and relational dimensions were constrained to load onto one factor (see Table 4.4). Because the ideological and relational constructs showed high a significant positive relationship (lab r=.41, p<.01; field r=.44, p<.01), the items for these constructs were constrained to load onto one factor. The one factor model in which all items were constrained to load onto one factor failed to converge. The lab study three factor model showed better fit than the two factor model ( $\chi^2$  = (26, N=301) = 101.31; CFI = .88; TLI = .84; RMSEA = .10; SRMR = .06). Similarly, the field study three factor model showed better fit than the two factor model ( $\chi^2$  = (26, N=327) = 252.04; CFI = .79; TLI = .71; RMSEA = .16; SRMR = .10). These results provide evidence that transactional, relational, and ideological forms of psychological contract expectations of a specific employer are distinguishable. The items and factor loadings are shown in Tables 4.3. A significant chisquare difference suggests that there is a significant difference between the one- and three-factor models (see Tables 4.4).

General beliefs about a specific organization. Results of the field study EFA of general beliefs about a specific organization indicated that the items load onto three, rather than four factors. Several items showed high cross-loadings or failed to load onto the intended constructs. Two items were dropped from the achievement-oriented dimension, 1 item was dropped from the open to change dimension, and 1 item was dropped from the benevolent dimension. When problematic items were removed, an acceptable four-factor solution emerged.

In terms of the field study RFAs, a four-factor model of general beliefs about a specific organization showed acceptable fit ( $\chi^2 = (48, N=327) = 149.26$ ; CFI = .96; TLI = .94; RMSEA =

.08; SRMR = .04) (see Table 4.6). All factor loadings were significant at p < .05 (see Table 4.5). In terms of the lab study RFA, a four-factor model of general beliefs about a specific organization showed acceptable fit ( $\chi^2$  = (48, N=301) = 119.86; CFI = .96; TLI = .95; RMSEA = .08; SRMR = .05) (see Table 4.6). All factor loadings were significant at p < .05 (see Tables 4.5).

Furthermore, the lab study four-factor structure showed better fit than a one-factor structure ( $\chi^2$  = (54, N=301) = 614.64; CFI = .69; TLI = .62; RMSEA = .20; SRMR = .11) (see Table 4.6). Similarly, the field study four-factor structure showed better fit than a one-factor structure ( $\chi^2$  = (54, N=327) = 628.33; CFI = .76; TLI = .70; RMSEA = .18; SRMR = .09) (see Table 4.6). A significant chi-square difference suggests that there is a significant difference between the one- and four-factor models (see Table 4.6).

**Perceived job attributes**. The results of the field study EFA of perceived job attributes indicated that the items loaded onto three factors. However 1 item ("enjoyable type of work") failed to load onto the challenging work factor and was therefore dropped. When problematic items were removed, an acceptable three-factor solution emerged.

In terms of the field study RFA, the resulting factor structure showed acceptable fit ( $\chi^2$  = (41, N=327) = 129.28; CFI = .96; TLI = .94; RMSEA = .08; SRMR = .08) (see Table 4.8). All factor loadings were significant at p < .05 (see Table 4.7). The lab study RFA also showed acceptable fit ( $\chi^2$  = (41, N=301) = 86.86; CFI = .96; TLI = .95; RMSEA = .07; SRMR = .05) (see Table 4.8). All factor loadings were significant at p < .05 (see Table 4.7).

The lab study three-factor structure showed better fit than a one-factor structure ( $\chi^2 = (44, N=301) = 351.70$ ; CFI = .74; TLI = .68; RMSEA = .16; SRMR = .09). Similarly, the field study three-factor structure showed better fit than a one-factor structure ( $\chi^2 = (44, N=327) = 668.79$ ; CFI = .70; TLI = .62; RMSEA = .21; SRMR = .10). A significant chi-square difference suggests

that there is a significant difference between the one- and four-factor models (see Table 4.8).

### Test of Measurement and Structural Model

After evaluating each of the measures used, a full measurement model was examined. This model included all latent and observed variables, and error and disturbance terms. Running the measurement model enabled us to examine the relationships between observed and latent variables when all of the constructs are entered into the model. Testing a measurement model before testing the structural model allows the researcher to observe the relationships between the latent construct and the underlying observed variables before examining relationships between latent constructs in the structural model. It is necessary to establish that the measurement model is valid before evaluating the structural model (Schumacker & Lomax, 1996). Therefore, a two-step approach, in which the measurement model is estimated and respecified before estimating the structural model is recommended (Anderson & Gerbing, 1988; James, Mulaik & Brett, 1982).

The hypothesized structural model was tested using structural equation modeling. In order to test structural equation models which are complex, single indicator approaches are often used (e.g., Carlson & Kacmar, 2000). Therefore, a single indicator is created for each latent variable by averaging the items for that latent variable. Because it is important to correct for random measurement error in single-indicator models (Kline, 2005), we fixed the error variance of each indicator to the variance of the scale multiplied by 1 minus the reliability. The loading of the indicator variable onto the latent variable was fixed to the square root of the scale's reliability (Bollen, 1989; Williams & Hazer, 1986).

In order to assess the fit of the measurement and structural models, I examined the chi-square fit index ( $\chi^2$ ), Comparative Fit Index (CFI; Bentler, 1990), Tucker-Lewis Index (TLI; Tucker &

Lewis, 1973), Root Mean Square Error of Approximation (RMSEA; Stegier, 1990), and the standardized root mean residual (SRMR). The chi-square test assesses absolute model fit by comparing the model covariance matrix to the observed covariance matrix. A significant chisquare value indicates poor fit. The chi-square test is sensitive to sample size in that small differences between the observed and the model estimated covariance matrices may become larger with large sample sizes. As such, chi-square is often significant (indicating poor fit) when other indices indicate good fit. Due to its sensitivity to sample size, researchers often evaluate fit by examining the ratio of chi-square to the number of degrees of freedom. A ratio greater than 2-3 indicates acceptable fit (Byrne, 1998). The CFI is derived by comparing the independence model with the hypothesized model (Byrne, 1998). Both the CFI and TLI are not as sensitive to sample size as other fit indices. CFI and TLI values greater than .90 indicate acceptable model fit (Bentler, 1992). RMSEA estimates the difference between values estimated in the hypothesized model and values in the actual population (Brown & Cudeck, 1993). RMSEA values between .08 to .10 indicate acceptable errors of approximation (and hence acceptable fit), while values greater than .10 indicate unacceptable errors of approximation (and hence poor fit) (MacCallum, Browne, & Sugawara, 1996). The SRMR is more sensitive to model misspecification than other fit indices. SRMR values between .06 and .08 indicate acceptable model fit, while values above .08 indicate poor fit (Hu & Bentler, 1999).

### **Inclusion of Control Variables**

*Lab study*. Originally, data for several control variables was collected, but only two industry control variables were significantly correlated with the variables in the hypothesized model. Specifically, the professional, scientific and technical services industry (Microsoft), and the transportation industry (SouthWest Airlines) were significantly correlated with the predictor

variables. Including all of the control variables in the model may reduce power (Becker, 2005), so only those control variables which are likely to influence hypothesized relationships were included in the model. Professional, scientific and technical services and transportation were regressed on psychological contract expectations of a specific organization and perceived job attributes and correlated with general expectations of work and general beliefs about a specific organization.

*Field study*. Attractiveness and equity benevolence were significantly correlated with variables in the model and were therefore entered into the model as control variables. Additionally, the following industry control variables were significantly correlated with variables in the model: (a) manufacturing, (b) retail, (c) information, (d) professional, scientific, and technical services, (e) arts, entertainment and recreation, (f) other services, (g) public administration. Each control variable was regressed on psychological contract expectations of a specific organization and perceived job attributes and correlated with general expectations of work and general beliefs about a specific organization.

TABLE 4.1
Restrictive Factor Analysis of Psychological Contract Expectations of a Specific Organization

Transactional	Lab Study Standardized Loadings <sup>a</sup>	Field Study Standardized Loadings <sup>b</sup>
1. Makes no commitments to retain employees in the future	.80	.73
2. Only limited involvement in the organization	.73	.88
Relational		
1. Make decisions with employees' interests in mind	.65	.44
2. Stable benefits for employees' families	.73	.94
3. Advancement within the firm	.69	.93
Ideological		
1. Organization's willingness to commit resources toward advancing	.74	.78
the organization's stated cause		
2. Opportunities to become involved in the organization's cause	.90	.89
3. Opportunities to act as a public advocate of the organization's espoused cause	.68	.78
4. Maintaining a corporate culture that promotes the corporate principles	.71	.76

All factor loadings are significant at p < .05.

 $<sup>^{</sup>a}$  N = 301. The factor covariance between transactional and relational forms is -.18; the factor covariance between transactional and ideological forms is -.18; the factor covariance between relational and ideological forms is .61.

 $<sup>^{</sup>b}$  N = 327. All The factor covariance between transactional and relational forms is -0.24; the factor covariance between transactional and ideological forms is -0.28; the factor covariance between relational and ideological forms is 0.60.

TABLE 4.2 Comparison of Factor Structures of Psychological Contract Expectations of a Specific Organization

## Lab Study<sup>a</sup>

Structure	$\chi^2$	df	$\Delta \chi^2$	CFI	TLI	RMSEA	SRMR
2-factor	122.15	26		.88	.83	12	.07
3-factor	37.70	24	84.45*	.98	.97	.05	.03

# Field Study<sup>b</sup>

Structure	$\chi^2$	df	$\Delta \chi^2$	CFI	TLI	RMSEA	SRMR
2-factor	442.53*	26		.74	.64	.22	.07
3-factor	122.2	24	320.33*	.94	.91	.11	.07

<sup>\*</sup>p < .01. CFI=comparative fit index; TLI=Tucker-Lewis index;

RMSEA=root mean square error of approximation; SRMR=standardized root mean square residual.

Note: A one-factor structure failed to converge.

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 $<sup>^{</sup>a} N = 301.$ 

 $<sup>^{</sup>b} N = 327.$ 

TABLE 4.3
Restrictive Factor Analysis of General Psychological Contract Expectations

Transactional	Lab Study Standardized Loadings <sup>a</sup>	Field Study Standardized Loadings <sup>b</sup>
1. Makes no commitments to retain employees in the future	.74	.74
2. Only limited involvement in the organization	.51	.66
Relational		
1. Make decisions with employees' interests in mind	.65	.58
2. Stable benefits for employees' families	.72	.96
3. Advancement within the firm	.66	.86
Ideological		
1. Organization's willingness to commit resources toward advancing the organization's stated cause	.63	.69
2. Opportunities to become involved in the organization's cause	.78	.78
3. Opportunities to act as a public advocate of the organization's espoused cause	.73	.60
4. Maintaining a corporate culture that promotes the corporate principles	.56	.73

All factor loadings are significant at p < .05.

<sup>&</sup>lt;sup>a</sup> N = 301. The factor covariance between transactional and relational forms is -.40; the factor covariance between transactional and ideological forms is -.33; the factor covariance between relational and ideological forms is .64.

 $<sup>^{\</sup>rm b}$  N=327. The factor covariance between transactional and relational forms is -.38; the factor covariance between transactional and ideological forms is -.39; the factor covariance between relational and ideological forms is .57.

TABLE 4.4 Comparison of General Psychological Contract Expectation Factor Structures

## Lab Study<sup>a</sup>

Structure	χ²	df	$\Delta \chi^2$	CFI	TLI	RMSEA	SRMR
2-factor	101.31*	26		.88	.84	.10	.06
3-factor	29.93	24	71.38*	.99	.99	.03	.03

# Field Study<sup>b</sup>

Structure	$\chi^2$	df	$\Delta \chi^2$	CFI	TLI	RMSEA	SRMR
2-factor	252.04*	26		.79	.71	.16	.10
3-factor	35.67	24	216.37*	.99	.98	.04	.03

<sup>\*</sup>p < .01. CFI=comparative fit index; TLI=Tucker-Lewis index; RMSEA=root mean square error of approximation; SRMR=standardized root mean square residual.

Note: A one-factor structure failed to converge.

<sup>&</sup>lt;sup>a</sup> N = 301.

 $<sup>^{</sup>b} N = 327.$ 

TABLE 4.5
Restrictive Factor Analysis of General Beliefs about a Specific Organization

Achievement-Oriented	Lab Study Standardized Loadings <sup>a</sup>	Field Study Standardized Loadings <sup>b</sup>
1. Successful: Achieving goals	.84	.83
2. Capable: Competent, effective, efficient	.94	.93
Open to Change		
1. Interesting: Challenge, novelty, change	.87	.92
2. Exciting: Stimulating	.89	.81
3. Self-directing: Selecting own purposes	.57	.51
Traditional		
1. Accepting: submitting to circumstances	.69	.73
2. Humble: Modest, self-effacing	.77	.65
3. Respectful: Showing respect	.86	.90
4. Polite: courteous, good manners	.86	.85
Benevolent		
1. Equality: Equal opportunity for all	.70	.74
2. Honest: Genuine, sincere	.84	.88
3. Responsible: Dependable, reliable	.76	.86

All factor loadings are significant at p < .05.

 $<sup>^{</sup>a}$  N = 301. Factor covariance between Achievement and Open is .68; factor covariance between Benevolent and Achievement is .61; factor covariance between Benevolent and Open is .45; factor covariance between Traditional and Achievement is .53; factor covariance between Traditional and Open is .41; factor covariance between Traditional and Benevolent is .90.

 $<sup>^{</sup>b}$  N = 327. Factor covariance between Achievement and Open is 0.76; factor covariance between Benevolent and Achievement is .66; factor covariance between Benevolent and Open is .64; factor covariance between Traditional and Achievement is .53; factor covariance between Traditional and Open is .61; factor covariance between Traditional and Benevolent is .88.

**TABLE 4.6** Comparison of Factor Structures of General Beliefs about a Specific Organization

## Lab Study<sup>a</sup>

Structure	$\chi^2$	df	$\Delta \chi^2$	CFI	TLI	RMSEA	SRMR
1-factor	614.64*	54		.69	.62	.20	.11
4-factor	119.86*	48	494.78*	.96	.95	.08	.05

# Field Study<sup>b</sup>

Structure	$\chi^2$	df	$\Delta \chi^2$	CFI	TLI	RMSEA	SRMR
1-factor	628.33*	54		.76	.70	.18	.09
4-factor	149.26	48	479.07*	.96	.94	.08	.04

<sup>\*</sup>p < .01. CFI=comparative fit index; TLI=Tucker-Lewis index;

RMSEA=root mean square error of approximation; SRMR=standardized root mean square residual.  $^{a}$  N = 301.

 $<sup>^{</sup>b} N = 327.$ 

TABLE 4.7 Restrictive Factor Analysis of Perceived Job Attributes

Challenging Work	Lab Study Standardized Loadings <sup>a</sup>	Field Study Standardized Loadings <sup>b</sup>
1. Challenging and interesting work	.77	.84
2. Opportunities to use abilities	.85	.85
3. Opportunity to learn	.72	.83
4. Variety of activities	.56	.73
Pay and Promotional Opportunities		60
1. Opportunity for rapid advancement	.66	.69
2. Good salary	.83	.80
3. Good fringe benefits	.76	.83
4. Prestigious job title	.75	.76
Supportive Coworkers		
1. Competent and sociable coworkers	.71	.79
2. Warm friendly coworkers	.73	.84
3. Coworkers who support my development	.80	.86

 $<sup>^{</sup>a}$  N = 301. All factor loadings are significant at p < .05. The factor covariance between Supportive Coworkers and Challenging Work is .51; the factor covariance between Pay and Promotional Opportunities and Challenging Work is .70; the factor covariance between Pay and Promotional Opportunities and Supportive Coworkers is .45.

 $<sup>^{\</sup>rm b}$  N = 327. All factor loadings are significant at p < .05. The factor covariance between Supportive Coworkers and Challenging Work is .62; the factor covariance between Pay and Promotional Opportunities and Challenging Work is .58; the factor covariance between Pay and Promotional Opportunities and Supportive Coworkers is .55.

TABLE 4.8 Comparison of Perceived Job Attributes Factor Structures

Lab Study<sup>a</sup>

Structure	$\chi^2$	df	$\Delta \chi^2$	CFI	TLI	RMSEA	SRMR
1-factor	351.70*	44		.74	.68	.16	.09
3-factor	86.86*	41	264.84*	.96	.95	.07	.05

# Field Study<sup>b</sup>

Structure	$\chi^2$	df	$\Delta \chi^2$	CFI	TLI	RMSEA	SRMR
1-factor	668.79*	44		.70	.62	.21	.10
3-factor	129.28	41	539.51*	.96	.94	.08	.05

<sup>&</sup>lt;sup>a</sup> N = 301. \*p < .01. CFI=comparative fit index; TLI=Tucker-Lewis index;

RMSEA=root mean square error of approximation; SRMR=standardized root mean square residual.

RMSEA=root mean square error of approximation; SRMR=standardized root mean square residual.

<sup>&</sup>lt;sup>b</sup> N = 327. \*p < .01. CFI=comparative fit index; TLI=Tucker-Lewis index;

### **CHAPTER V**

### **RESULTS**

Descriptive statistics including correlations among variables, means, standard deviations and reliabilities are provided in Tables 5.1 and 5.2.

### **Test of the Measurement Model**

Measurement model results are shown in Tables 5.3 and 5.4. Overall, there were 41 factor loadings for the 13 latent variables. Results of the measurement model, along with the separate RFAs on each construct suggest that the constructs show discriminant and convergent validity. Although the lab study measurement model showed a significant chi-square ( $\chi^2(701)$ ) = 975.58, p = 0.00), other fit indices for the lab study model suggest that the measurement model is acceptable. The CFI and TLI (.94 and .93, respectively) were above the recommended cutoff value of .90. RMSEA (.05) was below the recommended cutoff range of .08 to .10, and SRMR (.05) was below the recommended cutoff range of .06 to .08. In addition, all factor loadings were significant at p < .05, and the parameter estimates were acceptable (i.e., there were no negative variances, or factor correlations greater than 1.00) (Lance & Vandenberg, 2002).

The field study measurement model also showed a significant chi-square ( $\chi^2(701)$ ) = 1333.18, p = 0.00). Other fit indicated that the measurement model is acceptable. The CFI (.92) and TLI (.93) were above the recommended cutoff value of .90. RMSEA (.05) was below the recommended cutoff range of .08 to .10, and SRMR (.05) was below the recommended cutoff range of .06 to .08. In addition, all factor loadings were significant at p < .05, and the parameter estimates were acceptable (i.e., there were no negative variances, or factor correlations greater than 1.00) (Lance & Vandenberg, 2002).

### **Test of the Structural Model**

Lab study. The hypothesized model was tested with and without control variables. The model without control variables showed acceptable fit ( $\chi^2(28)$ =59.01, p=0.0; CFI=.96; TLI=.91; RMSEA=.06; SRMR=.04). When the control variables (attractiveness, equity benevolence) were entered, only one relationship became nonsignificant: the relationship between traditional beliefs and pay and promotion opportunities.. Furthermore, the model without control variables showed a significant positive relationship between achievement beliefs and pay and promotional opportunities ( $\beta$ =.21. t=2.81).

Most of the fit indices for the lab study model with control variables indicated good fit. Fit indices are provided in Table 5.3. Although the chi-square was significant, the ratio of the chi-square to the number of degrees of freedom was greater than 2 ( $\chi^2$ /df = 3.4), indicating good fit. The CFI (.93) was above the recommended cutoff of 0.90, but the TLI (0.74) was less than the recommended cutoff. TLI values are sensitive to model complexity; therefore, complex models often show lower values than other fit indices (Kline, 2005). RMSEA (.09) was within the recommended range of .08 to .10, and SRMR (.05) was well below the recommended value of .06 to .08.

*Field study*. The field study model was also tested with and without control variables. The model without control variables showed acceptable fit ( $\chi^2(28)$ =119.86, p=0.0; CFI=.94; TLI=.83; RMSEA=.10; SRMR=.04). When the control variables (attractiveness, equity benevolence, industry) were entered, the relationship between challenging work and pay and promotions became nonsignificant. That is, the model without control variables showed a significant positive relationship between challenging work and pay and promotions (β=.20, t=2.61).

Overall, most of the fit indices for the field study model with control variables indicated good fit. Fit indices are provided in Table 5.4. Although the chi-square was significant, the ratio of the chi-square to the number of degrees of freedom was greater than 2 ( $\chi^2/df = 2.9$ ), indicating good fit. The CFI (.93) was above the recommended cutoff of 0.90, but the TLI (0.80) was less than the recommended cutoff. TLI values are sensitive to model complexity; therefore, complex models often show lower values than other fit indices (Kline, 2005). RMSEA (.08) was below the recommended value of .08, and SRMR (.04) was well below the recommended value of .06.

### **Comparisons with Alternative Models**

It is recommended that alternative theory-driven structural models be tested in addition to testing the hypothesized structural model (James, Muliak & Brett, 1982). While a structural model may show acceptable fit indices, there may be a number of statistically equivalent or better structural models using the same constructs (Vandenberg & Grelle, 2009). The purpose of testing alternative models is to provide evidence that the hypothesized model is better than other conceptually plausible structural models. Therefore, testing theory-based alternative models is necessary before the author can accept the hypothesized model.

Two conceptually plausible alternative models were specified and tested. Results are presented in Tables 5.3 and 5.4. Alternative model A suggests that an individual's general orientation toward work (i.e., general expectations) influences the way s/he processes information about the job *and* the organization (see Figure 5.4). For example, an individual who has worked for cause-based organizations may believe that most organizations (including the specific employer) value helping others. This model is conceptually plausible because empirical findings on cognitive schemas suggests that individuals attend to information which is consistent with their existing schemas (Crocker, Fiske, & Taylor, 1984, Horowitz, 1988; Stein, 1992). The

model suggests that specific psychological contract expectations are inferred from general organizational beliefs and perceptions of job attributes. In terms of the lab study, results indicate that the hypothesized model (the model with fewer degrees of freedom) has better fit than Alternative model A ( $\chi^{2\text{diff}}(21) = 544.84 \text{ p} < .05$ ) (see Table 5.3). In terms of the field study, the hypothesized model (model with fewer degrees of freedom) shows better fit than Alternative model A ( $\chi^{2\text{diff}}(21) = 528.63$ , p < .05) (see Table 5.4).

A second alternative model (Alternative model B) was specified and tested. Alternative model B suggests that general expectations of work and perceived job attributes influence an individual's general beliefs about an organization (see Figure 5.5). General beliefs, in turn, influence an individual's psychological contract expectations of a specific organization. This model is conceptually plausible because, as discussed earlier, job seekers who are not familiar with an organization will rely on their general expectations of work when assessing the organization. Furthermore, they may rely on specific job information (Rousseau, 1995; Rousseau, 2001). Specific job information may be available before general information about the organization, particularly for smaller, lesser-known organizations. For example, a job seeker who reads a sales representative job posting which states that the organization is looking for "individuals with excellent communication skills who can work in a friendly, team-based environment" may assume that the organization values relationships. Job seekers who have access to specific information about the job but not the organization may make inferences about the organization's values based on specific job information. Lab study results indicate that the hypothesized model (the model with fewer degrees of freedom) shows better fit than Alternative model B ( $\chi^{2\text{diff}}(13) = 401.9 \text{ p} < .01$ ) (see Table 5.3). In terms of the field study, the hypothesized

model (model with fewer degrees of freedom) shows better fit than Alternative model B ( $\chi^{2\text{diff}}$  (13) = 367.00, p < .01) (see Table 5.4).

## **Tests of Hypotheses**

Lab study results are shown in Table 5.5 and depicted in Figure 5.1. Field study results are shown in Table 5.6 and depicted in Figure 5.2. A summary of the results of the hypothesis tests across the lab and field studies is presented in Table 5.8 and depicted in Figure 5.3. Overall, we found support for 13 hypotheses. The set of hypotheses which suggest that general expectations of work predict expectations of a specific employer (H1a, H1b, H1c) were fully supported across both studies. Specifically, job seekers holding general transactional expectations also held transactional expectations of a specific employer (H1a lab  $\beta$ =.21, t=2.03; field  $\beta$ =.54, t=7.12). General relational expectations were positively associated with relational expectations of a specific employer (H1b lab  $\beta$ =.17, t=2.20; field  $\beta$ =.18, t=3.19), and general ideological expectations were positively associated with ideological expectations of a specific employer (H1c lab  $\beta$ =.21, t=3.23; field  $\beta$ =.21, t=3.82). These results suggest that the nature of general expectations that individuals hold before they begin the job search determine the nature

The set of hypotheses suggesting that job seekers' general expectations of work influence how they view job attributes associated with employment opportunities (H2a, H2b, H3a, H3b, H3c, H4) received minimal support. General transactional expectations did not predict challenging work or pay and promotional opportunities in either study, thus failing to provide support for hypotheses 2a and 2b. Furthermore, hypothesis 3a, which suggested that general relational expectations will predict challenging work, was not supported in either study. General relational expectations were positively associated with pay and promotional opportunities (H3b;

 $\beta$ =.15, t=2.29), and supportive coworkers (H3c;  $\beta$ =.20, t=3.02) in the field study, thus providing support for hypotheses 3b and 3c. However, these hypotheses (3b and 3c) were not supported in the lab study. Lastly, hypothesis 4, which suggested that general ideological expectations will predict supportive coworkers, was not supported in either study.

The set of hypotheses suggesting that general beliefs about an organization will influence job seekers' expectations of that organization (H5, H6, H7, H8a, H8b) received partial support. Hypothesis 5, which suggested that achievement-oriented beliefs will predict transactional expectations of a specific organization was not supported in either study. The hypothesis suggesting that individuals who believe that the organization is open to change (H6) will hold specific ideological expectations, were supported across both studies (H6 lab  $\beta$ =.35, t=3.58; H field  $\beta$ =.24, t=2.74). Hypotheses 7 and 8a, suggesting that traditional and benevolent beliefs would predict relational expectations of a specific organization, respectively, were not supported in either study. The hypothesis suggesting that individuals who believe that the organization is benevolent will hold specific ideological expectations (H8b) was supported across both studies (H8b lab  $\beta$ =.26, t=2.89; H8b field  $\beta$ =.31, t=3.88).

The set of hypotheses suggesting that job seekers' general organizational beliefs will influence the way that they see job opportunities (H9a, H9b, H10, H11, H12a, H12b) received partial support. Hypotheses 9a, which suggests that achievement-oriented beliefs will predict challenging work did not receive support in either study. Field study participants who believed that the organization is achievement-oriented believed that the job would offer high pay and promotional opportunities ( $\beta$ =.23, t=2.79), thus providing support for hypothesis 9b. This hypothesis was not supported in the lab study. Benevolent beliefs were positively associated with perceptions that the job offers supportive coworkers in the lab study (H10  $\beta$ =.65, t=2.52), but not

in the field study. Across both studies, individuals who believed that the organization was open to change believed that the job would offer challenging work (H11 lab  $\beta$ =.56., t=4.83; field  $\beta$ =.47, t=5.03). Furthermore, traditional beliefs were associated with perceptions that the job offers pay and promotional opportunities in the lab study (H12a = $\beta$ .16; t=2.23) and supportive coworkers in the field study (H12b  $\beta$ =.70; t=4.32). However, hypothesis 12a was not supported in the field study and hypothesis 12b was not supported in the lab study. The hypothesis that perceptions of challenging work will predict pay and promotional opportunities (H13) received support in the lab study ( $\beta$ =.50; t=7.03), but not the field study.

The final set of hypotheses which suggest that job seekers' perceptions of job attributes will influence their employment relationship expectations (H14, H15, H16, H17, H18), received minimal support. Hypothesis 14 and 15, which suggested that challenging work will predict transactional expectations of a specific organization, respectively did not receive support in either study. Hypothesis 16, which suggested that pay and promotional opportunities would predict transactional expectations of a specific organization also did not receive support in either study. Hypothesis 17, which suggests that perceptions that the job offers pay and promotional opportunities will be positively associated with relational expectations, was supported across both studies (lab  $\beta$ =.40, t=3.49; field = $\beta$ .44, t=6.60). Lastly, hypothesis 18, which suggested that supportive coworkers would predict relational expectations of a specific organization was not supported in either study. Chapter 6 will discuss the theoretical significance of these findings.

TABLE 5.1

	Descrip	tive Statis	tics and C	orrelations	s among L	ab Study	Variables <sup>a</sup>	1		
	1	2	3	4	5	6	7	8	9	10
1. Gen Transactional Expect	(0.54)									
2. Gen Relational Expect	24**	(0.71)								
3. Gen Ideological Expect	22**	.41**	(0.79)							
4. Achievement Beliefs	05	.05	.12	(0.88)						
5. Open to Change Beliefs	03	.02	.05	.59**	(0.81)					
6. Traditional Beliefs	.00	.06	.00	.45**	.37**	(0.87)				
7. Benevolent Beliefs	09	.05	.11	.48**	.40**	.72**	(0.81)			
8. Challenging Work	17	.10*	.17*	.31**	.42**	.17**	.23**	(0.81)		
9. Pay and Promo Opp	14	.04	01	.38**	.40**	.26**	.26**	.53**	(0.83)	
10. Supportive Coworkers	10	.10	.17**	.24**	.26**	.23**	.29**	.30**	.30**	(0.79)
11. Transactional Expect	.12**	06	14	03	08	01	04	09	.04	01
12. Relational Expect	.03	.16**	.03	.29**	.40**	.33**	.32**	.28**	.41**	.21**
13. Ideological Expect	09	.10	.21**	.35**	.41**	.29**	.35**	.38**	.30**	.24**
14. Attractiveness	04	04	10	.19**	.44**	.45**	.21**	.29**	.25**	.22**
15. Equity Benevolence	.03	.20**	.22**	.11	.08	03	.03	.10	26	.06
16. Square root of FT work	.13*	07	04	03	.00	07	.03	.01	.05	07
experience (mos)										
17. Gender (Female=1)	10	.01	.06	.07	06	07	06	.06	.01	03
18. Professional Services	.02	06	06	.30**	.32**	03	02	.23**	.37**	09
19. Retail	01	03	.04	24**	26**	.08	.17**	21**	26**	.01
20. Transportation	02	.11*	.02	03	02	07	19**	.02	08	.09
Mean	2.70	3.49	3.85	3.76	3.08	3.38	3.51	3.94	3.50	3.43
Standard Deviation	.83	.74	.70	.92	1.00	.94	.93	.70	.77	.66

<sup>&</sup>lt;sup>a</sup> N = 301; alpha reliabilities are given in parentheses along the diagonal. \*p < .05 \*\*p < .01

**TABLE 5.1 continued** Descriptive Statistics and Correlations among Lab Study Variables<sup>a</sup>

	Descrip	Descriptive Statistics and Correlations among Lab Study Variables"								
	11	12	13	14	15	16	17	18	19	20
1. Gen Transactional Expect										
2. Gen Relational Expect										
3. Gen Ideological Expect										
4. Achievement Beliefs										
5. Open to Change Beliefs										
6. Traditional Beliefs										
7. Benevolent Beliefs										
8. Challenging Work										
9. Pay and Promo Opp										
10. Supportive Coworkers										
11. Transactional Expect	(.74)									
12. Relational Expect	13*	(0.73)								
13. Ideological Expect	15*	.46**	(.84)							
14. Attractiveness	13	.18**	.17**	(.78)						
15. Equity Benevolence	.04	.07	.15**	04	(.81)					
16. Square root of work	.11	01	.01	03	.11	-				
Experience (mos)										
17. Gender	06	07	.01	05	.09	17**	-			
18. Professional Services	.18**	.12	.02	.22**	02	.09	.00	-		
19. Retail	02	03	07	21**	02	03	01	64	-	
20. Transportation	17**	10	.07	.02	.05	05	.01	30	54	-
Mean	2.68	3.33	3.77	3.08	4.96	1.79	.38	.26	.54	.20
Standard Deviation	.98	.80	.75	1.09	1.16	2.65		.44	.50	.40

<sup>&</sup>lt;sup>a</sup> N = 301; alpha reliabilities are given in parentheses along the diagonal. \*p < .05 \*\*p < .01

**TABLE 5.2** Descriptive Statistics and Correlations among Field Study Variables<sup>a</sup>

			-												
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Gen Transactional Expect	(.65)														
2. Gen Relational Expect	30**	(.82)													
3. Gen Ideological Expect	24**	.44**	(.79)												
4. Achievement Beliefs	09*	.20**	.21**	(.85)											
5. Open to Change Beliefs	08	.19**	.14**	.59**	(.78)										
6. Traditional Beliefs	18**	.21**	.16**	.43**	.49**	(.84)									
7. Benevolent Beliefs	14**	.25**	.19**	.56**	.52**	.75**	(.85)								
8. Challenging Work	15**	. 24**	.22**	.49**	.56**	.42**	.49**	(.88)							
9. Pay and Promo Opportunities	16**	.25**	.15**	.38**	.38**	.32**	.33**	.41**	(.85)						
10. Supportive Coworkers	25**	.29**	.19**	.33**	.42**	.60**	.53**	.47**	.43**	(.87)					
11. Transactional Expect	.41**	14**	12**	09**	09*	16**	27**	16**	21**	29**	(.79)				
12. Relational Expect	20**	.30**	.25**	.38**	.38**	.45**	.42**	.43**	.62**	.45**	24**	(.80)			
13. Ideological Expect	20**	.17**	.31**	.45**	.45**	.52**	.51**	.49**	.48**	.40**	20**	.57**	(.87)		
14. Attractiveness	17**	.18**	.21**	.57**	.51**	.48**	.48**	.57**	.45**	.46**	14**	.48**	.49**	(.78)	
15. Equity Benevolence	12**	.06**	.04	.10	.03	.20**	.22**	.13**	.00	.12**	20**	.05	.18**	.12*	(.80)
16. Square root of FT work experience (mos)	.16**	04	08	04	.06	03	.00	06	.01	12*	.06	02	05	04	03
17. Gender (Female=1)	09	.02	.07	.06	.04	.03	.04	.06	08	.10	10	03	.05	.01	.20**
18. Manufacturing	07	.03	01	.10	.01	.03	.05	02	.06	.14	.02	.14	.00	.00	01
19. Utilities	01	.01	.02	.10	.09	.03	.06	.11	.07	.05	03	.07	.02	.10	02
20. Retail	.01	01	.07	.00	03	08	06	04	11	04	01	09	12*	08	03
21. Financial	.02	05	.06	.01	06	04	06	.03	.03	12	.05	.04	.05	.02	04
22. Real Estate	04	01	.01	05	11*	05	10	05	07	01	05	05	08	.00	.05
23. Information	07	.13*	.08	.09	.14*	.15*	.12*	.09	.03	.13*	.03	.19**	.14*	.13	.04
24. Professional Services	.01	.01	.02	.07	.03	.01	.05	.10	.21**	.05	02	.11*	.02	.08	09

<sup>&</sup>lt;sup>a</sup> N = 327; alpha reliabilities are given in parentheses along the diagonal. \*p < .05 \*\*p < .01

**TABLE 5.2 continued** 

Descriptive Statistics and Correlations among Field Study Variables<sup>a</sup>

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
25. Administrative	12	.07	.05	.02	02	02	.04	.04	02	.12	11	09	04	02	07
26. Education	06	.03	01	.00	01	.10*	.04	.06	05	.06	10	08	.05	.02	.14*
27. Healthcare	.00	.06	10	03	.02	.05	.01	.00	03	.03	.05	.01	.03	01	.09
28. Arts/Entertainment	.02	.04	02	04	04	.00	.01	06	14*	.07	05	20**	07	02	02
29. Other Service	.02	06	07	.00	.11	.01	.02	.03	12*	05	.01	11*	.01	.01	.06
30. Public Admin	.01	01	03	.06	.09	.06	.15**	.08	.03	06	.00	.04	.17**	.02	.07
Mean	2.74	3.76	3.91	4.15	3.71	3.78	3.93	4.38	3.71	4.04	2.62	3.84	4.06	4.32	5.38
Standard Deviation	.96	.80	.72	.91	.95	.91	.94	.76	.93	.78	1.19	.92	.87	.75	1.33

<sup>&</sup>lt;sup>a</sup> N = 327; alpha reliabilities are given in parentheses along the diagonal. \*p<.05 \*\*p<.01

**TABLE 5.2 continued** Descriptive Statistics and Correlations among Field Study Variables<sup>a</sup>

	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Gen Transactional Expect     Gen Relational Expect														
Gen Ideological Expect														
4. Achievement Beliefs														
5. Open to Change Beliefs														
<ul><li>6. Traditional Beliefs</li><li>7. Benevolent Beliefs</li><li>8. Challenging Work</li><li>9. Pay and Promo Opp</li><li>10. Supportive Coworkers</li><li>11. Transactional Expect</li></ul>														
12. Relational Expect														
<ul><li>13. Ideological Expect</li><li>14. Attractiveness</li><li>15. Equity Benevolence</li></ul>														
16. Square root of work experience (mos) 17. Gender	- 16**	-												
18. Manufacturing	04	07	-											
19. Utilities	01	.08	03	-										
20. Retail	09	.14*	07	04	-									
21. Financial	02	.16**	09	05	09	-								
22. Real Estate	07	.02	02	01	03	03	-							
23. Information	.01	.10	07	04	08	10	03	-						
24. Professional Services	08	06	11*	06	.12*	15**	04	13*	-					

<sup>&</sup>lt;sup>a</sup> N = 327; alpha reliabilities are given in parentheses along the diagonal. \*p < .05 \*\*p < .01

**TABLE 5.2 continued** Descriptive Statistics and Correlations among Field Study Variables<sup>a</sup>

	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
25. Administrative	07	.11*	03	02	03	04	01	04	06	-					
26. Education	04	.07	07	04	08	10	03	09	13*	04	-				
27. Healthcare	03	.03	05	03	05	06	02	06	08	02	05	-			
28. Arts/Entertainment	01	.02	05	03	06	07	02	06	09	03	06	04	-		
29. Other Service	.05	.01	05	03	05	07	02	06	09	02	06	04	04	-	
30. Public Admin	.13*	06	06	03	07	08	02	07	11	03	07	05	05	05	-
Mean	2.53	.56	.06	.02	.07	.10	.01	.08	.16	.02	.06	.03	.04	.04	.06
Standard Deviation	3.57	.50	.23	.13	.25	.30	.09	.27	.37	.12	.26	.18	.19	.19	.23

<sup>&</sup>lt;sup>a</sup> N = 327; alpha reliabilities are given in parentheses along the diagonal. \*p < .05 \*\*p < .01

TABLE 5.3 Lab Study: Goodness of Fit Indices for Tested Models<sup>a</sup>

Model	$\chi^2$	df	CFI	TLI	RMSEA	SRMR
Measurement Model	975.58*	701	.94	.93	.04	.05
Structural Model	98.84*	29	.93	.74	.09	.05
Alternative A	645.49*	53	.39	20	.19	.16
Alternative B	502.55*	45	.53	09	.18	.15
Model Comparison	$\Delta\chi^2$	Δdf	Sig			
Structural vs. Alternative A	546.65	24	< .01			
Structural vs. Alternative B	403.71	16	< .01			

<sup>&</sup>lt;sup>a</sup> *N* = 301. CFI=comparative fit index; TLI=Tucker-Lewis index;

RMSEA=root mean square error of approximation; SRMR=standardized root mean square residual.

TABLE 5.4
Field Study: Goodness of Fit Indices for Tested Models<sup>a</sup>

Model	$\chi^2$	df	CFI	TLI	RMSEA	SRMR
Measurement Model	1333.18*	701	.92	.91	.05	.05
Structural Model	185.76*	64	.93	.80	.03	.03
Alternative A	715.33*	88	.66	.25	.15	.09
Alternative B	553.70*	80	.75	.38	.14	.09
<b>Model Comparison</b>	χ²	df	$\Delta \chi^2$			
Structural vs. Alternative A	529.57	24	< .01			
Structural vs. Alternative B	367.94	16	< .01			

<sup>&</sup>lt;sup>a</sup> N = 327. CFI=comparative fit index; TLI=Tucker-Lewis index;

RMSEA=root mean square error of approximation; SRMR=standardized root mean square residual.

TABLE 5.5
Lab Study: Results of Hypothesis Tests

	Standa	rdized path coefficients
H1a: General transactional expectations → transactional expectations of a specific organization	.21*	(2.03)
H1b: General relational expectations → relational expectations of a specific organization	.17*	(2.20)
H1c: General ideological expectations → ideological expectations of a specific organization	.21*	(3.23)
H2a: General transactional expectations → challenging work	25*	(-2.63)
H2b: General transactional expectations → pay and promotion opportunities	07	(-0.84)
H3a: General relational expectations → challenging work	.04	(0.49)
H3b: General relational expectations → pay and promotion opportunities	07	(-0.92)
H3c: General relational expectations → supportive coworkers	.03	(0.24)
H4: General ideological expectations → supportive coworkers	.11	(0.95)
H5: Achievement-oriented beliefs → transactional expectations of a specific organization	10	(-1.12)
H6: Open to change beliefs → ideological expectations of a specific organization	.35*	(3.58)
H7: Traditional beliefs → relational expectations of a specific organization	.30	(1.39)
H8a: Benevolent beliefs → relational expectations of a specific organization	.00	(0.01)
H8b: Benevolent beliefs → ideological expectations of a specific organization	.26*	(2.89)
H9a: Achievement-oriented beliefs → challenging work	08	(-0.69)
H9b: Achievement-oriented beliefs → pay and promotion opportunities	.10	(1.29)
H10: Benevolent beliefs → supportive coworkers	.65*	(2.52)
H11: Open to change beliefs → the job offers challenging work	.55*	(4.83)
H12a: Traditional beliefs → pay and promotion opportunities	.16*	(2.23)
H12b: Traditional beliefs → supportive coworkers	26	(-1.05)
H13: Challenging work → pay and promotional opportunities	.50*	(7.03)
H14: Challenging work → transactional expectations of a specific organization	18	(-1.45)

TABLE 5.5 continued
Lab Study: Results of Hypothesis Tests

	Standa	rdized path coefficients
H15: Challenging work → relational expectations of a specific organization	05	(-0.43)
H16: Pay and promotion opportunities → transactional expectations of a specific organization	.18	(1.44)
H17: Pay and promotion opportunities → relational expectations of a specific organization	.40*	(3.49)
H18: Supportive coworkers → relational expectations of a specific organization	.07	(0.77)

<sup>\*</sup>Significant at p < 0.05

TABLE 5.6
Field Study: Results of Hypothesis Tests

	Standard	ized path coefficients
H1a: General transactional expectations → transactional expectations of a specific organization	.54*	(7.12)
H1b: General relational expectations → relational expectations of a specific organization	.18*	(3.19)
H1c: General ideological expectations → ideological expectations of a specific organization	.21*	(3.82)
H2a: General transactional expectations → challenging work	04	(-0.60)
H2b: General transactional expectations → pay and promotion opportunities	05	(-0.69)
H3a: General relational expectations → challenging work	.11	(1.93)
H3b: General relational expectations → pay and promotion opportunities	.15*	(2.29)
H3c: General relational expectations → supportive coworkers	.20*	(3.02)
H4: General ideological expectations → supportive coworkers	04	(-0.61)
H5: Achievement-oriented beliefs → transactional expectations of a specific organization	12	(-1.29)
H6: Open to change beliefs → ideological expectations of a specific organization	.24*	(2.74)
H7: Traditional beliefs → relational expectations of a specific organization	.29	(1.70)
H8a: Benevolent beliefs → relational expectations of a specific organization	06	(-0.40)
H8b: Benevolent beliefs → ideological expectations of a specific organization	.31*	(3.88)
H9a: Achievement-oriented beliefs → challenging work	.02	(0.26)
H9b: Achievement-oriented beliefs → pay and promotion opportunities	.23*	(2.79)
H10: Benevolent beliefs → supportive coworkers	13	(-0.77)
H11: Open to change beliefs → the job offers challenging work	.47*	(5.03)
H12a: Traditional beliefs → pay and promotion opportunities	.10	(1.39)
H12b: Traditional beliefs → supportive coworkers	.70*	(4.32)
H13: Challenging work → pay and promotional opportunities	.15	(1.89)
H14: Challenging work → transactional expectations of a specific organization	.02	(0.17)

**TABLE 5.6 continued** 

Field Study: Results of Hypothesis Tests

	Standard	ized path coefficients
H15: Challenging work → relational expectations of a specific organization	.02	(0.26)
H16: Pay and promotion opportunities → transactional expectations of a specific organization	17	(-1.91)
H17: Pay and promotion opportunities → relational expectations of a specific organization	.44*	(6.60)
H18: Supportive coworkers → relational expectations of a specific organization	01	(-0.14)

<sup>\*</sup>Significant at p < 0.05

TABLE 5.7
Lab Study: Summary of Hypothesis Tests

H1a: General transactional expectations will be positively associated with transactional expectations of a specific organization.	Supported
H1b: General relational expectations will be positively associated with relational expectations of a	Supported
specific organization.	Cranantad
H1c: General ideological expectations will be positively associated with ideological expectations of a specific organization.	Supported
H2a: General transactional expectations will be positively associated with perceptions that the job offers challenging work.	Not supported
H2b: General transactional expectations will be positively associated with perceptions that the job offers pay and promotional opportunities.	Not supported
H3a: General relational expectations will be positively associated with perceptions that the job offers challenging work.	Not supported
H3b: General relational expectations will be positively associated with perceptions that the job offers pay and promotion opportunities.	Not supported
H3c: General relational expectations will be positively associated with perceptions that the job offers supportive coworkers.	Not supported
H4: General ideological expectations will be positively associated with perceptions that the job offers supportive coworkers.	Not supported
H5: Achievement-oriented beliefs will be positively associated with transactional expectations of a specific organization.	Not supported
H6: Open to change beliefs will be positively associated with ideological expectations of a specific organization.	Supported
H7: Traditional beliefs will be positively associated with perceptions that the job offers relational expectations of a specific organization.	Not supported
H8a: Benevolent beliefs will be positively associated with relational expectations of a specific organization.	Not supported
H8b: Benevolent beliefs will be positively associated with ideological expectations of a specific organization.	Supported
H9a: Achievement-oriented beliefs will be positively associated with perceptions that the job offers challenging work.	Not supported

# TABLE 5.7 Lab Study: Summary of Hypothesis Tests

pay and promotion opportunities.  H10: Benevolent beliefs will be positively associated with perceptions that the job offers supportive coworkers.  H11: Open to change beliefs will be positively associated with perceptions that the job offers Supported challenging work.  H12a: Traditional beliefs will be positively associated with perceptions that the job offers pay and promotion opportunities.  H12b: Traditional beliefs will be positively associated with perceptions that the job offers supportive coworkers.  H13: Perceptions that the job offers challenging work will be positively associated with perceptions that the job offers pay and promotional opportunities.  H14: Perceptions that the job offers challenging work will be positively associated with transactional expectations of a specific organization.  H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with relational expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated with relational expectations of a specific organization.  Supported  Not supported  Not supported  With transactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated with relational expectations of a specific organization.	H9b: Achievement-oriented beliefs will be positively associated with perceptions that the job offers	Not supported
coworkers.  H11: Open to change beliefs will be positively associated with perceptions that the job offers challenging work.  H12a: Traditional beliefs will be positively associated with perceptions that the job offers pay and promotion opportunities.  H12b: Traditional beliefs will be positively associated with perceptions that the job offers supportive coworkers.  H13: Perceptions that the job offers challenging work will be positively associated with perceptions shat the job offers pay and promotional opportunities.  H14: Perceptions that the job offers challenging work will be positively associated with transactional expectations of a specific organization.  H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with relational expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported Supported	pay and promotion opportunities.	
H11: Open to change beliefs will be positively associated with perceptions that the job offers challenging work.  H12a: Traditional beliefs will be positively associated with perceptions that the job offers pay and promotion opportunities.  H12b: Traditional beliefs will be positively associated with perceptions that the job offers supportive coworkers.  H13: Perceptions that the job offers challenging work will be positively associated with perceptions that the job offers pay and promotional opportunities.  H14: Perceptions that the job offers challenging work will be positively associated with transactional expectations of a specific organization.  H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with transactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported  Supported  Supported  Supported  Supported  Supported  Supported	H10: Benevolent beliefs will be positively associated with perceptions that the job offers supportive	Supported
challenging work.  H12a: Traditional beliefs will be positively associated with perceptions that the job offers pay and promotion opportunities.  H12b: Traditional beliefs will be positively associated with perceptions that the job offers supportive coworkers.  H13: Perceptions that the job offers challenging work will be positively associated with perceptions that the job offers pay and promotional opportunities.  H14: Perceptions that the job offers challenging work will be positively associated with transactional expectations of a specific organization.  H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with relational with transactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported	coworkers.	
H12a: Traditional beliefs will be positively associated with perceptions that the job offers pay and promotion opportunities.  H12b: Traditional beliefs will be positively associated with perceptions that the job offers supportive coworkers.  H13: Perceptions that the job offers challenging work will be positively associated with perceptions that the job offers pay and promotional opportunities.  H14: Perceptions that the job offers challenging work will be positively associated with transactional expectations of a specific organization.  H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with relational with transactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported  Supported  Supported  Supported  Supported	H11: Open to change beliefs will be positively associated with perceptions that the job offers	Supported
Promotion opportunities.  H12b: Traditional beliefs will be positively associated with perceptions that the job offers supportive coworkers.  H13: Perceptions that the job offers challenging work will be positively associated with perceptions that the job offers pay and promotional opportunities.  H14: Perceptions that the job offers challenging work will be positively associated with transactional expectations of a specific organization.  H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with relational with transactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported	challenging work.	
H12b: Traditional beliefs will be positively associated with perceptions that the job offers supportive coworkers.  H13: Perceptions that the job offers challenging work will be positively associated with perceptions that the job offers pay and promotional opportunities.  H14: Perceptions that the job offers challenging work will be positively associated with transactional expectations of a specific organization.  H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with relational with transactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported	H12a: Traditional beliefs will be positively associated with perceptions that the job offers pay and	Supported
coworkers.  H13: Perceptions that the job offers challenging work will be positively associated with perceptions that the job offers pay and promotional opportunities.  H14: Perceptions that the job offers challenging work will be positively associated with transactional expectations of a specific organization.  H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with relational expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported	promotion opportunities.	
H13: Perceptions that the job offers challenging work will be positively associated with perceptions that the job offers pay and promotional opportunities.  H14: Perceptions that the job offers challenging work will be positively associated with transactional expectations of a specific organization.  H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with relational expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported	H12b: Traditional beliefs will be positively associated with perceptions that the job offers supportive	Not supported
that the job offers pay and promotional opportunities.  H14: Perceptions that the job offers challenging work will be positively associated with transactional expectations of a specific organization.  H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with ransactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported	coworkers.	
H14: Perceptions that the job offers challenging work will be positively associated with transactional expectations of a specific organization.  H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with transactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported	H13: Perceptions that the job offers challenging work will be positively associated with perceptions	Supported
expectations of a specific organization.  H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with transactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported	that the job offers pay and promotional opportunities.	
H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with transactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported	H14: Perceptions that the job offers challenging work will be positively associated with transactional	Not supported
expectations of a specific organization.  H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with transactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported	expectations of a specific organization.	
H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with transactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated Supported	H15: Perceptions that the job offers challenging work will be positively associated with relational	Not supported
with transactional expectations of a specific organization.  H17: Perceptions that the job offers pay and promotion opportunities will be positively associated  Supported	expectations of a specific organization.	
H17: Perceptions that the job offers pay and promotion opportunities will be positively associated  Supported	H16: Perceptions that the job offers pay and promotion opportunities will be positively associated	Not supported
	with transactional expectations of a specific organization.	
with relational expectations of a specific organization.	H17: Perceptions that the job offers pay and promotion opportunities will be positively associated	Supported
"In relational expectations of a specific organization.	with relational expectations of a specific organization.	
H18: Perceptions that the job offers supportive coworkers will be positively associated with  Not supported	H18: Perceptions that the job offers supportive coworkers will be positively associated with	Not supported
relational expectations of a specific organization.	relational expectations of a specific organization.	

TABLE 5.8
Lab and Field Studies: Summary of Hypothesis Tests

	Lab Study	Field Study
H1a: General transactional expectations will be positively associated with transactional expectations	Supported	Supported
of a specific organization.		
H1b: General relational expectations will be positively associated with relational expectations of a	Supported	Supported
specific organization.		
H1c: General ideological expectations will be positively associated with ideological expectations of	Supported	Supported
a specific organization.		
H2a: General transactional expectations will be positively associated with perceptions that the job	Not supported	Not supported
offers challenging work.		
H2b: General transactional expectations will be positively associated with perceptions that the job	Not supported	Not supported
offers pay and promotional opportunities.		
H3a: General relational expectations will be positively associated with perceptions that the job offers	Not supported	Not supported
challenging work.		
H3b: General relational expectations will be positively associated with perceptions that the job	Not supported	Supported
offers pay and promotion opportunities.		
H3c: General relational expectations will be positively associated with perceptions that the job offers	Not supported	Supported
supportive coworkers.		
H4: General ideological expectations will be positively associated with perceptions that the job	Not supported	Not supported
offers supportive coworkers.		
H5: Achievement-oriented beliefs will be positively associated with transactional expectations of a	Not supported	Not supported
specific organization.		
H6: Open to change beliefs will be positively associated with ideological expectations of a specific	Supported	Supported
organization.		
H7: Traditional beliefs will be positively associated with perceptions that the job offers relational	Not supported	Not supported
expectations of a specific organization.		
H8a: Benevolent beliefs will be positively associated with relational expectations of a specific	Not supported	Not supported
organization.		
H8b: Benevolent beliefs will be positively associated with ideological expectations of a specific	Supported	Supported
organization.		

TABLE 5.8 continued		
Lab and Field Studies: Summary of Hypotheses		
H9a: Achievement-oriented beliefs will be positively associated with perceptions that the job offers challenging work.	Not supported	Not supported
H9b: Achievement-oriented beliefs will be positively associated with perceptions that the job offers pay and promotion opportunities.	Not supported	Supported
H10: Benevolent beliefs will be positively associated with perceptions that the job offers supportive coworkers.	Supported	Not supported
H11: Open to change beliefs will be positively associated with perceptions that the job offers challenging work.	Supported	Supported
H12a: Traditional beliefs will be positively associated with perceptions that the job offers pay and promotion opportunities.	Supported	Not supported
H12b: Traditional beliefs will be positively associated with perceptions that the job offers supportive coworkers.	Not supported	Supported
H13: Perceptions that the job offers challenging work will be positively associated with perceptions that the job offers pay and promotional opportunities.	Supported	Not supported
H14: Perceptions that the job offers challenging work will be positively associated with transactional expectations of a specific organization.	Not supported	Not supported
H15: Perceptions that the job offers challenging work will be positively associated with relational expectations of a specific organization.	Not supported	Not supported
H16: Perceptions that the job offers pay and promotion opportunities will be positively associated with transactional expectations of a specific organization.	Not supported	Not supported
H17: Perceptions that the job offers pay and promotion opportunities will be positively associated with relational expectations of a specific organization.	Supported	Supported
H18: Perceptions that the job offers supportive coworkers will be positively associated with relational expectations of a specific organization.	Not supported	Not supported

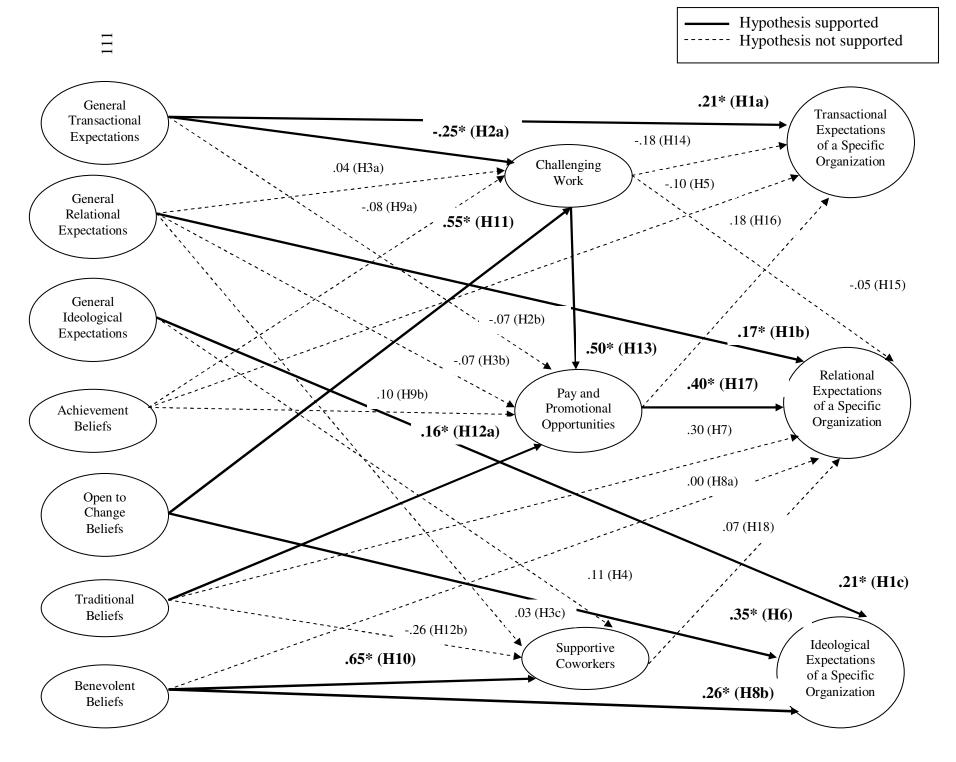


FIGURE 5.1: Lab Study: Standardized Path Loadings for Hypothesized Model

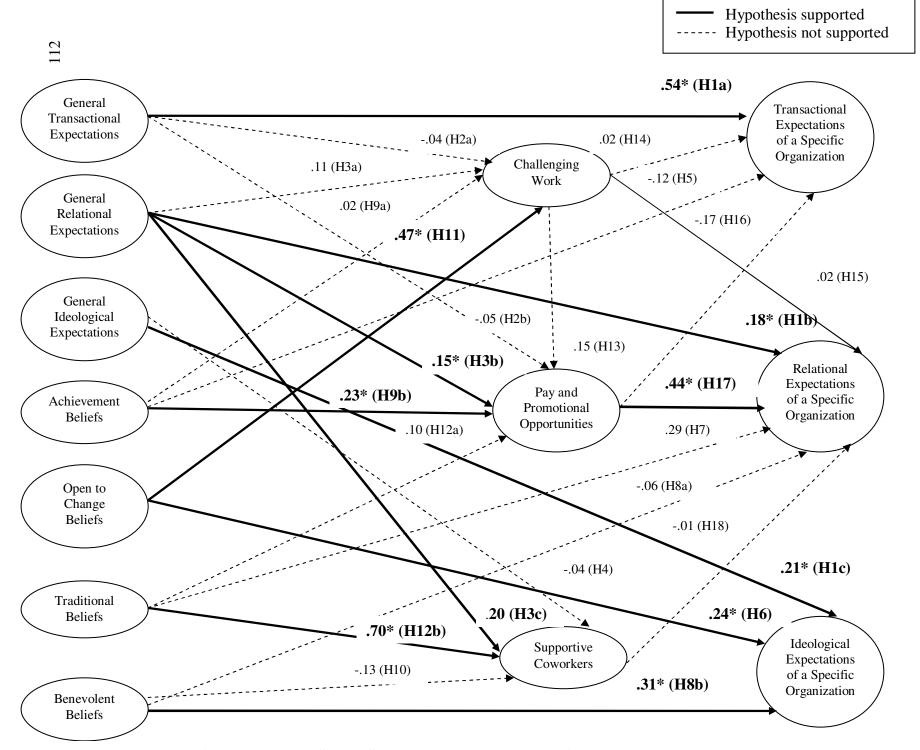


FIGURE 5.2: Field Study: Standardized Path Loadings for Hypothesized Model

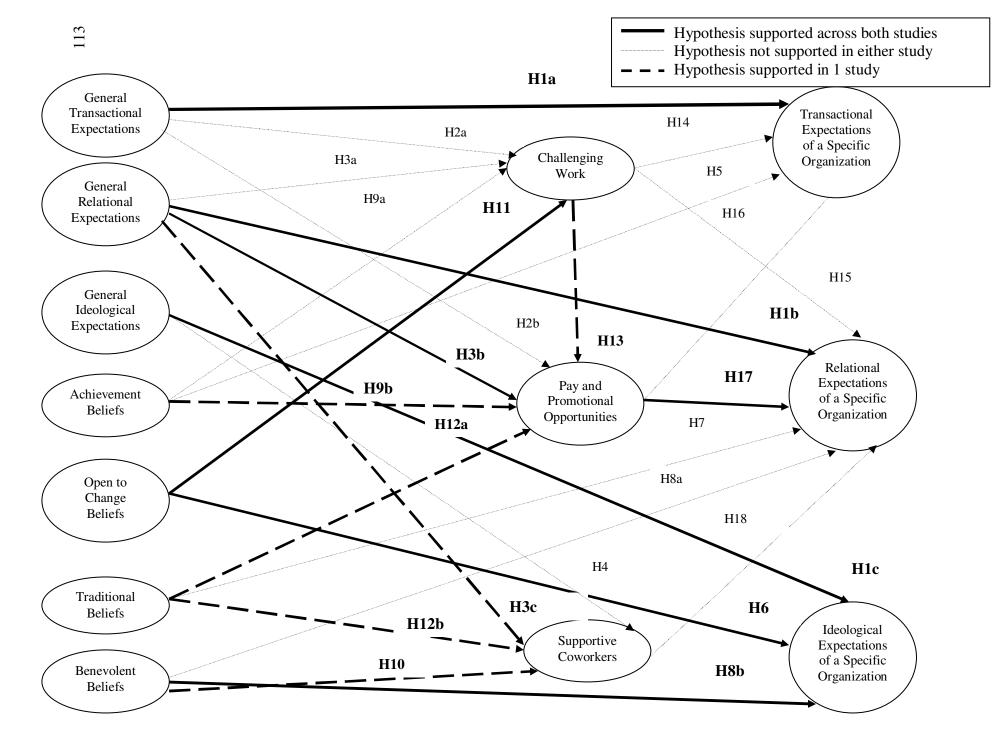
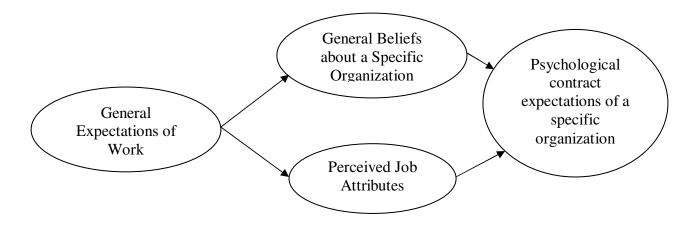
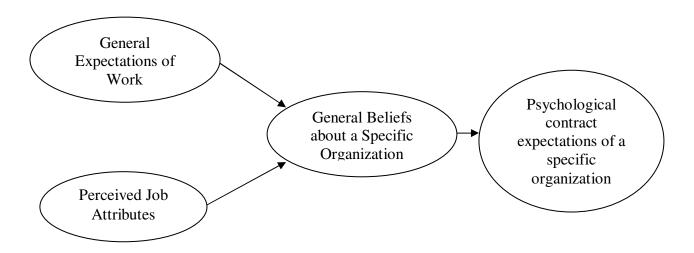


FIGURE 5.3: Summary of Hypothesis Tests: Lab Study and Field Study



**FIGURE 5.4**: Alternative Model A



**FIGURE 5.5**: Alternative Model B

#### **CHAPTER VI**

#### DISCUSSION

Despite Rousseau's (2001) call to examine the building blocks of psychological contracts, very few studies have done so. Thus, this dissertation attempted to fill this gap in the psychological contract literature. Specifically, the findings suggests that individuals' general expectations of work and general beliefs about employers influence their psychological contract expectations of a specific employer. The second goal was to expand existing psychological contract research by showing that contextual factors as well as individual factors influence individuals' psychological contract expectations. While the majority of the psychological contract research assumes that individuals "expect what they want," (e.g., careerists want and therefore expect fast track career paths) this dissertation suggests that individuals look for contextual cues regarding what the organization offers. Specifically, the findings indicate that individuals draw from their knowledge of the organization's values and other characteristics (e.g., size, strategic orientation) when determining the extent to which the employment relationship will be ideological in nature. The third goal of the dissertation was to offer a more complete model of psychological contract expectation, by examining ideological expectations. The findings provide evidence that ideological expectations are a distinct dimension of psychological contract expectations that is related to but separate from transactional and relational expectations. The findings are discussed in more detail in the next section.

# **Findings**

Relationship between general and specific expectations. Overall, the results of both studies provide support for the first set of hypotheses suggesting that the expectations that individuals hold of specific employers are based on their general expectations of work (H1a, H1b, H1c). Across both studies, the hypotheses that general expectations of work will predict similar expectations of a specific employer (hypotheses 1a, 1b, and 1c) were supported. If an individual believes that, in general, most employment relationships are a transaction, then s/he will hold transactional expectations of a specific hiring organization (H1a). Similarly, individuals who believe that most employment relationships are relational or ideological in nature will hold relational (H1b) and ideological (H1c) expectations, respectively.

These results suggest that individuals rely heavily on their general expectations of work during early stages of psychological contract formation. The findings are consistent with Rousseau's (2001) suggestion that individuals' preexisting expectations serve as an anchor for perceived promises which develop later. While recruitment and early socialization shape expectations, the schemas that job seekers bring to the job search determine how additional information about the employment relationship is organized (Stein, 1992). Furthermore, the findings are consistent with Van Maanen's (1984) notion of chains of socialization. That is, individuals carry the values and identities instilled in them from previous educational and work experiences to other organizations.

Relationship between general expectations and perceived job attributes. Overall, the set of hypotheses suggesting that general expectations of work will influence perceived job attributes (H2a, H2b, H3a, H3b, H3c, H4) did not receive support. The hypothesis that individuals holding general relational expectations would perceive that the job offers supportive

coworkers (H3c) was supported in the field study, but the remaining hypotheses were not supported in either study. There are several reasons for the lack of support for this set of hypotheses. First, the majority of the participants had very little full-time work experience. Therefore, their schemas of work may have been very underdeveloped. Rousseau (2001) suggests that individual employment schemas become more complex with age and experience. Similarly, Landy & Becker (1989) found that first year engineering students had very simple cognitive schemas of job-related rewards. They used only several simple categories to classify rewards. However, by the fourth year, they used more complex categorizations because their schemas of organizational rewards had grown more complex. The low reliability for the transactional dimension of general expectations indicates that, relative to individuals with more work experience, participants' schemas of work may not include as many specific components such as challenging work. Individuals' mindsets show dramatic change during the first six months of work (Vandenberg & Scarpello, 1990). Future research should addresses how these changes in individuals' schemas of work influence their perceptions of job attributes and psychological contract expectations during the first few months of employment.

The results suggest that perceived job attributes are not a causal mechanism in expectation formation. One possible explanation for these results is that individuals consider their employment relationships to be somewhat separate from their jobs. The results are consistent with previous research suggesting that the employment relationship is becoming more salient while jobs are becoming less salient. As discussed earlier, this is due to increased environmental volatility and the need for job flexibility. Due to the changing nature of jobs, the tasks associated with jobs are become less clear while the employment relationship becomes more important. For example, many organizations offer "fast track" job rotation programs in

which the employee takes on many different roles within the organization and the organization promises to provide opportunities for skill development and promotional opportunities.

Relationship between general organizational beliefs and specific expectations. With respect to the set of hypotheses suggesting that organizational beliefs influence specific expectations (H5, H6, H7, H8a, H8b), the results provide some support for the idea that individuals draw from their beliefs about an employer when -determining the nature of their future employment relationship. Specifically, they rely on their organizational beliefs when determining the extent to which their psychological contracts will be ideological in nature. However, their organizational beliefs do not influence transactional or relational expectations. The prediction that open to change beliefs would be positively associated with ideological expectations of a specific employer (H6) was supported across both studies. Additionally, hypothesis 8b, which suggested that benevolent beliefs would be positively associated with specific ideological expectations was supported across both studies. The three remaining hypotheses related to specific transactional and relational expectations (H5, H7, H8a) were not supported in either study. There are several possible explanations for the lack of support for these hypotheses. First, the inducements associated with ideological employment relationships are broader and more subjective than the inducements associated with transactional and relational employment relationships (Thompson & Bunderson, 2003). In order to develop transactional and relational expectations, job seekers must have specific information about the organization's compensation and benefit plans, career paths, and workgroup norms. This information may be difficult to decipher from general information about the organization. However, job seekers can gather information related to ideological inducements based on general information from the company's website or the media. For example, on its website, Whole Foods states "We support

organic farmers, growers and the environment through our commitment to sustainable agriculture and by expanding the market for organic products" (Whole Foods, n.d.). This statement provides information about the organization's mission, but very little about personal rewards such as promotions and pay. Future research should examine how transactional, relational, and ideological expectations change over time as individuals gather new information about their jobs, coworkers, and the organization.

Second, the richness of the information provided during recruitment (Cable & Yu, 2006) and credibility of the source (Rousseau, 2001; Rousseau & Tijoriwala, 1999; Rynes, 1991) will influence the extent to which individuals rely on their pre-existing beliefs about the organization when forming expectations. Individuals are more likely to rely on information from credible sources (i.e., managers, supervisors) (Rynes, 1991). We did not control for information richness or source credibility in the lab or the field study. Since job information in the lab study came from the researcher instead of a member of the organization, participants may not have considered the source to be credible. The consistency of the information provided during recruitment may also influence schema formation (Rousseau, 2001). Messages which are consistent with pre-existing schemas will strengthen those schemas, but inconsistent messageswill weaken schemas. That is, consistency may moderate the relationship between general expectations, general organizational beliefs, specific information provided about the job and the organization's attributes, and specific expectations. However, we did not measure consistency of messages in the lab study or the field study. Future research should examine the extent to which consistent messages influence expectation formation. A lab study in which consistency of messages is manipulated may provide insight into expectation formation. If recruiters and other organizational agents provide detailed information about the employment

relationship which is inconsistent with job seekers' pre-existing beliefs about the organization, job seekers may rely more on this information than on their beliefs. The current findings suggest that the organization's values influence job seekers' perceptions of the nature of the job that the organization offers, but not the nature of the future employment relationship. One possible explanation for this is that the employment relationship captures more than job characteristics. For example, a Starbucks barista may consider his or her job to be unchallenging, uninteresting, offer low pay, and few opportunities for advancement. However, Starbucks has been heralded for being one of the best companies to work for because it offers part time employees benefits.

Psychological contract and social information processing theories suggest that contextual factors influence individuals' psychological contracts(Roussseau, 2001; Salancik & Pfeffer, 1978). However, the context may be the individual's workgroup or department rather than the larger organization. For example, an individual applying for a job at Microsoft may believe that the organization values efficiency and goal achievement over all other goals (i.e., it is achievement-oriented). However, the individual may consider his or her workgroup, rather than the organization, to be the primary work context. If employees within the workgroup are concerned about one another's well-being, then this individual's psychological contract will be more relational in nature even though the organization's values are consistent with transactional contracts.

In a similar vein, psychological contract researchers are still attempting to answer the question: With whom or what does the employee contract? That is, do employees contract with their direct supervisors, department managers, or the organization itself? The current findings are consistent with previous research which suggests that psychological contracts are idiosyncratic in nature and show little within-unit agreement (Dabos & Rousseau, 2004). Instead, there is more

dyadic-level agreement between employees and managers. As our results indicate, general expectations, which reflect job seekers' idiosyncratic ideas of what work entails, their needs, and other individual-level factors explain more variance in specific expectations than organization-or job—level factors. Future research should examine employees' perceptions of their contractors. That is, who fulfills employees' expectations—coworkers, supervisors, workgroups, or the organization itself?

Furthermore, organizations may differ in the extent to which certain characteristics (e.g., values, mission) influence employees' employment relationships. Organizations which have a strong identity (Kreiner & Ashforth, 2004) may influence the nature of the employee-organization relationship more than organizations which do not have a strong identity. Identity strength is the extent to which members share the organization's identity and convey it through policies and practices (Kreiner & Ashforth, 2004; Gioia & Thomas, 1996). It is possible that mission-oriented organizations (i.e., benevolent organizations such as Teach for America) have a stronger identity than other organizations, and prompt job seekers to develop ideological expectations.

Relationship between general organizational beliefs and perceived job attributes. The set of hypotheses suggesting that organizational beliefs influence job seekers' perceptions of job attributes (H9a, H9b, H10, H11, H12a, H12b) was mostly supported. With the exception of hypothesis 9a, all of the hypotheses were supported in at least one study. Hypothesis 11, which suggests that open to change beliefs would be positively associated with perceptions that the job offers challenging work, was supported across both studies. Achievement-oriented beliefs were positively associated with pay and promotional opportunities in the field study (H9b). Traditional beliefs were positively associated with pay and promotional opportunities in the lab study

(H12a), and supportive coworkers in the field study (H12b). Benevolent beliefs were associated with perceptions that the job offers supportive coworkers in the lab study (H10). However, no support was found for hypothesis 9a, which suggests that achievement-oriented beliefs will be positively associated with challenging work. As discussed earlier, this may be due to the nature of the entry-level job opportunities that participants were seeking in the field study and the nature of the customer service manager job used in the lab study. That is, even achievement-oriented organizations like Microsoft may offer monotonous entry-level jobs (e.g., payroll clerk). As discussed in the previous section, general information about the organization provides cues about job characteristics, but job seekers may need more specific information in order to develop expectations about the employment relationship.

Overall, the set of hypotheses suggesting that perceived job attributes influence individuals' expectations of their future employment relationship (H14, H15, H16, H17, H18), did not receive support. Hypothesis 17, suggesting that individuals who believe that the job offers pay and promotional opportunities will hold relational expectations of a specific employer, was supported across both studies. However, the remaining hypotheses (H14, H15, H16, H18), were not supported in either study. Specifically, challenging work was not associated with transactional (H14) or relational (H15) expectations of a specific employer. Pay and promotional opportunities were not associated with transactional expectations of a specific employer (H16). Perceptions that the job offers supportive coworkers (H18) were not associated with relational expectations

Specific psychological contract expectations inferred from perceived job attributes.

There are several reasons for the lack of support for the fifth set of hypotheses. First, individuals may assign different meanings to job attributes. While some individuals may

of a specific employer.

consider challenging work to be indicative of the organization's support and desire to motivate and retain the employee, others may not see a connection between challenging work and the overall nature of the employment relationship. As discussed earlier, psychological contracts are idiosyncratic in nature and therefore are subject to interpretation. That is, even if a job offers a supportive environment, opportunities to develop organization-specific skills, promotional opportunities and job security (i.e., relational contracts), the individual may see the job as a stepping stone to a better opportunity (i.e., hold transactional expectations). Shore et al (2004) state that "If information such as job titles are the source of employment information, scholars may construe that the workers with identical titles have the same employment relationship. However, individuals may construe their employment relationship differently despite such apparent surface similarities" (p. 321).

Second, job seekers may need more information before they can make assumptions about the future employment relationship. The pattern of results for this set of hypotheses suggests that job attributes are only one component of individuals' schemas of their employment relationships. While job attributes are important components of the employment relationship, individuals may need more information about the work environment before they can draw conclusions about the nature of the employment relationship. For example, perceiving that the job involves challenging work may lead one to believe that the employment relationship will be a transaction (e.g., exchanging skills and hard work for high pay), but job seekers may need more information about job security and other factors before they decide that the employment relationship will be transactional in nature. With respect to hypotheses 16 and 18, while a job seeker may believe that the organization offers high pay and promotional opportunities and that s/he will work with supportive and friendly coworkers, but more information is needed about job security before s/he

assumes that the employment relationship will be relational in nature. The job attributes measure did not capture factors which may influence individuals' psychological contracts, including flexibility in job assignments and work schedules, the extent to which the organization expects employees to identify with its goals, or job security. As such, future research should explore the effects of these factors on psychological contract formation during pre-employment.

The way in which specific job attributes fit into the larger employment relationship may not be clear during early stages of the employment relationship (i.e., pre-employment). However, the connection between one's job and the larger employment relationship may become more clear over time (i.e., during the first year of employment). The current findings are consistent with previous research regarding the ways in which individuals construct their future employment relationships from their perceptions of the inducements that the job provides. It may take individuals several years to understand how the rewards associated with their job factor into their employment relationship (Landy & Becker, 1989). During early stages of the employment relationship (pre-employment), individuals may feel that they have enough information to make assumptions about the job, but not the employment relationship. This is because the employment relationships are more complex than jobs.

Previous research suggests that social cues from one's workgroup strongly influence individuals' psychological contracts (Ho, 2005). Therefore, it is reasonable to expect that individuals will gather additional organizational information about norms, values, goals, strategic orientation during socialization. This information will greatly influence their psychological contracts. Future research should explore how individuals' perceptions of job attributes and employment relationships change over time.

Overall findings. Taken together, the findings suggest that general expectations of work are one of the building blocks of psychological contract expectations. The findings regarding the ideological dimension of psychological contract expectations provide support for an interactionist perspective of psychological contract formation. That is, individual differences in general orientation toward work as well as organizational cues influence individuals' psychological contracts. The current findings extend existing evidence that previous contracts serve as an anchor for subsequent contracts (Conlon & Parks, 1990; Eisenhardt, 1988). The findings with respect to ideological expectations also provide evidence for a social information processing perspective of psychological contract formation. Job seekers look for information about organizational members' shared beliefs (i.e., norms, values) because it provides cues about the nature of the future employment relationship. These findings build on Rousseau and McLean Park's (1992) suggestion that "reputation, corporate image, policies and procedures for a basis for contracts..." (p. 23). However, organizational beliefs appear to be a less influential building block, at least with respect to transactional and relational expectations. The findings suggest that job seekers take cues from the organization's context only with respect to ideological contracts, but not transactional or relational contracts. This may be because ideological inducements are provided by the organization, while transactional and relational inducements are provided by one's supervisor or workgroup (Bingham, 2005; Rousseau, 1995; Thompson & Bunderson, 2003). Therefore, individuals may rely on information about supervisors or coworkers when determining how transactional or relational the employment relationship will be, and organizational information when determining how ideological it will be.

The findings also suggest that ideological expectations are a distinct dimension of psychological contract expectations. Both general and specific ideological expectations showed

high reliabilities and factor loadings. These results confirm previous assertions that ideological expectations are an important component of psychological contract expectations which are related to, but separate from transactional and relational expectations (Bingham, 2005; Thompson & Bunderson, 2003). Furthermore, the results extend previous research on ideological expectations by identifying antecedents of ideological expectations. The hypotheses suggesting that general ideological expectations (H1c), open to change beliefs (H6), and benevolent beliefs (H8b) will influence ideological expectations of a specific organization were supported across both studies.

## **Contribution to the Psychological Contract Literature**

The current findings make several contributions to the psychological contract literature. First, the results suggest that psychological contract expectations emerge from general expectations of work which exist before and are shaped during recruitment. Despite the organization's efforts to make explicit promises and provide realistic job previews, individuals will process only part of the information which is provided during recruitment and will interpret it differently depending on their own unique ideas regarding the meaning of "work." Furthermore, individuals will seek psychological contract information which is consistent with their definition of work (Ashford & Cummings, 1983; Shore & Tetrick, 1994). That is, if they prefer a transaction to a relationship (they do not want to commit to a particular organization) they will attend to transactional information.

"...people have goal-oriented motivations for seeking information relevant to the psychological contract. Both transactional and relational goals are likely to be motivators for information seeking. Transactional motivators consist of promotional opportunities, pay and benefits whereas relational motivators include job security, growth and

development opportunities, and the interpersonal environment...Thus, an individual's information-seeking efforts will be organized around their particular employment goals" (Shore & Tetrick, 1994, p. 97-98).

This may explain why psychological contract violation is very common during the early stages of the employment relationship (Robinson & Rousseau, 1994).

Despite burgeoning theoretical evidence that individuals bring schemas of work and the organization to the job search, little empirical research addresses how pre-organizational entry schemas influence expectation formation. This dissertation extends existing research by specifying the nature of individuals' pre-organizational entry schemas (i.e., general transactional, relational, and ideological expectations of work) and providing a model of how that information is provided during recruitment and transformed into specific expectations. The findings suggest that expectations are constructed idiosyncratically and in accordance with the individuals' general expectations of what work involves. That is, "contracts are 'constructions' created by the interpretation of what a promise or obligation means to each individual" (Millward & Brewerton, 1999, p. 11). Thus, the current research extends existing psychological contract research, thereby meeting the first goal of providing a model of psychological contract expectation formation.

The second contribution of the current research is that it provides evidence that the building blocks of psychological contracts are contextual as well as need-based. The results support Cable and Turban's (2001) suggestion that "...how a person responds to a given employer depends entirely on what that person knows, or thinks that she knows, about the organization" (, p. 117). Individuals' knowledge about the employer, which is derived from company advertising, general media, and word of mouth (Cable & Turban, 2001), will determine their motivation to seek out additional information, how they process new information about the

organization, and how they respond to the organization's actions (e.g., salary negotiation). The results of this study suggest that, while ideological expectations are influenced by individuals' work experiences and needs (i.e., general ideological expectations of work), they are also influenced by signals from the organization regarding the inducements that it can provide. -. That is, the psychological contract does not emerge solely from an individual's "wants," it also emerges from that which the organization offers (Herriot, Hirsch, & Reilly, 1998; Millward & Brewerton, 1999).

This dissertation extends Rousseau's (1995) model of psychological contract formation. Specifically, Rousseau (1995) suggests that two sets of factors influence contract formation: (a) external messages (both explicit and implicit), and (b) individual factors including dispositions (p. 34-44). However, most of the psychological contract research focuses on explicit external messages and individual factors. Very little research has examined implicit promises. This dissertation builds on Rousseau's model by addressing contextual factors which provide cues regarding the nature of the future psychological contract. This dissertation extends Rousseau's model by specifying the nature of messages found in the organization's context (achievement-oriented, open to change, benevolent, and traditional), and the psychological processes by which they influence ideological psychological contract expectations.

The results with respect to ideological expectations are consistent with theoretical and empirical evidence that organizational culture influences psychological contracts. Rousseau (1995) suggests that fundamental assumptions about the organization and its values influence individuals' assumptions about their relationship with it (p. 49). Nicholson and Johns (1985) found that shared norms often lead to contractual agreements regarding which behaviors are appropriate (e.g., "absence contracts" which dictate the acceptable number of absences).

However, the results with respect to transactional and relational expectations of a specific employer were not consistent with existing research. None of the hypotheses suggesting that organizational beliefs predict transactional and relational expectations were supported. Future research should explore job seekers' early perceptions of the organization's culture influence their transactional and relational psychological contracts throughout employment.

Third, the results suggest that the inducements that individuals expect organizations to provide are not based solely on self-interest. That is, individuals hold expectations for which they are not the primary beneficiary. Current relational-transactional models of psychological contracts specify that individuals expect the organization to provide economic and social inducements which benefit them individually (i.e., personal inducements). However, the current findings suggest that individuals expect the organization to espouse a cause and work to fulfill that cause (i.e. provide impersonal inducements). This extends theoretical evidence that the organization's espousal of a cause and actions that are consistent with that cause represent an inducement that is distinct from economic and social inducements (Bingham, 2005; Thompson & Bunderson, 2003). Specifically, this dissertation examined antecedents of ideological expectations. The results suggest that individuals who begin the job search with the expectation that most organizations offer employees opportunities to work toward fulfilling a cause will hold ideological expectations of a specific employer. Furthermore, individuals look to the organization for cues regarding whether it offers ideological inducements. Organizations which espouse society-oriented and independent values and (i.e., open to change and benevolent organizations) provide signals that the organization will offer principle-based (impersonal) inducements.

## **Practical Implications**

Unrealistic or inaccurate expectations of the employment relationship can be costly to organizations. Porter et al (1998) found that the larger the gap between employees' and employers' perceptions of the inducements that the job offers, the lower their satisfaction with the organization, controlling for employee performance and job satisfaction. The results of this dissertation suggest that individuals bring general expectations of work to the job search. It may be difficult for organizations to change individuals' general orientation toward work through recruiting interventions such as realistic job previews. However, organizations may be able to shape job seekers' expectations by altering the messages that they send about the organization's values. This suggests that organizations that want to attract individuals who will internalize the organization's mission and work toward fulfilling its espoused cause should work with marketing managers in order to ensure that the organization conveys the ideological inducements that it offers.

In a similar vein, managers must acknowledge the full range of expectations that employees hold by recognizing ideological expectations. While recruiters and hiring managers may casually talk about social responsibility in order to appeal to job seekers, job seekers may interpret these signals as promises that the organization will provide ideological inducements. For organizations that espouse open to change or benevolent values, providing ideological inducements will be even more important. The results of the current study suggest that job seekers believe that the ideological inducements that organizations offer are consistent with their espoused values. For organizations that compete for the best talent, offering ideological inducements may allow them a competitive recruiting advantage, particularly in attracting individuals with similar values.

Furthermore, managers may not be aware that the organization's actions toward other stakeholders (e.g., consumers, charitable organization) may lead to perceptions of contract fulfillment or breach. When employees evaluate the extent to which the organization has fulfilled their contracts, they consider the organization's actions toward them personally, and its actions toward others. Because many ideological expectations are associated with hot-button issues (e.g., political, diversity) (Bingham, 2005; Thompson & Bunderson, 2003), ideological breaches may elicit very strong negative reactions. Failing to meet ideological expectations may be as disappointing as failing to meet transactional and relational expectations; for some individuals, it may be even more disappointing. Furthermore, managers may have to take additional steps to ensure that employees are aware that their ideological expectations have been fulfilled.

Typically, supervisors only discuss transactional rewards (e.g., pay increases, promotions) during the annual performance evaluation. Therefore, the organization may need to communicate its actions (e.g. donations to charities, progress toward meeting important goals) to employees through company newsletters or other channels.

# **Limitations and Directions for Future Research**

Although the current study made several contributions to the psychological contracts literature, there are several limitations. First, the sample consisted mostly of undergraduate and graduate students with little full-time work experience. Employment related schemas will vary with work experience (Rousseau, 2001). Individuals with substantial work experience may hold well-developed and relatively stable expectations derived from previous work contexts (Rousseau, 2001). Additionally, individuals with little full-time work experience may hold idealistic views of their future employment relationship with the organization; more experienced individuals may hold more realistic expectations. Empirical evidence suggests that students hold

very high expectations of their future employers (Dougherty, Dreher, and Whitely, 1993). This may explain why the reliability for general transactional expectations of work in the lab study was very low ( $\alpha$  = .54). Furthermore, the fact that the participants had limited work experience may explain why we found support for the hypotheses suggesting that open to change and benevolent beliefs predict ideological expectations. Individuals with limited work experience may rely more on information about the organization that is provided during recruitment and in the general media and less on their previous work experience (i.e., general expectations of work). As such, the results may not generalize to employee populations. Future research should examine expectation formation in populations of working adults.

Second, we did not control for familiarity with the organization in the field study. When individuals are familiar with an organization, they rely more on their existing schemas of the organization than on new information that is provided during recruitment. Holding general beliefs about an employer decreases the relevance of specific information about job opportunities (Cable & Turban, 2001; MacInnis & Jaworkski, 1989; MacInnis, Mooorman & Jaworski, 1991). Therefore familiarity may moderate the relationship between general beliefs about an organization, perceived job attributes, and specific expectations. We controlled for familiarity in the lab study by asking students to indicate if they are familiar with the organization. However, we did not control for familiarity in the field study, assuming that if participants submitted their resumes to the organization, they must be familiar with it. Some field study participants who have been exposed to the organization through recruiting events and family and friends may be more familiar with the organization than others. Longitudinal research examining changes in expectations during recruitment may disentangle the relationships between familiarity, new information which is provided during recruitment, and specific expectations.

Third, previous research suggests that individual differences influence the nature of the psychological contracts that individual hold (Raja et al., 2004). However, we did not measure individual differences. Individual differences in "calling orientation" (Thompson & Bunderson, 2003) may influence beliefs about the extent to which the organization is open to change and benevolent, and ultimately, their ideological expectations of a specific employer. However, general expectations of work may reflect job seekers' general needs and individual differences. Judge and Bretz (1992) found that job seekers viewed job opportunities at organizations which endorsed values which are consistent with their values more favorably than job opportunities at organizations which did not endorse these values. Future research should explore the extent to which individual differences influence general expectations of work. Fourth, some of the items failed to load onto their intended constructs. However, after problematic items were removed, the RFAs yielded acceptable factor structures. Part of the problem may be that psychological contracts are perceptual and therefore idiosyncratic in nature. Although the hypotheses regarding contextual antecedents of ideological expectations were supported, the results regarding contextual antecedents of transactional and relational expectations were somewhat disappointing. One possible explanation for the lack of support for these hypotheses is that there were problems with the measure of general organizational beliefs. We attempted to manipulate organizational beliefs in the lab study by assigning each class to one of four organizations which Cable and Yu (2006) found to represent the four dimensions of organizational beliefs. However, analysis of variance indicated that there were no significant differences in beliefs between the classes. While successful manipulation of organizational beliefs was not necessary to test our hypotheses, the failure to do so may explain some of the results. Specifically, the four organizations may differ on other unmeasured dimensions of organizational beliefs such as general reputation or status.

The failure to capture these dimensions may explain the lack of support for achievement, traditional, and benevolent beliefs as antecedents of transactional and relational expectations. In the future, researchers could manipulate organizational beliefs by asking participants to read mission statements which reflect achievement-oriented, open to change, traditional, and benevolent beliefs.

Future research should examine contextual antecedents of transactional and relational psychological contract expectations. The organization's context is important not only because it may be the source of implicit promises, but also because it influences how explicit promises are interpreted. For example, a recruiter's statement that "Employees work long hours, but the organization rewards hard work" may be interpreted differently, depending on the individual's beliefs regarding the organization's values. An individual who believes that an organization is nonconforming (e.g., Google), may assume that the organization rewards employees by allowing them to implement their new ideas. However, an individual who believes that an achievementoriented may expect the organization to reward hard work with pay increases and promotions. Research on implicit promises, particularly implicit promises derived from the organization's context is virtually nonexistent. This dissertation focused on employees' expectations of that which the organization will provide. Since psychological contracts consist of the set of perceived mutual obligations – both the organization's obligations to the employee and the employee's obligations to the organization. Thus, future research should explore the how employee's expectations of that which they owe the organization develop during pre-organizational entry.

In summary, examining pre-entry expectations elucidates employees' perceptions of psychological contract fulfillment or breach and violation, and their attitudes and behaviors throughout employment. Organizations will ultimately disappoint individuals who hold

unrealistic or very high expectations. If these expectations develop into perceived promises, employees may believe that their psychological contracts have been breached or violated. This dissertation attempted to answer the call to examine how pre-organizational entry factors influence individuals' psychological contract expectations: "We propose that the employee knowledge that job seekers gather prior to and during recruitment transcend organizational entry, and filter newcomers' perceptions of their experience as employees. Thus...the messages that organizations send to job seekers during recruitment presocialize newcomers before they even accept positions" (Cable & Turban, 2001, p. 147). Future research should continue to explore the building blocks of psychological contracts.

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# **APPENDICES**

# **APPENDIX A**

# LAB STUDY SURVEY - PHASE 1

# TERRY COLLEGE OF BUSINESS The University of Georgia

Thank you for participating in this study! Your feedback is very important.

Please provide your email address below so that we may assign class credit, make you eligible to win an Apple iPhone 3G, and track your responses throughout the study. Only the researchers conducting this study will have access to this information. *The information that you provide in this survey will be held confidential.* 

Your primary email address (email account that you check daily):
Please provide the first 2 letters of your best friend's name and the first 2 digits of your street address. We will use this information to track your responses throughout the study
First 2 letters of your best friend's first name:
First 2 digits of your street address:

Please circle (with pen or pencil) directly on this form, the number that best represents your response to the statements provided. Please only circle one number for each statement. Be sure to read the introduction to each new section to ensure you interpret and answer the questions correctly.

General beliefs	Not at all	Slightly	Somewhat	Moderately	To a great extent			
To what extent would <u>most organizations</u> make the following commitments or obligations to their employees?								
A job only as long as the employer needs the employee	1	2	3	4	5			
Makes no commitments to retain employees in the future	1	2	3	4	5			
Only limited involvement in the organization	1	2	3	4	5			
A job limited to specific, well-defined responsibilities	1	2	3	4	5			
Potential job opportunities outside the firm	1	2	3	4	5			
Contacts that create employment opportunities elsewhere	1	2	3	4	5			
Concern for employees' personal welfare	1	2	3	4	5			
Make decisions with employees' interests in	1	2	3	4	5			

mind					
Secure employment	1	2	3	4	5
Stable benefits for employees' families	1	2	3	4	5
Advancement within the firm	1	2	3	4	5
Opportunities for promotion	1	2	3	4	5
Organization's willingness to commit resources toward advancing the organization's stated cause	1	2	3	4	5
Opportunities to become involved in the organization's cause	1	2	3	4	5
Opportunities to act as a public advocate of the organization's espoused cause	1	2	3	4	5
Maintaining a corporate culture that promotes the corporate principles	1	2	3	4	5

Please use the space below to describe anything else that you believe an organization would provide its employees.

	Extremely <u>un</u> attractive	<u>Un</u> attractive	Neither unattractive nor attractive	Attractive	Extremely attractive
How attractive would a job at Microsoft be to you?	1	2	3	4	5
How attractive is this organization (Microsoft) to you?	1	2	3	4	5

Some information about you
1. Age (please indicate in years)
2. Are you?□ Male□ Female
3. Total years and months of full-time work experience: years months
4. Total years and months of part-time work experience: years months
The questions below ask what you'd like for your relationship to be with any organization for which you might work. On each question, <u>divide 10 points between the two choices (choice A and choice B) by giving the most points to the choice that is most like you and the fewest points to the choice that is least like you. You can, if you'd like, give the same number of points to both choices (for example, 5 points to choice A and 5 points to choice B). You can use zeros if you'd like. Just be sure to allocate all 10 points per question between each pair of possible responses.  In any organization I might work for:</u>
1. It would be more important for me to: A. Get from the organizationB. Give to the organization.
2. It would be more important for me to:A. Help othersB. Watch out for my own good.
3. I would be more concerned about:A. What I received from the organization.

B. What I contributed to the organization.
4. The hard work I would do should: A. Benefit the organizationB. Benefit me.
5. My personal philosophy in dealing with the organization would be: A. If I don't look out for myself, nobody else will. B. It's better for me to give than to receive.

If you choose not to participate in this study, you may write a brief essay about your expectations of your first organization and job after graduation and receive the same amount of class credit.

<u>Please ensure that you provided your email address on page 1</u> of the survey so that we may assign class credit, make you eligible to win the iPhone, and track your responses throughout the study.

#### APPENDIX B

# LAB STUDY SURVEY - PHASE 2

Thank you for participating in this study! Your feedback is very important.

If you did not complete part one earlier, please do not complete this survey now. If you would like to complete part 1, please notify the researcher and/or the professor.

Please provide your email address below so that we may assign class credit, make you eligible to win an Apple iPhone 3G, and track your responses throughout the study. Only the researchers conducting this study will have access to this information. *The information that you provide in this survey will be held confidential.* 

Your primary email address (email account that you check daily):
Please provide the first 2 letters of your best friend's name and the first 2 digits of your street address. We will use this information to track your responses throughout the study
First 2 letters of your best friend's first name:
First 2 digits of your street address:

Please read the job posting for Microsoft below and respond to the questions on the following pages.



Job Title: Customer Care Operations Management

Job Category: IT Operations
Product: (Not Product Specific)

**Date Posted:** 09/23/2008

**Job Code:** 243672

Location: WA - Redmond

Are you looking for a high-visibility leadership opportunity to define and manage how we support Microsoft employees around the world?

The Microsoft Global Helpdesk's Service Desk team consists of 400 vendors and 20 FTEs responsible for nearly one million service requests annually. This includes call centers located in the US, China, Japan, India and Ireland. The team supports a combination of more than 600 commercially available and Microsoft internal products and services.

As the Service Desk Director, you will be responsible for driving overall Service Desk efficiency and client satisfaction by managing a variety of Service Desk functional teams and 3rd party vendors, developing strong relationships with key internal partners, and driving the Global Helpdesk self-help strategy. The successful candidate will have experience owning and driving business results, demonstrating strategic insights as well as owning and developing business plans.

# **Key Responsibilities:**

- Build and lead a high performing team and ensure team has a clear charter and delivers against an aggressive set of commitments
- Manage the work of the team, including performance management, career development, and distribution of project and program assignments
- Drive service improvement activities to increase customer satisfaction
- Responsible for effectively managing vendor companies that provide outsourced Helpdesk services via contractual agreements
- Develop strategic plans, budgets, and manage staffing requirements for the Service Desk team
- Establish, validate, and monitor metrics and KPIs to measure Service Desk performance
- Drive the Client self-help strategy
- Manage multiple complex processes and projects simultaneously through effective leadership and appropriate delegation
- Creatively and effectively manage the tradeoffs between client satisfaction and support costs
- Provide regular Service Desk performance updates via scorecards, newsletters and other communication vehicles as needed
- Domestic and international travel is required to meet with team members, partner teams, and strategic partner companies.

# Qualifications:

- Ability to motivate and manage personnel across regions
- Excellent skills in interpersonal communication and management of group dynamics
- Excellent written and oral communication skills
- B.A. in Business Management or related field, or equivalent work experience
- Ability to build strategy and drive execution across multiple teams
- Excellent problem resolution, judgment, negotiation, financial planning, analytical and decision- making skills
- Proven capability to manage teams through rapid and constant change
- Proven ability to influence change

Job posting retrieved from http://members.microsoft.com/careers on September 6, 2008.

Please circle (with pen or pencil) directly on this form, the number that best represents your response to the statements provided. Please only circle one number for each statement. Be sure to read the introduction to each new section to ensure you interpret and answer the questions correctly.

	Not at all likely	Unlikely	Neither likely nor unlikely	Very likely	Extremely likely			
Based on your current knowledge, how likely is it that the job described in Microsoft's job posting has the following characteristics?								
Challenging and interesting work	1	2	3	4	5			
Opportunities to use abilities	1	2	3	4	5			
Opportunity to learn	1	2	3	4	5			
Variety of activities	1	2	3	4	5			
Enjoyable type of work	1	2	3	4	5			
Competent and sociable coworkers	1	2	3	4	5			
Warm friendly coworkers	1	2	3	4	5			
Coworkers who support my development	1	2	3	4	5			
Opportunity for rapid advancement	1	2	3	4	5			
Good salary	1	2	3	4	5			
Good fringe benefits	1	2	3	4	5			
Prestigious job title	1	2	3	4	5			
Good reputation	1	2	3	4	5			
Good public image	1	2	3	4	5			
High ethical standards	1	2	3	4	5			
Desirable geographic location	1	2	3	4	5			
A location near family and friends	1	2	3	4	5			

Use the space below to indicate any additional characteristics that the job described in Microsoft's job posting above has.

<b>Expectations of Microsoft</b>	Not at all	Slightly	Somewhat	Moderately	To a great extent			
Consider your potential future employment relationship with Microsoft. Based on your current knowledge, to what extent do you expect Microsoft to make the following commitments or obligations to you?								
A job only as long as the employer needs me	1	2	3	4	5			
Makes no commitments to retain me in the future	1	2	3	4	5			
Only limited involvement in the organization	1	2	3	4	5			
A job limited to specific, well-defined responsibilities	1	2	3	4	5			
Potential job opportunities outside the firm	1	2	3	4	5			
Contacts that create employment opportunities elsewhere	1	2	3	4	5			
Concern for my personal welfare	1	2	3	4	5			
Make decisions with my interests in mind	1	2	3	4	5			
Secure employment	1	2	3	4	5			
Stable benefits for employees' families	1	2	3	4	5			
Advancement within the firm	1	2	3	4	5			
Opportunities for promotion	1	2	3	4	5			
Organization's willingness to commit resources toward advancing the organization's stated cause	1	2	3	4	5			
Opportunities to become involved in the organization's cause	1	2	3	4	5			
Opportunities to act as a public advocate of the organization's espoused cause	1	2	3	4	5			
Maintaining a corporate culture that promotes the corporate principles	1	2	3	4	5			

Use the space below to describe any additional commitments or obligations that you would expect Microsoft to make to you based on your current knowledge about the organization and the job.

Pate each set of adje	I don't know enough about Microsoft to answer this question	Not at all descriptive	Slightly descriptive	Moderately descriptive	Very descriptive	Extremely descriptive			
Rate each set of adjectives in terms of how well it describes Microsoft. You should rate the extent to which the entire set of adjectives describes Microsoft, even if one adjective applies more strongly than the other.									
Powerful: control over others, dominant	0	1	2	3	4	5			
Wealthy: material possessions, money	0	1	2	3	4	5			
Successful: achieving goals	0	1	2	3	4	5			
Capable: competent, effective, efficient	0	1	2	3	4	5			
Interesting: challenge, novelty, change	0	1	2	3	4	5			
Exciting: stimulating	0	1	2	3	4	5			
Self-directing: selecting own purposes	0	1	2	3	4	5			
Independent: self- reliant, self- sufficient	0	1	2	3	4	5			
Broad-minded: tolerant of different ideas and beliefs	0	1	2	3	4	5			
Equality: equal opportunity for all	0	1	2	3	4	5			
Honest: genuine, sincere	0	1	2	3	4	5			
Responsible: dependable, reliable	0	1	2	3	4	5			
Accepting: submitting to	0	1	2	3	4	5			

circumstances						
Humble: modest, self-effacing	0	1	2	3	4	5
Respectful: showing respect	0	1	2	3	4	5
Polite: courteous, good manners	0	1	2	3	4	5

Use the space below to indicate any other adjectives that you would use to describe Microsoft.

	Extremely <u>un</u> attractive	<u>Un</u> attractive	Neither unattractive nor attractive	Attractive	Extreme ly attractiv e
How attractive is this organization (Microsoft) to you?	1	2	3	4	5
How attractive is this job at Microsoft to you?	1	2	3	4	5

If you choose not to participate in this study, you may write a brief essay about your expectations of your first organization and job after graduation and receive the same amount of class credit.

<u>Please ensure that you provided your email address on page 1</u> of the survey so that we may assign class credit, make you eligible to win an iPhone, and track your responses throughout the study.

# APPENDIX C

# LAB STUDY JOB POSTINGS: MICROSOFT, SEARS, SOUTHWEST AIRLINES & WHOLE FOODS



Job Title: Customer Care Operations Management

Job Category: IT Operations **Product:** (Not Product Specific)

**Date Posted:** 09/23/2008

**Job Code:** 243672

Location: WA - Redmond

Are you looking for a high-visibility leadership opportunity to define and manage how we support Microsoft employees around the world?

The Microsoft Global Helpdesk's Service Desk team consists of 400 vendors and 20 FTEs responsible for nearly one million service requests annually. This includes call centers located in the US, China, Japan, India and Ireland. The team supports a combination of more than 600 commercially available and Microsoft internal products and services.

As the Service Desk Director, you will be responsible for driving overall Service Desk efficiency and client satisfaction by managing a variety of Service Desk functional teams and 3rd party vendors, developing strong relationships with key internal partners, and driving the Global Helpdesk self-help strategy. The successful candidate will have experience owning and driving business results, demonstrating strategic insights as well as owning and developing business plans.

# **Key Responsibilities:**

- Build and lead a high performing team and ensure team has a clear charter and delivers against an aggressive set of commitments
- Manage the work of the team, including performance management, career development, and distribution of project and program assignments
- Drive service improvement activities to increase customer satisfaction
- Responsible for effectively managing vendor companies that provide outsourced Helpdesk services via contractual agreements
- Develop strategic plans, budgets, and manage staffing requirements for the Service Desk team
- Establish, validate, and monitor metrics and KPIs to measure Service Desk performance
- Drive the Client self-help strategy
- Manage multiple complex processes and projects simultaneously through effective leadership

and appropriate delegation

- Creatively and effectively manage the tradeoffs between client satisfaction and support costs
- Provide regular Service Desk performance updates via scorecards, newsletters and other communication vehicles as needed
- Domestic and international travel is required to meet with team members, partner teams, and strategic partner companies.

# Qualifications:

- Ability to motivate and manage personnel across regions
- Excellent skills in interpersonal communication and management of group dynamics
- Excellent written and oral communication skills
- B.A. in Business Management or related field, or equivalent work experience
- Ability to build strategy and drive execution across multiple teams
- Excellent problem resolution, judgment, negotiation, financial planning, analytical and decision- making skills
- Proven capability to manage teams through rapid and constant change
- Proven ability to influence change

Job posting retrieved from http://members.microsoft.com/careers on September 6, 2008.



Job Title: Sales Team Manager

Business: Home Services - Customer Care Network

State/City: FL Orlando

# Job Summary:

Builds customer loyalty by providing excellent customer service through the coaching and development of call center or web center customer service and sales agents. Responsibilities include coaching for improvement, monitoring and managing performance. Models attributes such as valuing diversity, communicating openly and frequently, demonstrating integrity, and change management.

Responsibilities/Skills/Experience Requirements

## **RESPONSIBILITIES:**

- Directly supervises a team of Sales Representatives.
- Provides and documents performance feedback through side-by-side coaching, performance reviews and goal setting, and deficiency management.
- Supports and communicates business goals, quality standards, processes and procedures, and policies.
- Administers motivational programs that include incentives, contests, and team performance programs.
- Participates in the interviewing process and makes hiring recommendations.
- Appropriately addresses human resources issues, such as attendance and interpersonal conflicts in the workplace; consults Department Manager and/or HR for guidance as needed.
- May handle escalated customer issues.

# REQUIREMENTS:

- Supervisory or demonstrated team leadership experience required.
- Call center and/or sales experience preferred.
- Proficiency in office software required, MS Word/Excel preferred.
- Willingness to relocate preferred.
- Travel Requirements: On Occasion

# Requisition ID59846BR

This job posting was taken from the Sears website (http://www.searsholdings.com/careers/college/undergrad/ba.htm) on September 6, 2008.



# **TEAM LEADER - REQ #10734**

#### Overview

Date Posted: 9/9/08 Job Code: RS04 City: Chicago State: IL

Country: United States of America

Category: Reservations Job Type: Regular

# **Description**

# **WORK ACTIVITIES/CONTEXT:**

- Provides friendly service to and maintains positive relationships with all internal and external Customers.
- Works in a cooperative spirit to ensure the success of our Company.
- Leads a dedicated Team of Reservations Sales Agents to achieve individual and Team success by actively managing all aspects of performance including setting clear expectations, providing targeted coaching and feedback, conducting formal performance evaluations, developing performance improvement plans, and recognizing individual and Team successes.
- Works with individuals to set personal career goals and create career development plans.
- Communicates important information through Team meetings, letters, and email as well as providing daily support for job-related questions and approvals.
- Conducts quality assurance telephone reviews with each member of Agent Team to measure quality of Customer Service and provide coaching/training as necessary based on individual Agent needs.

- Covers CCR desk to handle escalated Customer issues and provides decision making support to CCR Agents when necessary.
- Works closely with Union representatives to facilitate decision making and take action on the resolution of all Employee issues involving members of Agent Team.
- Continuously seeks out relevant Team trends or important issues communicating them to peers and Center Support Leaders.
- Takes a Leadership role in key committees and in planning/coordinating Center events and activities.
- Interacts with various Company Departments and external organizations as necessary.
- Sets the example of Southwest Spirit and other core competencies to all Southwest Employees.
- May perform other job duties as directed by Employee's Leaders.

Southwest Airlines is an Equal Opportunity Employer.

Source: https://www.swajobs.com/ci20/index.jsp?applicationName=swaExtCI on September 9, 2008



# **Specialty Team Leader**

Location: US-CA-Beverly Hills

Employee Type: Full-Time Employee

Industry: Food Restaurant Manages Others: Yes

Job Type: Customer Service

Travel: None

Relocation Covered: No

Posted: 9/9/2008

Contact Information: Ref ID 30182

Please go to the next page

# **Description:**

Join Whole Foods Market as a **Specialty Department Manager** (Team Leader). Teamwork is at the heart of Whole Foods Market, and you will lead a team with your creativity, passion for the product, and quality driven leadership style. The Specialty Team (including Wine, Beer, Coffee, and Housewares subteams, if applicable) reports to the Store Manager (Store Team Leader) and is guided by the Regional Specialty Program Coordinator. We are looking for individuals who lead, not manage, work teams. You will be encouraged to run the Specialty Department as if it was your own business (within certain guidelines of course).

# **Principle Duties and Responsibilities:**

- 1. Interview, select, train, evaluate, counsel and terminate Team Members.
- 2. Communicate company goals and information to Team Members.
- 3. Create a labor schedule to leverage productivity within the needs of the department.
- 4. Communicate with Team Members regarding all department operations.
- 5. Ensure department orders for equipment, supplies and products are timely and accurate.
- 6. Oversee sampling of department products to the customers.
- 7. Supervise and maintain special order system.
- 8. Follow through on all customer questions and requests.
- 9. Be aware of new products and their placement.
- 10. Ensure that product is cross-merchandised with other departments.
- 11. Analyze and control product transfers, waste and spoilage.
- 12. Know and practice proper lifting techniques and safe use of all tools and equipment.

- 13. Report safety violations and hazards immediately; maintain department security.
- 14. Conduct scheduled inventories and submit reports.
- 15. Maintain a contribution margin equal to or exceeding regional averages.
- 16. Know product availability, preparation, storage and nutritional aspects.
- 17. Oversee adjustment of displays according to movement, promotions and profitability.
- 18. Keep Store Leadership informed of all events that affect the department.
- 19. Ensure that product mix meets varied customer dietary needs and requests.
- 20. Participate in regional and national sales promotions.
- 21. Have a firm understanding of department financials and labor budgets.
- 22. Accept and process product from Receiver.
- 23. Schedule and lead department team meetings; attend store and regional meetings.
- 24. Visit the competition on a regular basis and react to current industry trends.
- 25. Participate in Kiwi inventories when needed.
- 26. Perform Team Member duties as required to run the department.
- 27. Coordinate/supervise Beer, Wine, Cheese, Wares and Specialty products and personnel.
- 28. Regular attendance is essential.
- 29. Perform other duties as assigned by Store Leadership/Coordinator.

# **Knowledge, Skills and Abilities Required:**

- 1. Must be self-motivated and solution-oriented.
- 2. Excellent merchandising skills and eye for detail.
- 3. Able to lift up to 40 lbs unassisted
- 4. Ability to maintain good relationships with vendors and the community.
- 5. Good communicator and motivator; able to work well with others and convey enthusiasm.
- 6. Can train and inspire Team Members to excellence in all aspects of the department.
- 7. Love and knowledge of natural foods.
- 8. Is available for flexible scheduling to meet the needs of the department.
- 9. Knowledge of basic computer skills.

This job description is intended to describe the general requirements for the performance of this job. It is not a complete statement of duties, responsibilities or requirements. Other duties not listed here may be assigned as necessary to ensure the proper operations of the team.

At **Whole Foods Market**, we empower our Team Members and Team Leaders to make their own decisions, thus creating an environment where people are treated with respect and are highly motivated to excel. We mentor Team Members through education and on-the-job experience. As a result, we are able to fill a majority of leadership roles from our existing team member base. We also recognize that there are individuals with talent outside of Whole Foods Market, and have training programs to bring those new leaders into the company.

Our Team Members represent over 50 different nations. We are people from diverse backgrounds and perspectives, yet all work together to meet the needs of our customers.

We offer great benefits beginning with a full complement of medical and other traditional group health plan coverage, 401k plan, and a 20% discount at our stores. **To learn more, apply your passion today.** 

Source: Career Builder on September 9, 2008. http://www.careerbuilder.com/Jobs/Company/C8C14F77HYDSN1VVHCX/Whole-Foods-Market/

## APPENDIX D

# Field Study: REQUEST FOR PARTICIPATION

opportunity to win an Apple iPhone 3G!	
By clicking this link and providing your email address, you will automatically have	an
How is your job search going? Tell UGA about it by clicking the link below!	
Dear,	

This short survey should take just a few minutes of your time. We value your feedback!

You are receiving this email because you are registered with UGA's Career Center. Please only respond to the survey if you are currently seeking full-time employment.

To participate in this study, please click the link below.

http://www.studentvoice.com/uga/preinterviewresearchproject08

### APPENDIX E

## FIELD STUDY SURVEY

### INFORMATIONAL LETTER

Please read the following information about the study and check "I agree" or "I do not agree" at the bottom of the page. You will have an opportunity to win an Apple iPhone 3G simply by accessing the survey website and providing your email address.

I agree to participate in a research study titled "Great Expectations: Understanding how psychological contract expectations form prior to organizational entry" conducted by Laura Stanley from the Department of Management at the University of Georgia (542-3741) under the direction of Dr. Robert J. Vandenberg, Department of Management, University of Georgia (542-3720). I understand that my participation is voluntary. I can refuse to participate or stop taking part at any time without giving any reason, and without penalty or loss of benefits to which I am otherwise entitled. I can ask to have all of the information that can be identified as mine returned to me, removed from the research records, or destroyed.

The reason for this study is to understand how job seekers develop expectations about jobs and employing organizations during recruitment. This survey will take no longer than 10 minutes to complete. I may be asked to participate in a second study in 2-3 weeks. The second study will take no longer than 10 minutes to complete. The total duration of my participation in this study will be 2-3 weeks. If I volunteer to take part in this study, I will be asked to do the following things:

- 1) Answer questions about my general expectations of organizations.
- 2) Respond to questions about the organization, the job, and my expectations of the organization after I read a job posting and submit my resume to the organization.
- 3) Respond to questions about the organization, the job, and my expectations of the organization after I interview with the organization.

The benefits for me are that I will be prompted to reflect on my job search experience. Participation will help me identify what I want in my first job and first employer. The researcher hopes to learn more about how job seekers form expectations prior to their first day of work. No psychological, social, legal, economic, or physical discomfort, stress, or harm is expected from my participation in this study.

No psychological, social, legal, economic, or physical discomfort, stress, or harm will occur due to their participation in this study. Only the principal investigator and the co-investigator will have access to participant's responses.

I will have an opportunity to win an Apple iPhone 3G and 1 ticket to the Georgia-Georgia Tech football game on November 29, 2008 simply by accessing the survey website and providing my email address. Participation in the research is not required in order to be eligible to win the iPhone or the ticket.

No individually-identifiable information will be provided to employers. No individually-identifiable information about me, or provided by me during the research, will be shared with

others without my written permission,. Responses will be tracked using a unique participant identification code. The only identifiers that will be collected are email addresses. Email addresses and the master list linking email addresses with responses will be destroyed two years after completion of the study. Internet communications are insecure and there is a limit to the confidentiality that can be guaranteed due to the technology itself. However, once their materials are received by the researcher, standard confidentiality procedures will be employed.

If I win the iPhone or the ticket, the researcher(s) need to collect my name, mailing address, and social security number on a separate payment form. This completed form will be sent to the Department of Management business office and then to the UGA Business office. The researcher(s) has been informed that these offices will keep my information private, but may have to release my name and the amount of compensation paid to me to the IRS, if ever asked. The researcher(s) connected with this study will protect my private information and will keep this confidential by storing in a secured location. However, the researcher is not responsible once my name, social security number, and mailing address leave her office/laboratory for processing of my payment.

Only those who are 18 years of age or older can participate in this study. If you are not 18 please do not participate in this study.

If you have any questions, please contact Laura Stanley at listan@uga.edu.

I understand that checking "I agree," I am agreeing to take part in this research.

• I agree

• I do not agree

Next

Thank you for participating in this study! Your feedback is very important.

In order to be eligible to win an iPhone, please provide your email address. Only the UGA researchers conducting this study will have access to this information. *The information that you provide in this survey will be held confidential. No individual information will be provided to employers.* 

# Question 2

Your primary email address (email account that you check daily):



## Question 3

Please provide the first 2 letters of your best friend's name and the first 2 digits of your street address. We will use this information to track your responses throughout the study.

- First 2 letters of your best friend's name:
- First 2 digits of your street address:



terview Res	search Proje	ect 2008							
following o	commitmen	nts or obliga	ations to th	eir employee	s?				
Not at all									
	Slightly	Somowh	at						
		Somewn							
1	2	3	4		extent				
0	0	0	0	0					
0	0	0	0	0					
0	0	0	0	0					
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	following of Not at all	following commitment  Not at all Slightly  1 2 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	following commitments or obligations of the state of the	following commitments or obligations to the  Not at all  Slightly  Somewhat  Moderate  1 2 3 4  Moderate  0 0 0  0	following commitments or obligations to their employee  Not at all  Slightly  Somewhat  Moderately  To a great of the strength	following commitments or obligations to their employees?  Not at all  Slightly  Somewhat  Moderately  To a great extent  1 2 3 4 5  0 0 0 0  0	following commitments or obligations to their employees?  Not at all Slightly Somewhat Moderately To a great extent  1 2 3 4 5  0 0 0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0  0 0 0 0  0	following commitments or obligations to their employees?  Not at all  Slightly  To a great extent  1 2 3 4 5	Not at all   Slightly   Somewhat   To a great extent     1

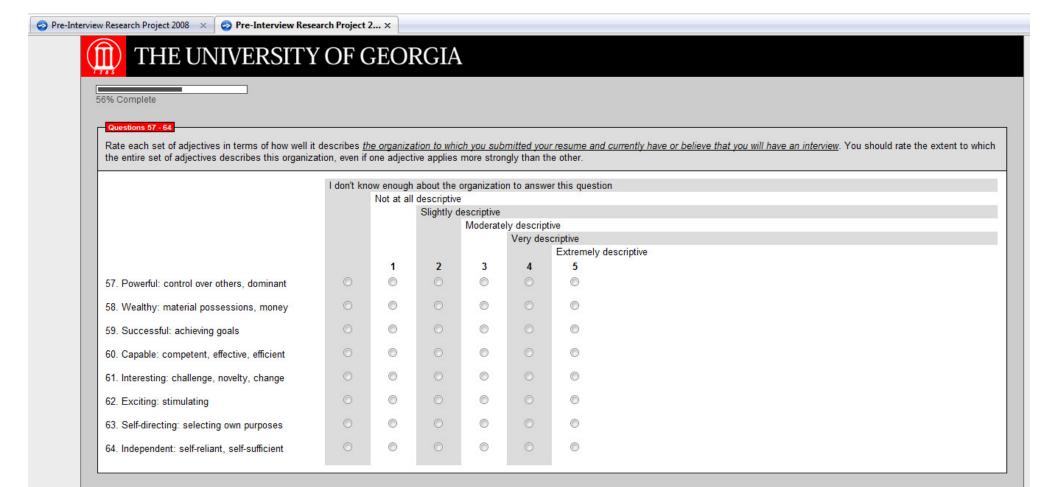
12. Stable benefits for employees' families		1	2	3	4	5			
13. Advancement within the firm  14. Opportunities for promotion  15. Organization's willingness to commit esources toward advancing the organization's stated cause  16. Opportunities to become involved in the organization's cause  17. Opportunities to act as a public advocate of he organization's espoused cause  18. Maintaining a corporate culture that promotes he corporate principles  19. Make decisions with employees' interests in mind	11. Secure employment	0	0	0	0	0			
14. Opportunities for promotion  15. Organization's willingness to commit esources toward advancing the organization's stated cause  16. Opportunities to become involved in the organization's cause  17. Opportunities to act as a public advocate of the organization's espoused cause  18. Maintaining a corporate culture that promotes the corporate principles  19. Make decisions with employees' interests in mind	12. Stable benefits for employees' families	0	0	0	0	0			
15. Organization's willingness to commit essources toward advancing the organization's stated cause  16. Opportunities to become involved in the organization's cause  17. Opportunities to act as a public advocate of he organization's espoused cause  18. Maintaining a corporate culture that promotes he corporate principles  19. Make decisions with employees' interests in mind  Ouestion 20	13. Advancement within the firm	0	0	0	0	0			
esources toward advancing the organization's stated cause  16. Opportunities to become involved in the organization's cause  17. Opportunities to act as a public advocate of the organization's espoused cause  18. Maintaining a corporate culture that promotes the corporate principles  19. Make decisions with employees' interests in mind  Ouestion 20	4. Opportunities for promotion	0	0	0	0	0			
7. Opportunities to act as a public advocate of he organization's espoused cause  8. Maintaining a corporate culture that promotes he corporate principles  9. Make decisions with employees' interests in hind	esources toward advancing the organization's	0	0	0	0	0			
B. Maintaining a corporate culture that promotes of corporate principles  9. Make decisions with employees' interests in of the corporate principles  Suestion 20		0	0	0	0	0			
ne corporate principles  9. Make decisions with employees' interests in	7. Opportunities to act as a public advocate of the organization's espoused cause	0	0	0	0	0			
Question 20		0	0	0	0	0			
		0	0	0	0	0			
		t organizat	tions would	I provide the	eir employe	ees.			

v Research Project 2008 × 📀 Pre-Interview Res					
Please provide the name of <u>one organization to want</u> next set of questions relate to this organization a	which you sub and the job op	<i>mitted a n</i> portunity t	esume and that you are	currently h	ave or believe that you will have an interview (on-campus or other). Please remember this organizat within this organization.
Questions 22 - 30					
Think about <u>the job for which you submitted your</u> has the following characteristics?	resume and	currently I	nave or beli	eve that yo	<u>u will have an interview (which you indicated earlier)</u> . Based on your current knowledge, how likely is
	Not at all	likely			
	Trot at an	Unlikely			
			Neither I	kely nor ur Very like	
	(1)25				Extremely likely
22. Challenging and interesting work	<b>1</b>	<b>2</b>	3	4	<b>5</b> ⊙
23. Opportunities to use abilities	0	0	0	0	©
24. Opportunity to learn	0	0	0	0	©
25. Variety of activities	0	0	0	0	
26. Enjoyable type of work	0	0	0	0	©
20. Elijoyable type of work	0	0	0	0	©
O7 Commented and assisting assurations			0	0	
27. Competent and sociable coworkers			(0)	(60)	
Competent and sociable coworkers     Warm friendly coworkers	0	0			
•	© ©	0	0	0	

	Not at all	likely Unlikely			
			Neither II	kely nor u Very like	у
	1	2	3	4	Extremely likely 5
31. Good salary	0	0	0	0	0
32. Good fringe benefits	0	0	0	0	©
33. Prestigious job title	0	0	0	0	©
34. Good reputation	0	0	0	0	©
35. Good public image	0	0	0	0	©
36. High ethical standards	0	0	0	0	0
37. Desirable geographic location	0	0	0	0	0
38. A location near family and friends	0	0	0	0	0
estion 39					u will have an interview (which you indicated earlier). Use the space below to describe any additional

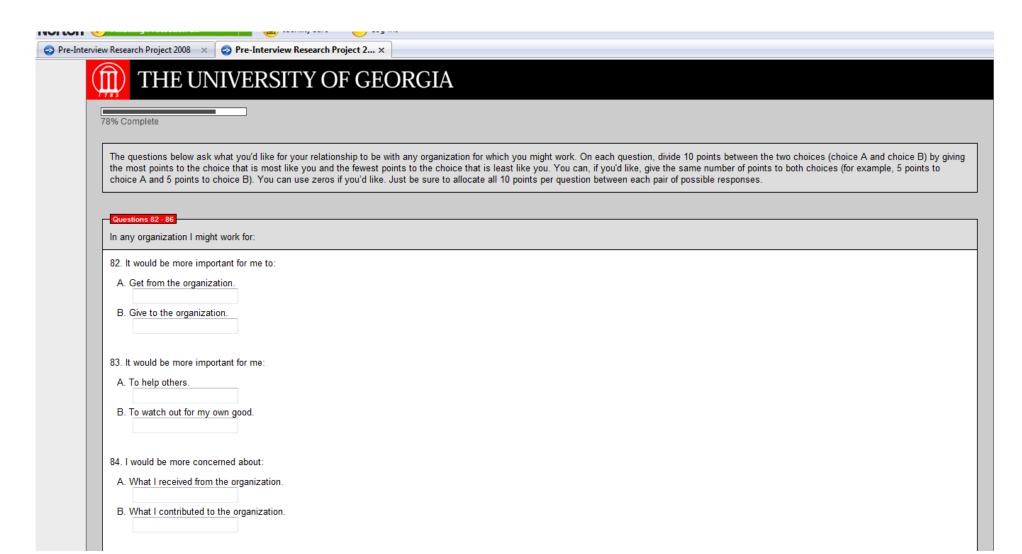
Research Project 2008 × 😵 Pre-Interview Resear	ch Project	2 ×				
THE UNIVERSITY	OF (	FOI	RGIA			
THE CIVIVERCENT				`		
4% Complete						
Questions 40 - 47	Lin with th		£ 4bi		:444	Dead and the bound of the bound
what extent do you expect this organization to mak						<u>resume and currently have or believe that you will have an interview</u> . Based on your current kn ou accepted a job offer?
	Not at all					
	IVUL at all	Slightly				
			Somewh	at Moderat	oh.	
				Woderati	To a grea	extent
	1	2	3	4	5	
40. A job only as long as the employer needs me	0	0	0	0	0	
41. Makes no commitments to retain me in the future	0	0	0	0	0	
42. Only limited involvement in the organization	0	0	0	0	0	
43. A job limited to specific, well-defined responsibilities	0	0	0	0	0	
44. Potential job opportunities outside the firm	0	0	0	0	0	
45. Contacts that create employment opportunities elsewhere	0	0	0	0	0	
46. Concern for my personal welfare	0	0	0	0	0	
* 1						

Questions 48 - 55						
	12 20 0		e ( ):	, ,	20. 1	
what extent do you expect this organization to ma						<u>resume and currently have or believe that you will have an interview</u> . Based on your currer ou accepted a job offer?
, , ,						,
	Not at al					
		Slightly	0 1			
			Somewh	at Moderat	alv	
				Woderat	To a great	t extent
	1	2	3	4	5	
48. Stable benefits for employees' families	0	0	0	0	0	
49. Advancement within the firm	0	0	0	0	0	
50. Opportunities for promotion	0	0	0	0	0	
51. Organization's willingness to commit resources toward advancing the organization's stated cause	0	0	0	0	0	
52. Opportunities to become involved in the organization's cause	0	0	0	0	0	
53. Opportunities to act as a public advocate of the espoused cause	0	0	0	0	0	
54. Maintaining a corporate culture that promotes the corporate principles	0	0	0	0	0	
55. Make decisions with my interests in mind	0	0	0	0	0	



	I don't kn		n about the Il descriptiv		on to answ	er this question
		NOT at a		descriptive		
					ely descrip	
					Very de	scriptive Extremely descriptive
		1	2	3	4	5
65. Broad-minded: tolerant of different ideas and beliefs	0	0	0	0	0	
66. Equality: equal opportunity for all	0	0	0	0	0	•
67. Honest: genuine, sincere	0	0	0	0	0	•
68. Responsible: dependable, reliable	0	0	0	0	0	•
69. Accepting: submitting to circumstances	0	0	0	0	0	•
70. Humble: modest, self-effacing	0	0	0	0	0	•
71. Respectful: showing respect	0	0	0	0	0	•
72. Polite: courteous, good manners	0	0	0	0	0	•
Question 73						

Please indicate the best response to the following								
	1							
	Extreme	ly unattract						
		Unattract						
			Neither	Inattractive Attractiv	e nor attrac	tive		
				Attractiv		ly attractive		
	1	2	3	4	5			
74. How attractive is this organization to you?	0	0	0	0	0			
75. How attractive is the job at this organization	0	0	0	0	0			
to you?  Questions 76 - 77								
to you?	questions:							
to you?  Questions 76 - 77	questions:							
to you?  Questions 76 - 77		l likely Unlikely	Neithead					
to you?  Questions 76 - 77			Neither I	ikely nor u Likely	ınlikely			
to you?  Questions 76 - 77			Neither I	ikely nor u Likely	inlikely Extreme	ly likely		
to you?  Questions 76 - 77			Neither I			ly likely		
to you?  Questions 76 - 77	Not at all	Unlikely		Likely	Extreme	ly likely		



### APPENDIX F

## **SCALES USED**

Unless indicated otherwise, all scales used the following format:

Not at all	Slightly	Somewhat	Moderately	To a great extent
1	2	3	4	5

# PSYCHOLOGICAL CONTRACT EXPECTATIONS OF A SPECIFIC EMPLOYER (Rousseau, 2008 Psychological Contract Inventory)

### 3 dimensional model

## **Transactional Expectations (Rousseau, 2008)**

A job only as long as the employer needs me\*
Makes no commitments to retain me in the future
Only limited involvement in the organization
A job limited to specific, well-defined responsibilities\*
Potential job opportunities outside the firm\*
Contacts that create employment opportunities elsewhere\*

# Relational Expectations (Rousseau, 2008)

Concern for my personal welfare\*
Make decisions with my interests in mind
Secure employment\*
Stable benefits for employees' families
Advancement within the firm
Opportunities for promotion\*

## **Ideological Expectations (Bingham, 2005)**

Organization's willingness to commit resources toward advancing the organization's stated cause Opportunities to become involved in the organization's cause Opportunities to act as a public advocate of the organization's espoused cause Maintaining a corporate culture that promotes the corporate principles

\*Items not used

# GENERAL EXPECTATIONS OF WORK (adapted from Rousseau, 2008 Psychological Contract Inventory and Bingham, 2005)

### 3 dimensional model

# Transactional Expectations (Rousseau, 2008)

A job only as long as the employer needs the employee\*
Makes no commitments to retain employees in the future
Only limited involvement in the organization
A job limited to specific, well-defined responsibilities\*
Potential job opportunities outside the firm\*
Contacts that create employment opportunities elsewhere\*

## **Relational Expectations (Rousseau, 2008)**

Concern for employees' personal welfare\*
Make decisions with employees' interests in mind
Secure employment\*
Stable benefits for employees' families
Advancement within the firm
Opportunities for promotion\*

# **Ideological Expectations (Bingham, 2005)**

Organization's willingness to commit resources toward advancing the organization's stated cause Opportunities to become involved in the organization's cause Opportunities to act as a public advocate of the organization's espoused cause Maintaining a corporate culture that promotes the corporate principles

# GENERAL BELIEFS ABOUT A SPECIFIC EMPLOYER (Cable & Yu, 2006)

I don't know enough about the organization to answer this question	Not at all descriptive	Slightly descriptive	Moderately descriptive	Very descriptive	Extremely descriptive
0	1	2	3	4	5

Rate each set of adjectives in terms of how well it describes Microsoft. You should rate the extent to which the entire set of adjectives describes Microsoft, even if one adjective applies more strongly than the other.

<sup>\*</sup>Items not used

### **Achievement-Oriented**

Powerful: control over others, dominant\* Wealthy: material possessions, money\*

Successful: achieving goals

Capable: competent, effective, efficient

## **Open to Change**

Interesting: challenge, novelty, change

Exciting: stimulating

Self-directing: selecting own purposes Independent: self-reliant, self-sufficient\*

## **Traditional**

Accepting: submitting to circumstances

Humble: modest, self-effacing Respectful: showing respect Polite: courteous, good manners

#### **Benevolent**

Broad-minded: tolerant of different ideas and beliefs\*

Equality: equality opportunity for all

Honest: genuine, sincere

Responsible: dependable, reliable

\*Items not used

## PERCEIVED JOB ATTRIBUTES (Carless & Imber, 2007)

## **Challenging work**

Challenging and interesting work Opportunities to use abilities Opportunity to learn Variety of activities Enjoyable type of work\*

## Pay and Promotional Opportunities

Opportunity for rapid advancement Good salary Good fringe benefits Prestigious job title

# **Supportive Coworkers**

Competent and sociable coworkers Warm friendly coworkers Coworkers who support my development

# ATTRACTIVENESS (Saks, Wiesner, & Summers, 1994)

Extremely <u>un</u> attractive	<u>Un</u> attractive	Neither unattractive nor attractive	Attractive	Extremely attractive
1	2	3	4	5

How attractive would a job at [organization name] be to you? How attractive is this organization to you?

# **EQUITY BENEVOLENCE (Shore & Strauss, 2008)**

The questions below ask what you'd like for your relationship to be with any organization for which you might work. On each question, <u>divide 10 points between the two choices (choice A and choice B) by giving the most points to the choice that is most like you and the fewest points to the choice that is least like you. You can, if you'd like, give the same number of points to both choices (for example, 5 points to choice A and 5 points to choice B). You can use zeros if you'd like. Just be sure to allocate all 10 points per question between each pair of possible responses.</u>

In any organization I might work for:

1. It would be more important for me to:
A. Get from the organization.
B. Give to the organization.
2. It would be more important for me to:
A. Help others.
B. Watch out for my own good.
3. I would be more concerned about:
A. What I received from the organization.
B. What I contributed to the organization.
4. The hard work I would do should:
A. Benefit the organization.
B. Benefit me.
5. My personal philosophy in dealing with the organization would be:A. If I don't look out for myself, nobody else willB. It's better for me to give than to receive.