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**Academics and Breach of the Psychological Contract in the University Sector: Insights from an Australian Business School**

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## **Academics and Breach of the Psychological Contract in the University Sector: Insights from an Australian Business School**

### **Abstract**

Changing government policy and internationalisation of the Australian University sector are seeing increased competition between universities, and expectations of academics have greatly increased. These environmental and organisational changes are dramatically altering the context in which academics' psychological contracts are formed and enacted. Further, this changing environment constitutes a context in which breaches of psychological contracts are more likely to occur. Such breaches have generally been seen to result in feelings of anger, betrayal and resentment, which in turn have been associated with a resultant decrease in employee motivation, organisational commitment, loyalty and trust, as well as an increase in staff turnover. This paper explores the antecedents and outcomes of breaches of the psychological contracts established by university academics. In doing so, it specifically seeks to enhance knowledge and understanding of the effects of breaches on teaching and how factors such as academic professionalism moderate the academics' response to contract breach.

## 1. Introduction

*‘... very few academics slacken off because of their commitment to the students and because of their professionalism, so it doesn't matter how badly they're treated, they will still perform close to their optimal level’*

Since the 1990s Universities in Australia have become are becoming increasingly commercial, and increasingly competitive and academics work in an environment that has been characterised as increasingly managerialist and market-oriented (Marginson and Considine, 2000). It is also an environment where freedom and autonomy has declined, and performance expectations have sharply increased (Winter and Sarros, 2000). Such changes are reflective of universities that Lewis, Marginson and Snyder (2005: 62) believe are ‘increasingly dominated by accountability and performance-oriented decrees from the university executive’. In many universities staff/student ratios have reached new highs, and value conflict between principles and practices associated with commercialisation and those traditionally associated with a commitment to teaching, learning and scholarship has become a well recognised problem (Winter and Sarros, 2000; Marginson and Considine, 2000; Jarvis, 2001).

Many of the changes and problems that Australian universities and academics have experienced have also been experienced by UK universities and academics. As in the UK (see Jarvis 2001), Australian academics are working longer hours, experiencing greater stress, and have declining morale. Furthermore, many academics perceive that the important cultural and ethical contributions that universities make to society (Coady, 2000) are being undermined. Changing government policy and internationalisation of the industry are seeing increased competition between universities, and expectations of academics have greatly increased. Higher quality research, teaching and learning outcomes are demanded of academics in a context where funding is tighter than ever and pressure for increases in academic workloads is intensifying. These environmental and organisational changes are dramatically altering the context in which academics' psychological contracts are formed and enacted (Turnley and Feldman, 1998). Further, this changing environment constitutes a context in which breaches of psychological contracts are more likely to occur. Such breaches have generally been seen to result in feelings of anger, betrayal and resentment, which in turn have been associated with a resultant decrease in employee motivation, organisational commitment, loyalty and trust, as well as an increase in staff turnover (Rousseau, 1995).

We hold that understanding academics' psychological contracts, including their formation, effects, and impact of breaches, is critical if one is to fully understanding how and why academics are responding to management action as they are within Australian universities. This paper aims to explore the antecedents and outcomes of breaches of the psychological contracts established by university academics. In doing so, it specifically seeks to enhance knowledge and understanding of the effects of breaches on teaching and how factors such as academic professionalism moderate the academics' response to contract breach.

## 2. Psychological Contract in the University Sector

The psychological contract is defined as ‘*individual beliefs, shaped by the organisation, regarding the terms of an exchange between individuals and their organisation*’ (Rousseau, 1995; 9-10). The psychological contract encompasses employee’s subjective interpretations of their employment deal. In general, the psychological contract deals with implicit reciprocal obligations and promises (Cullinane and Dundon 2006; Roehling, 1997; Conway and Briner, 2005). Numerous researchers agree that the psychological contract plays an important role in understanding the contemporary employment relationship (Wellin, 2007; de Vos et al 2003). In essence, the concept of the psychological contract encapsulates aspects of the employment relationship which far exceed those addressed in formal contractual agreements.

By focusing on aspects of the employment relationship which go beyond the terms set in formal employment contracts, a number of authors analysed important employee attitudes and behaviours as well as their alignment with organisational values (Conway and Briner, 2000; Robinson, 1996; Robinson and Rousseau, 1994; Turner and Feldman, 1999; Coyle-Shapiro and Conway, 2005; Freese and Schalk, 1996; de Vos et al., 2003). These authors have argued that the psychological contract has the potential to enhance organisation performance, to facilitate engagement of employees, and employee alignment with organisational decisions and planned organisational changes.

A breach of the psychological contract occurs when an employee experiences a discrepancy between the actual fulfilment of obligations by the organisation and the promise made about these obligations (Rousseau, 1995). Morrison and Robinson (1997) suggest that for contract breach to occur, the individual must perceive an imbalance in the exchange relationship and have an affective response to the perceived breach. Conway and Briner (2005) define breach as an *event* where one party to the contract “perceives a discrepancy between what has been promised and what is delivered” (Conway and Briner 2005 p.64); that is, a promise that is not fulfilled. Implicit in Conway and Briner’s (2005) description of violation, is the notion that there are degrees of breach and degrees of response to that breach, or as Conway and Briner (2005 p.64) put it “not all broken promises are equal in kind and therefore, are unlikely to be equal in their effects”. This notion of the degree of breach is illustrated in the types of breach outcomes examined in Zhao et al’s (2007) meta-analysis, ranging from changes in organisational citizenship behaviour to perceptions of violation.

Studies have indicated that failing to fulfil employee’s elements of psychological contracts may influence work outcomes, including job satisfaction, participation in development activities, and intention to remain with the current employer, as well as psychological well-being of employees (Cavanaugh and Noe, 1999; Freese and Schalk, 1996; Dabos and Rousseau, 2004; Coyle-Shapiro and Conway, 2005; Turnley and Feldman, 1999; DelCampo, 2007; Nadin and Cassell, 2007; Zhao et al., 2007, Lester et al., 2002).

Breaches of the psychological contract have profound consequences such as feelings of betrayal, resentment, anger, frustration, decreased motivation, job dissatisfaction, reduced commitment, employee turnover, and even increased litigation (Roehling, 1997). Other behavioural responses include putting in less effort, being unprepared to ‘go the extra mile’ for the organisation, refusal to work beyond their explicit contract, or retaliation measures such as not turning up on time, leaving early, taking days off, and misusing company equipment (Conway and Briner, 2005). It is important to recognise that the relationship between a breach event and its outcomes is not a simple linear relationship. There is evidence

to suggest that there may be factors that moderate the relationship between breach and outcomes, such as the perceived importance of the breach, the perceived cause of the breach, justice perceptions, and the employee's ideological views (Conway and Briner, 2005).

Following the psychological contract literature it appears that breach is always imminent. Indeed, Robinson, Kraatz & Rousseau (1994) in their discussion of instrumental change theory suggest that simply the act of remaining with an organisation over time increases employees expectations and therefore, the chances of contract breach. So, how is it that an organisation can avoid psychological contract breach? One way suggested in the literature is to increase the formalisation of the psychological contract (Sims 1994; Neihoff & Paul 2001) in order to make the contract more explicit. However, Hiltrop (1996: 36) suggests "*since psychological contracts are by definition voluntary, subjective, dynamic and informal, it is impossible to spell out all the details at the time the contract is created*". Further, Sels, Janssens & Van Den Brande (2004: 462) argue that "*it is mainly this implicit nature that differentiates psychological contracts from formal contracts*". Hence, increase formalisation of the contract is only a temporary solution at best. In contrast to the suggestion that increased formalisation of the psychological contract would overcome the problem of the breach, Sims (1994), Neihoff and Paul (2001), Robinson and Rousseau (1995) found that increasing the explicitness of the obligations of the contract did not significantly lessen the intensity of the negative reaction that resulted from the violation of the contract.

So what is the answer to decreasing the incidence of violation? It has been suggested that organisations can take pro-active measures to ensure their perceptions and their employee's perceptions are congruent. The maintenance of realistic expectations is another means open to organisations to overcome the detrimental affects of psychological contracts violation (Neihoff & Paul 2001). To illustrate, Sims (1994) suggests three ways to achieve a match between employer and employee perceptions: the realistic job preview (RJP), clarification of the contract (obligations) through training and clarification of organisational ethics.

It is important to recognise that the relationship between a breach event and its outcomes, is not a simple linear relationship (Conway and Briner 2005). There is evidence to suggest that there may be factors that moderate the relationship between breach and outcomes, such as the perceived importance of the breach, the perceived cause of the breach, justice perceptions and the employee's ideological views (Conway and Briner 2005). Each of these moderating factors may act to influence the degree of breach and breach outcomes.

In the development of her model of breach, Pate (2006) includes a number of aspects of the breach process that can alter the "degree of the breach" and therefore the degree of the response to the breach. For instance, in her model Pate (2006) includes the current psychological contract state of the employee, in this way the model captures the dynamic nature of these contracts, and the fact that response to breach is dependent on the absence or presence of past breach events. Further, Pate (2006) highlights mediating factors in the breach such as, interpersonal relationships, circumstances, and outcomes (or the perceived cost of the breach). Each of these elements of the psychological contract influences the nature of the breach and the magnitude of the employees response to the breach. This alteration in degree was supported in the qualitative findings of Pate's (2006) research, where differences in the proximity of the breach (i.e. a breach that happened to an individual versus all employees) also influenced the degree of response. The implication that breach occurs in varying degrees and evolves over time, is that organisational responses may need to vary according to the nature of the breach event.

Again, indicating the variation in response to breach, Pate (2006) differentiates the effects of breach on the employment relationship and the outcomes of that breach. In other words, a perceived breach moderated by interpersonal relationships, circumstances and the perceived cost of the breach, can lead to relationship restoration, relationship recalibration or relationship rupture. It is when the breach leads to relationship rupture that violation occurs. In Pate's (2006) model it is the instance of violation that leads to the types of negative job outcomes that have been identified in the literature such as lower job satisfaction, organisational citizenship, effort, commitment and increasing cynicism. In keeping with the discussion in Conway and Brinner (2006) this depiction of the violation suggests that it is an extreme reaction to a breach.

Another consideration when examining breach events is whether it is the transactional or relational aspects of the contract that have been breached. As Tipples and Verry (2006' 13) state "the former can be governed by the employment contract which identifies agreement in regard to the basic terms and conditions between the employee and the employer. However, it is the relational components of the employment relationship that provide a challenge, as these are usually specific to the person". Building on Tipples and Verry (2006) statement it is suggested that a discussion of contract breach requires the establishment of which perspective the researchers are taking. Are they interested in the employee / employer relationship and how that can be influenced in managerial terms, i.e. how can breach be avoided or overcome?

Zhao et al (2007) argued that a " limitation of prior psychological contract research is that the outcomes examined lack a theoretically based organising framework"(p.649). These authors conducted a meta analysis on 51 studies on psychological contract breach, In their research Zhao et al (2007) examined the effect of breach (+/-ve) on eight outcomes: violation, mistrust, job satisfaction, organisational commitment, turnover intentions, actual turnover, organisational citizenship behaviour and in role performance). They found that breach is a strong predictor of workplace outcomes and provided support "for the traditional wisdom that the psychological contract is an important concept in understanding the employment relationship" p.(667). "Overall the results of this meta-analysis support the important role that psychological breach has in predicting employee attitude and individual effectiveness. ....it is clear that breach has a strong and significant effect on a number of organisationally relevant outcomes, which in turn affect important work attitudes and behaviours as predicted by affective event theory",

A number of catalysts for breach have been identified in the literature. For instance, Cassar (2001), identified five different ways a contract can be breached: by delay in promise fulfilment; by a discrepancy in the magnitude of promise fulfilment; by an alteration in the way the promise is fulfilled; by inequity in fulfilment (compared to others); and finally, a reciprocal imbalance where the employee perceives inequity between what they are giving and what they are receiving. A further characterisation of how different forms of breach can lead to different outcomes is in the "features-based" approach to psychological contracts, which is based on the notion of overcoming the context specific nature of breach research (Conway and Briner 2005). In this approach, psychological contracts are viewed as varying along a number of features: focus (relational or transactional), time frame (precision and duration), stability, scope, tangibility and particularism (degree to which the elements of contract are unique and non-substitutable) Conway and Briner 2005). The aim of the features based approach is to overcome the very context specific nature of research into psychological contracts. This is, in keeping with the notion that there are different forms of breach and subsequently different outcomes to breach.

While empirical research on psychological contracts has developed significantly during the past decade (Coyle-Shapiro and Conway, 2005; Freese and Schalk, 1996; Cavannaugh and Noe, 1999; Turnley and Feldman, 1999; DelCampo, 2007; Nadin and Cassell, 2007; O'Donohue, Donohue, and Grimmer, 2007), empirical research on psychological contracts within academia has been very limited. The content and key elements of the psychological contracts established by academics have been empirically assessed in the context of UK (Newton, 2002), New Zealand (Tipples and Jones, 1998) and Australia (O'Neill et al., 2009). Research on the psychological contracts established by scientists/knowledge workers (O'Donohue, et al 2007) can be also understood as addressing the subject area of academia.

The empirical research undertaken at Lincoln University, New Zealand, by Tipples and Krivokapic-Skoko (1997), indicated that the academics' psychological contracts were in a very poor state. Apart from qualitative interviews and the use of documentary sources, the authors conducted a questionnaire survey of academic colleagues and used an alternative research method based on critical incidents to explore the staff members' beliefs and expectations about their relations with the University. The empirical research pointed at the Work Environment as the major component of the psychological contract established by the academics. Generally, the academics were not satisfied with the extent to which the University had met what were perceived as its promised obligations. That dissatisfaction was consequently associated with a low level of job satisfaction. Apart from low Job Satisfaction, the academics identified Career Development, Payment, Long Term Job Security and Promotion as common areas for violation of the psychological contract. Support with personal problems was also an area where academics stated they felt they were owed by the university. More specifically, the University respondents noted matters relating to Promotions, Research Support, and Management Support, where issues of Confidentiality and Honesty were singled out. Many academics thought that the university was losing direction through poor management and communication, which was contributing to a loss of trust within the organisation. Administrative issues were the major concern, followed by the greater demands on academic staff with decreased resources and rewards. Another theme which was also apparent, as a result of violation, was the increase of auditing type arrangements, and the development of a 'them/us' antagonistic culture, which relates to an increased administrative workload and intensified relations with the bureaucracy at the University. The initial research undertaken at Lincoln University, New Zealand, by Tipples and Krivokapic-Skoko (1997) was based on Rousseau's conceptualisation of the psychological contract. The follow up research involving the same empirical site (Tipples and Jones, 1998) indicated that the academics' obligations to the University centred on the issues of Hours (to work the hours contracted), Work (to do a good job in terms of quality and quantity) and Loyalty (staying with the University, putting the interests of the University first). Obligations of the University centred on Fairness, Consult (consulting and communicating), Recognition, Environment (provision of safe and friendly environment) and Job Security.

Similarly, the findings by O' Donohue et al (2007) indicated that scientists and knowledge workers were more concerned with ideological/societal concepts (scientific contributions and knowledge accumulation within the organisation) within their work than with the transactional or relational psychological contracts established with their organisation. The need for the knowledge workers to contribute to 'knowledge' was to the fore, and there was general agreement that the organisation would reciprocate appropriately. Thus, continuous contribution to knowledge, public access to knowledge, and the furthering of Australia's knowledge base are vitally important to these professionals, thereby forming core elements of their psychological contracts.

Newton (2002) used the concept of psychological contracts to discuss collegiality, professional accountability, reciprocity and mutual trust at a UK college of higher education. Based on the in-depth empirical research, the author argued that a lack of reward and recognition for academic work, as perceived by the staff members, can be also explained by not taking into account the existence of the psychological contracts.

In unpacking psychological contracts established at an Australian University, O'Neill et al., (2009) found that academics expect the following from the University: 'fair treatment in promotion'; 'staff development and support'; 'good management and leadership'; 'academic life'; 'fairness and equity'; 'appropriate remuneration'; 'rewarding performance'; and, 'good workplace relations'. When it comes to academics' obligations to the University, the following three issues were identified as most important: 'meets academic expectations'; demonstrates 'commitment'; and, show a willingness to go 'above and beyond'. These research results partially reinforce the findings of some earlier empirical research on psychological contracts within academia (Tipples and Jones, 1998) which identified that the academics' obligations to the University centred around the issues of hours (to work the hours contracted), work (to do a good job in terms of quality and quantity) and loyalty (staying with the University, putting the interests of the University first). Tipples and Jones (1998) found that perceived obligations of the University centred on fairness, consulting and communication, recognition, provision of safe and friendly environment and job security.

Interestingly, the antecedents and consequences of psychological contract breach have not been empirically addressed within the university environment. This paper is, therefore, breaking new ground in that as it will provide insights into what happens when a university fails to fulfil psychological contract obligations as perceived by academics.

### **3. Research design**

The empirical data presented in this paper were generated through application of a sequential mixed method research design (Morgan, 2006) to the study of psychological contracts established by academics within the Faculty of Business at Charles Sturt University. One of the largest non-metropolitan universities in Australia, Charles Sturt University's Faculty of Business employs academics in the fields of marketing, economics, finance, management, accounting and information technology.

As the empirical research on the psychological contract is dominated by one type of study, the cross-sectional questionnaire survey some experts on the psychological contract (Conway and Briner, 2005; Taylor and Teklab) have recently argued that there is a strong need to use a variety of research techniques, take a more a holistic approach (Pate, 2006) and pursue triangulation of research methods in order to provide more convincing and reliable results from empirical research (Tipples and Verry, 2006). Taking up the call for triangulation of research methods, this study used a sequential mixed method research design (Morse, 2003) in which three focus groups were initially conducted to identify key issues and themes that were subsequently drawn upon in the development of relevant survey questions. The focus groups (involving 26 academics principally engaged in teaching marketing and management) sought to elicit insights and subjective interpretations of the psychological contracts and the consequences of perceived fulfilment or breach. Subsequently, and using a variation of the Total Design Method (Dillman, 1978), a total of 117 questionnaires were mailed out to full-time permanent academic staff, and of these 60 questionnaires were completed and returned (a 51 per cent response rate). Self reporting is one accepted method of gaining understanding

of the employee's response to certain breach situations (Conway and Briner, 2005), and in accord with previous research in this area (Kickul and Liao-Troth, 2003; Janssens, et al, 2003; Rousseau, 1990), five point Likert scales were used to indicate the degree to which employees agree with particular elements of psychological contracts, such as the degree to which their employers had fulfilled or failed to fulfil perceived promises.

#### **4. Empirical results: Academics' response to the breach of psychological contract**

The empirical data gathered from the focus groups identified four key foci of academic responsibility that greatly influenced the formation and effects of their psychological contracts and these were: the university, the discipline, society, and students. The academics cited a range of personal qualities as a defining aspect of what they bring to the University, consistently commenting that their work involves their whole person, their creativity, integrity, values and experience. Some of the categories of contractual elements presented in earlier studies (Thomas and Anderson, 1998; Kickul and Lester, 2001; Guest and Conway, 2002; Thompson and Bunderson, 2003) failed to encompass the breadth of elements the academics named because the academics view their work responsibilities in a much wider context than their immediate institutional environment.

Academics tend to join the university with a strong work ethic and this is evidenced by many comments relating to a willingness to work outside 'normal' working hours, and be flexible in taking on various roles and to engage emotionally with their work:

*'... there's this attitude amongst a lot of staff I find that, a willingness to put a huge amount of work into what they're doing and to take it very seriously.'*

*'... a willingness to work beyond the stated hours and a willingness to take on Faculty and University roles that are not sustained in one's duty statement and that aren't remunerated.'*

The academics feel that the breath of knowledge they bring to their work is an important contribution to the University. It was consistently stated that disciplinary knowledge, teaching and industry knowledge and experience, and industry contacts and networks, are highly valuable, but are not equally recognised by management:

Conscience, personal ethics, integrity and a desire to make society a better place were strong motivators for staff and represented commonly discussed aspects of personal qualities that staff felt they were bringing to their academic work. Motivation and enthusiasm were frequently discussed in terms of 'making a difference', 'making society a better place', and generally expressing a desire to advance social justice and ethics.

*'There's an ideological underpinning of what some of us are all about. I'm a person who believes in working towards a fairer society that we live in and .. you're doing something that's worthwhile to society as whole.'*

Similar sentiments to those noted above were expressed in relation to facilitating and enhancing student learning through academics giving of themselves personally, sharing their wealth of experience to stimulate and encourage students:

*'What the students like is that you are actually sharing a part of yourself with them.'*

These responses demonstrate that it would be limiting to attempt to understand the formation of the psychological contract only in terms of what the academic feels they owe the university. The commitment and concerns of academics are often directed more toward the students and society with the institution providing a means of serving those higher goals. If they are frustrated with unmet expectations and promises, it is likely that these frustrations will occur in areas that impinge upon their ability to fulfil their personal mission of attaining these higher goals.

Building upon perceived promises of mutual exchange the academics spoke at length regarding what they were expecting of the University in return for what they bring to their job. A common theme that emerged from the statements made regarding employer responsibilities is that academics want to be recognised and treated as professionals. Much of the discussion centred on the expectations of leadership, fairness and transparency in promotion and recognition of one's personal commitment to the profession, the university and the students.

Commitment to teaching and the desire to contribute to society provide powerful motivators for academic staff and the need for academic freedom and job discretion were linked to these motivations. Staff expressed a strong expectation of autonomy, job discretion and inclusion in decision making and this was related to their professional identity:

*'There's an expectation that our professionalism will be respected, that we're not going to be treated as if we've got nothing to add and that we're just automatons in the machine'*

The expectation of recognition for effort and achievement was another important theme. This goes beyond the desire for a fair promotion and remuneration system, and addresses a basic need to be affirmed, appreciated and acknowledged by others:

*'Recognition and acknowledgement particularly when you go beyond ...the normal call of duty which I think we do frequently'*

In terms of perceived psychological contract breaches, common themes that emerged from the focus groups discussion converged around promotion (lack of fairness in promotion) poor management (lack of communication/openness/transparency), professional autonomy unreasonably high workload demands and, a lack of job security. The most striking consistency across the three focus groups carried out for this research project was the unprompted repetition of the phrase 'changing the goalposts' in the context of promotion.

Another important area of psychological contract violation was when the expectation of being treated as a professional was met with the seemingly bureaucratic requirements of the University's administrative system:

*'You're expecting that you bring in a certain amount of professionalism but it's shoved in your face to a certain extent because of the bureaucracy. . . They are trying to treat us as an homogenous group who maybe are not capable of doing something from an administrative perspective.'*

Administrative rules and regulations constituted one of the two key issues that were at the heart of most of the reports of psychological contract breach. Many academics perceived an encroachment of administrative systems stressing compliance, conformity, rationality and efficiency upon their practice as academic professionals who require flexibility, personal

discretion and autonomy. For some, a bureaucratic juggernaut was deemed to be a threat to the core competence of the University in teaching excellence and customer focus.

More broadly, the negative effects of the psychological contract violation were shown to be mediated by the nature of the academic work that involved a commitment to the students even when frustration with the institution was high:

*'there is that third dimension which plays a huge part in [the] psychological contract with the students. . . our responsibility and caring for the students that locks us into that contract ...'*

Some academics said that the decreased loyalty was resulting in their 'giving up' and feeling helpless. Others referred to behaviour that saw them less likely to engage in extra-role behaviour:

*'You concentrate more on your own interests instead of the broader interests than you have in the past.'*

*'You lose commitment and you withdraw.'*

Increased neglect, particularly decreased attention to teaching quality, was a prominent topic of discussion:

*'It goes back to equity theory of motivation . . . You'll do one of two things. You'll either withdraw your labour totally . . . or you will slow down ...'*

However, for some academics the violation event gave them impetus to adapt to the new system and even enjoyment of the opportunities it offered. These adaptations to the new priorities and demands of the University support Herriot & Pemberton's (1996) observation that internal and external catalysts during an organisational restructure lead to renegotiations in which the contract evolves. The adaptation response was also related to the professionalism of the academic in that when loyalty to the institution was slipping, loyalty to the discipline and the commitment to students seems to take effect:

*' . . . very few academics slacken off because of their commitment to the students and because of their professionalism [agreement from group] so it doesn't matter how badly they're treated, they will still perform close to their optimal level and if they can't do this they then leave.'*

Whatever the reaction to contract violation, there is no doubt that the emotional experience can be extreme. Many academics gave considerable emphasis to their deep regret and pain over violations that can be masked by the variety responses taken by employees:

*' . . .there has been, on the part of the University, some fairly egregious departures from equity in the promotion process . . . It has wreaked havoc with the morale of a lot people here some of whom I know have moved on as a result and those who have stayed on and coped with it because of their professionalism or had no where else to go.'*

The academics further articulated how they perceive the sources and implications of the contract breach. There were many references to dysfunctional aspects of the organisational culture such as: competitiveness; bureaucratic centralized control; short-term focus; and, lack of customer (i.e. student) focus.

*'[The University] has a culture where it does not give itself time to think, they are so pushed for making money that they don't give themselves time to think about what they are doing or what direction they are taking, how they are doing it and the impact it is having on people.'*

The findings were, in many respects, similar to those from prior studies, such as the EVLN (Exit, Voice, Loyalty, Neglect) framework developed by Turnley and Feldman (1998). However, we found evidence of another response to contract violation that could meaningfully be called 'Adapt'. That is, some respondents, while initially hurt by the violation, come to change their attitude and behaviour in order to adapt to their new circumstances. Issues associated with professional practice and professional identity seem to be critical here. Notably, the negative effects of the psychological contract breach were shown to be mediated by a commitment to the students, even when frustration with the institution was high. For example, it was very emotionally stated that

*"if we were only looking after ourselves, it might be a different relationship between the employee and employer. But because you've got the student sitting there ...it often restricts some of the action we might want to take or some of the things we may do because we are looking after the reason why we are here"*.

Clearly this empirical research suggests that situational factors strongly moderated the relationship between psychological contract violations and exit. For example, many academics expressed feelings of being trapped in their work situation due to geographical factors and limited job mobility. Further, many academics expressed feelings of goodwill towards, and commitment to, immediate supervisors. In the context of contract breach, they were making separations between the University and particular agents of its authority. An important finding was that the academics possessed a strong continuance commitment (Allen and Meyer, 1990) which is not solely explained by the costs of resigning. This means that some of the ill-effects of poor psychological contracts could, in effect, be masked in the short term because the exit response to psychological contract breach is not strongly evident.

The survey results endorsed the academics' commitments to students and teaching. The strongest obligation is felt towards students (mean of 4.68), followed by the discipline, society and finally the academic manager.

In this survey academics were asked to identify the breach of the psychological and then a response to each breach was assessed. The breach responses adopted from the literature (Conway and Briner 2005; Taylor and Tekleab, 2004) were: to seek changes in employment conditions; trust decline; job satisfaction decline; loyalty decline; commitment decline; work output decline; and, seek alternative employment. Based on the results of the focus groups, decline in teaching quality and research outputs were also added as breach responses to be explored.

Promotion, remuneration and work flexibility had clearly identified potential to elicit a breach outcome (Table 1). Remuneration and work flexibility had the largest impact in relation to trust decline as one of the outcomes of the contract breach. Failing perceived promises regarding promotion tend to lead towards decline in job satisfaction, motivation, work output and teaching quality, as well as a tendency to change employment. A decrease in loyalty and commitment were most influenced by failed 'promises' of providing work flexibility. The largest influence on work output, seeking alternative employment and changing employment conditions was work flexibility. Again, changes to work flexibility were most influential on a

research input decline, and perceived contract violation with regard to promotion had the largest bearing on teaching quality decline.

Insert Table 1

When it comes to specific areas of academic work, the psychological contracts breach related to academic freedom and professional autonomy would result in trust decline (Table 2). Perceived failure to provide support for research has the largest influence on decline in job satisfaction. It should be emphasised here that decline in loyalty and commitment were most influenced by perceived breach of promises to provide support for teaching.

Insert Table 2

## **5. Discussion and concluding comments**

Extensive empirical research has pointed to the powerful effects of psychological contracts on employee engagement, commitment, motivation, and responses to change (Conway and Briner, 2005; Dabos and Rousseau, 2004; Thomson and Bunderson, 2003; Wellin, 2007). It is widely accepted that the maintenance of positive psychological contract can help facilitate the achievement of positive morale, a favourable organisational culture, and employee support for planned organisational change. Research into the negative impact of breaches of the psychological contract has made the implications of dishonesty, and failure to deliver on perceived commitments, abundantly clear (Conway and Briner, 2005; Wellin, 2007). Disappointment, dissatisfaction, and disaffection are just some of the negative consequences of poor management of the psychological contract, and such feelings will negatively impact academic commitment and performance. Performance appraisal meetings, and discussions around work and career planning, are good examples of sites of opportunity for managers where they can carefully address expectations, and even reciprocity, with staff.

Building upon the empirical evidence gathered from a sequential mixed method research design, this paper has revealed the antecedents and outcomes of breaches of the psychological contracts established by academics within an Australian university business faculty. Consistent with previous research, this study highlights importance of maintaining the fulfilment of psychological contracts within a particular context of the university sector. In addition to re-enforcing the importance of quite 'generalised' expectations already identified in the literature on psychological contracts (such as an appropriate work environment, and opportunities for career development), this empirical research pointed to the academics' strong personal commitments to quality teaching and enhancing student development, both of which are seen as being part of their obligation to the University. Apparently, the likelihood of psychological contracts breach and its negative impacts within the university sector are mitigated by a high level of professionalism and commitment to the students.

Both academics and the University need to be sensitive to possible differences in expectations, since unrealised expectations may result in de-motivation, decreased commitment, increased turnover, and loss of trust in the organisation. That noted, like Turnley and Feldman (1999) found, our empirical research suggests that contextual factors have strongly moderated the relationship between psychological contract violations and exit, and to a lesser extent the relationships between the violation and voice, neglect behaviour, and loyalty to the university. This is not to infer that violations of the academics' psychological contract come without a cost, but for now these have been minimal for the university that is the focus of our research. For example, the academics expressed strong continuance commitment (Allen and Meyer, 1990) that is not fully explained by the costs of resigning. Perceived work intensification, problems surrounding promotion, and loss of professional autonomy and control did not result in notable withdrawal of labour. Declining morale and emotional distress were evident, but most academics still expressed hope and a degree of optimism that the circumstances could be improved.

Commitment to teaching, and the desire to contribute to society, emerged as powerful motivators for academic staff, and the need for academic freedom and job discretion were also identified as antecedents of psychological contract breach. Academics expressed strong expectations regarding autonomy, job discretion and inclusion in decision making, and these expectations related to the professional identity of academics. Disappointment, dissatisfaction, and alienation are just some of the outcomes of the psychological contract breach and such feelings negatively impact academic commitment and performance.

Focusing specifically on the university context, there are opportunities for university managers to influence the development of academics' psychological contracts. University managers can and should act to maintain positive academic psychological contracts as the psychological contract breach is likely to have extensive negative outcomes within the University. By knowing academics' perceived expectations of and obligations to the University, university managers can better manage and utilise staff motivation, commitments and personal interests to deliver desired university outcomes. In seeking to influence academics' psychological contracts honesty and openness around expectations, working conditions, and career development opportunities are crucially important, and this honesty and openness should be evident from the recruitment phase (Lester and Kickul, 2001). Negotiation and consultation are critically important if change is to be realised in the content of psychological contracts. Imposition of change will encounter resistance, and often result in problematic workplace relations and behaviour, where academics perceive that the psychological contract has been breached. The work of Turnley and Feldman (1998) provides insight into how university managers might mitigate against the reactions to psychological contract violations by carefully and honestly explaining the reasons for change. Indeed, it can be expected that academics will react less negatively to changes in psychological contracts when they attribute the change to 'legitimate, external events' outside management's control (Turnley and Feldman, 1998, p. 81). As Turnley and Feldman (1998) also noted building cohesive relationships among employees and supervisors is important in order to buffer the negative consequences of psychological contract violations. Rousseau (1995) and Morrison and Robinson (1997) pointed to the benefits of 'open-book' management where sharing information allows employees to understand the reasons for change and also recognise their contribution and significance to the work of the organisation.

While the findings provide considerable insight into the causes and effects of breaches of the psychological contracts formed by academics, one of the key limitations of the research is the

size of the sample and the fact that the sample was drawn from one University. Another limitation is using of self-reporting questionnaires to assess variables which were framed in terms of promises and obligations. Therefore, this study should be replicated at other Universities in order to provide a larger and more diverse sample.

Other limitations of this study result from the conceptual framework used to evaluate the psychological contract. As Cullinane and Dundon (2006: 116) pointed out, under Rousseau's approach, 'organisations are deemed to be something of an anthropomorphic identity for employees, with employers holding no psychological contract of their own'. Since this research followed Rousseau's conceptualisation of the psychological contracts it included only academics' subjective interpretations and evaluation of their 'employment deal' with the university. Further research could usefully include the perspective of the employer, the university, in order to provide further insight into mutual and reciprocal obligations. However, bringing the employer's perspective into the psychological contract would be challenging, not least because of the difficulty of identifying and articulating the university perspective.

Also, as the data was collected at a single point in time the research was not able to provide insights into the development of the contracts over time. Further, the sample consisted of academics only, and the sample size is small. The larger sample could also allow for the use of more sophisticated quantitative methods and the measures of contracts breach. Multivariate techniques could be used to identify important factors and predictive methods such as structural equation modelling could be also applied.

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**Appendix:**

**Table 1: Antecedents and Outcomes of Psychological Contract Breach**

<b>Breach area</b>	Professional development	Promotion	Remuneration	Work flexibility
<b>Outcome</b>				
Trust decline	3.850	4.220	4.237	4.237
Job satisfaction decline	3.424	3.864	3.864	3.78
Motivation decline	3.915	4.356	4.254	4.119
Loyalty decline	3.763	3.797	3.898	4.051
Commitment decline	3.492	3.288	3.271	3.644
All work output decline	3.797	4.153	4.153	4.068
Seek alternative employment	4.203	4.339	4.305	4.390
Change employment conditions	3.746	3.898	3.847	3.898
Research output decline	3.661	3.661	3.542	4.051
Teaching quality decline	3.847	4.169	4.153	4.153

**Table 2: Antecedents and Outcomes of Psychological Contract Breach: Specific Areas of Academic Work**

<b>Breach area</b>	Academic freedom	Professional autonomy	Support for your research	Support for your teaching
<b>Breach Outcome</b>				
Trust decline	4.305	4.305	4.288	4.085
Job satisfaction decline	3.797	3.814	3.831	3.550
Motivation decline	4.254	4.136	4.153	3.932
Loyalty decline	3.983	3.949	4.136	4.000
Commitment decline	3.678	3.610	3.508	3.999
All work output decline	4.153	4.136	4.068	3.915
Seek alternative employment	4.441	4.407	4.441	4.237
Change employment conditions	4.000	4.000	4.051	3.949
Research output decline	4.000	3.915	4.424	3.729
Teaching quality decline	4.119	4.102	4.119	4.000

