The psychological, normative and social contract experience: A mixed method approach

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Taalpraktisynsertifikaat

WIE DIT MAG AANGAAN

Hierdie dokument bevestig dat ek, die ondergetekende, ’n professionele taalpraktisyn* van

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The psychological, normative and social contract experience: A mixed
method approach

Keywords: Psychological contract, normative contract, social contract, employment relationship, expectations, obligations
Comments

- The American Psychological Association (APA) Publication Manual (Sixth edition) format was used in this dissertation.

- The research proposal as accepted by the North-West University ethical committee on the 26th of November 2015 is set out in chapter one.

- Chapter two and three of this dissertation is submitted in the form of research articles.
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Chapter 1: Research Proposal

Chapter one comprises the proposal for this study as presented and accepted by the North-West University on the 26th of November 2015.

Keywords: psychological contract; employment relationship; normative perspectives; social perspectives.
Introduction

A psychological contract can be defined as individual beliefs regarding mutual obligations between employees and their organisation (Rousseau, 1995). Psychological contracts have been categorised into two types – transactional contracts and relational contracts. Short-term and paid obligations with limited involvement of the parties are referred to as transactional contracts (Chang, Hsu, Liou, & Tsai, 2013). On the other hand, Chang et al, (2013) refers to relational contracts as "long-term obligations that include a focus on socio-emotional elements such as relatedness, loyalty, support, trust and job security; also other remuneration advantages such as increased pay for service years (e.g. pay for seniority)".

A psychological contract is a subjective interpretation by an individual and forms part of all contracts (Carroll, 2015). Rousseau’s (1995) reference to contract types includes the individual’s own interpretation, beliefs and expectations, most of which will be unspoken and not negotiated (Carroll, 2015). According to Koskina (2013) a series of mutual expectations (among employee and employer) and the employee’s subjective interpretation of the conditions of the contract is a psychological contract (Harman & Doherty, 2014).

The various types of contracts and viewpoints that can have an influence on psychological contracts are shown in Figure 1.
Figure 1. Types of Contracts

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Individual Level</th>
<th>Group Level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Within Psychological</strong></td>
<td>Beliefs that individuals hold regarding promises made, accepted, and relied on between themselves and another. (employee, client, manager, organisation)</td>
<td><strong>Normative</strong></td>
</tr>
<tr>
<td>1</td>
<td>The shared psychological contract that emerges when members of a social group (e.g., church group), organisation (e.g., Army, SAPS or trade union) or work unit (e.g., the trauma team at a community hospital) hold common beliefs</td>
<td></td>
</tr>
<tr>
<td><strong>Outside Implied</strong></td>
<td>Interpretation that third parties (e.g., witnesses, jurists, potential employees) make regarding contractual terms.</td>
<td><strong>Social</strong></td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Broad beliefs in obligations associated with a society’s culture (e.g., reliance on handshakes).</td>
<td></td>
</tr>
</tbody>
</table>

Note. The normative perspective of this figure was adjusted to the South African context.


From the individual’s perspective a psychological contract is beliefs based on commitments expressed or implied regarding an exchange agreement with another (Rousseau, 2011). An implied contract capture the attributions of outsiders like family, social classes and employment experiences elsewhere. This also influences the psychological contract (Rousseau, 2011). As an example: Employees who belong to a minority group tend to focus more on fair treatment, unlike their counterparts belonging to the majority group (Rousseau, 2011).

As shown in Figure 1 (Rousseau, 1995) the social and normative psychological contracts fall under the group component of the psychological contract. Shared beliefs are established from members of a social group or members in an organisation working together
to create a shared psychological contract (Rousseau, 1995).

The normative psychological contracts can develop as a function of group membership (Jamil, Raja, & Darr, 2013). According to Tabernero, Chambel, Curral and Arana (2009) organisations are increasingly structured in teams or working groups, and the psychological contracts established in relation to working groups can be defined as the perception of each group member regarding the supposed obligations of each of the parties, both their own and those of their colleagues.

A working team can share beliefs about the type of relationships that are established and maintained by the nature of the members’ beliefs. In the initial stages of group interaction, reciprocal and exchange beliefs change as a process to adapt the reality (Tabernero, Chambel, Curral, & Arana, 2009). When members of a group interact to resolve a task members mutually expect to end up sharing the same kind of psychological contract. Therefore, when groups work on a task over time, a psychological contract which is shared by that group develops in relation to the group (Tabernero et al., 2009). The shared psychological contract, shown as Perspective 2 in Figure 1 (Rousseau, 1995), is when members of a group is working together and they spend more time to accomplish a task and that results in members developing a relational, rather than a transactional, contract (Tabernero et al., 2009).

According to Rousseau (1995) a normative contract is where teamwork establish shared agreements and common beliefs between team members while working together to complete a task and this forms part of their psychological contract. A normative psychological contract has more impact than the employment relationship because employees are dependent on each other to complete a task successfully (Gibbard, Griep, De Cooman, Hoffart, Onen, & Zareipour, 2017).

From the group perspective shown in Figure 1 (Rousseau, 1995), a person’s subjective
experience of an employment arrangement that influences the psychological contract, is also influenced by a social component (Rousseau, 2011). The understanding of unwritten promises that employers have made to employees with respect to training, promotions or other factors not explicitly recognised in formal contracts, are critical to developing favourable exchange relationships (Zagenczyk, Gibney, Few, & Scott, 2011). These promises are most likely developed during recruitment, socialisation and interaction with co-workers and supervisors, essentially intuitive, and therefore difficult for organisations to understand and fulfil (Zagenczyk et al., 2011).

A society sees social contracts as legal and cultural institutions that are associated with the conditions of employment (Rousseau, 2011). Social culture can influence whether the psychological contract in employment is understood to be between an employee and the organisation, between an employee and the employer, or an agreement involving an employee, an employer and the government (Rousseau, 2011).

Psychological contracts are powerful determinants of behaviour in organisations and, according to Chang et al. (2013), previous research show that psychological contracts are beneficial because of the social exchange relationship that exist between employees and their organisations. These social exchange relationships include the voluntary actions that each party engages in with the belief that the other party will compensate for these behaviours in one way or another (Chang et al., 2013; Li, Feng, Liu, & Cheng, 2014). Therefore the social exchange theory is used to explain how employees are likely to respond when they perceive that their psychological contracts have been fulfilled (Li et al., 2014). The employment relationship can also be seen as an exchange of loyalty and effort in return for organisational encouragement (Li et al., 2014).

The psychological contract is a fact of existence for most people and can therefore be perceived as the most important part of any contract (Carroll, 2015). Awareness of the
existence and implications of psychological contracts helps employers to stay in touch with the unconscious, unarticulated needs and expectations of employees (Carroll, 2015). Both parties can deal with expectations in an adult manner when helping them to clearly understand these expectations rising from a psychological contract (Carroll, 2015). Much professional, as well as ethical, boundary breaking takes place because these unsaid assumptions and hopes are not recognised, acknowledged, articulated and managed (Carroll, 2015).

Agreements, conscious and unconscious, and the rules and procedures that guide all the parties involved, are included in contracts – written and unwritten (Carroll, 2015). It is therefore important to recognise that psychological contracts underpin all relationships – one-to-one, team and organisational (Carroll, 2015). The following characteristics of contracts include: exchange (we do things for each other); cooperation (two-way arrangements); choice (we freely enter this arrangement); predictability (we have some guarantees that this will happen); future (we will do); and responsibility (I will be responsible for X if you take accountability for Y) (Carroll, 2015).

When an employee observes that an organisation has provided more resources than had been promised, he or she sees a positive balance in the employee-organisation exchange relationship (Li et al., 2014). This leads to an obligation to continue to engage in behaviours that are beneficial to the organisation with task performance, organisational citizenship behaviour (OCB), and innovative behaviour being three important ways employees give back to the organisation (Li et al., 2014).

When the employee receives more encouragement than expected from the organisation, the satisfaction and fulfilment of the individual will create a feeling of being valued and trusted by the organisation (Mohamed, Nor, & Dahalan, 2014). For this reason it may lead to a better positive outcome (Mohamed, et al., 2014). Employees who identify strongly with their organisations are more likely to show a supportive attitude toward them
and to make decisions consistent with organisational objectives (Epitropaki, 2013).

However, on the contrary, because psychological contracts are covert and unspoken expectations, assumptions, presumptions and myths that influence and spread throughout all significant relationships, it often ends up in someone blaming others for things they do not see, and did not sign up for (Carroll, 2015).

According to Turnley, Bolino, Lester and Bloodgood (2004) previous research show that the social exchange theory has also been used to understand the relationship between psychological contract breach and the attitudinal and behavioural reactions of employees. The social exchange theory proposes that the parties in any given relationship want balance or fairness in that relationship. When employees feel that they have been treated unfairly or wrongly by the organisation, they experience that the organisation has breached the psychological contract and will likely reduce their commitment to the organisation (Turnley, Bolino, Lester, & Bloodgood, 2004). Turnley et al. found that psychological contract breach is negatively related to affective organisational commitment and employee performance of both in-role and organisational citizenship behaviours (Turnley et al., 2004). When the employee perceives that an organisation breaks the psychological contract, the trust of the employee in the organisation is harmed and work performance does not remain the same (Hussain, 2014).

Psychological contract breach is when the employee thinks that organisations are unable or unwilling to fulfil all the obligations that are associated with the perceived mutual promises (Rousseau, 1995). When employees experience dissatisfaction at work, this will encourage them to leave that organisation to seek for another job (Van Der Vaart, Linde & Cockeran, 2013). This shows that perceived psychological contract breach will affect the overall performance of employees and their retention behaviour (Mohamed et al., 2014).

Psychological contract breach is probably the most important idea in psychological
contract research because it is the primary explanation for why the psychological contract may influence employees’ feelings, attitudes and behaviours negatively (Epitropaki, 2013).

According to Epitropaki (2013) previous research demonstrated that psychological contract breach is relatively common, and that it is associated with various negative outcome such as lowered citizenship behaviours, reduced commitment and satisfaction at work, trust in the organisation and higher intention to quit the organisation (Epitropaki, 2013).

Together with contract breach, according to Braekkan (2013), literature show that psychological contract violation is an emotional response or feeling of injury that the employee experiences when the employer did not comply with perceived promises. In the current difficult economic conditions many organisations struggle to survive. The sense of connection between the employee and the organisation becomes critical for organisational survival and effectiveness (Epitropaki, 2013). The organisational identification is challenged by the nature of this new employment relationship (Epitropaki, 2013).

In a business environment characterised by layoffs and downsizing, loss of job security, erosion of promotional opportunities and increased uncertainty of regular and orderly pay increases, employees are less likely to believe that employers are fulfilling their obligations and responsibilities (Epitropaki, 2013). Therefore employees are more likely to experience a breach of their psychological contract (Epitropaki, 2013).

Psychological contract violation leads to employee turnover and psychological contract breach is low when union commitment is stronger because individuals perceive that their union is highly instrumental in protecting their rights and benefits (Mohamed et al., 2014). When employees perceive that their psychological contracts have been breached, they are likely to look for ways to try to restore the benefits they were expecting to receive and to try to protect themselves against future organisational actions that would negatively affect their employment
relationship (Turnley et al., 2004). Positive actions from the organisation to restore the benefits of an employee reduce the need for unions and undermine union loyalty while, in contrast, the extent to which organisations break their promises to employees will relate positive to union commitment (Turnley et al., 2004).

According to the normative and social perspectives shown in Figure 1 (Rousseau, 1995) groups have a direct influence on the shared beliefs creating a psychological contract. A trade union is defined by the Labour Relations Act (66 of 1995) as an “association of employees whose principal purpose is to regulate relations between employees and employers, including any employers’ organisation”. Thus, by definition, trade unions are independent organisations that represent workers to their employers. When employees join a trade union they are joining a group and can thus be classified under the normative perspective. When members of a group interact, they are expected to end up sharing the same kind of psychological contract (Tabernero et al., 2009). Therefore trade unions can contribute on the beliefs of an individual forming the psychological contract (Rousseau, 1995).

A union is a mechanism through which an employee can attempt to restore equity to the employment relationship (Turnley et al., 2004). For example, an employee might work with other union members in a collective bargaining effort, or file a grievance through the union in an attempt to get the organisation to meet its obligations. Therefore it is expected that psychological contract breach will be positively related to employees’ loyalty to their union (Turnley et al., 2004).

Problem statement

Rousseau’s (1995) version of types of contracts, as indicated in Figure 1, identifies four contracts that contribute to the experience of the psychological contract. The psychological contract plays an important role in the employment relationship (Carroll, 2015). Therefore the
normative and social contracts can contribute to the experience of the psychological contract in the employment relationship.

Psychological contracts are integrated in the employment relationship and can be influenced by Rousseau’s (1995) four types of contracts. Two of these contract types can be directly associated with the employment relationship: normative and social. The employment relationship is based on the expectations and obligations between the two parties involved (Carroll, 2015). However, there are certain expectations and obligations that arise from the normative and social contract that is mainly expressed by the relationship between the norms of the normative and social contract and the employer, and how this influences the psychological contract with particular emphasis on breach and violation (Henderson, 2008).

The expectations of the normative and social contract can contribute to the psychological contracts of employees and can anticipate the employees' employment-relationship. The problem statement arising from the above background is that the psychological contract forms an important part of the employment relationship, but this relationship is influenced by expectations and obligations that arise from the normative and social contract and this can have either a negative or positive affect on the employment relationship.
Objectives

In the following figure the general objective and secondary objectives associated with the problem statement were identified:

General objective
The purpose of this study was to investigate normative, social and psychological contracts experience.

Secondary objective
ARTICLE 1
To explore the normative and social contract expectations, as part of the psychological contract, of employees.

Secondary objective
ARTICLE 2
To determine the link between the experience of the psychological, normative and social contracts

Secondary objective
- To explore the normative contract expectations of employees as part of the psychological contract.
- To explore the social contract expectations of employees as part of the psychological contract.

Hypotheses
H0: The normative and social perspectives do not contribute to psychological contract breach and violation.
H1: The normative contract perspective significantly contribute to psychological contract breach and violation.
H2: The social contract perspective significantly contribute to psychological contract breach and violation.
The secondary research objectives of this study were accomplished by collecting the primary data through a mixed method approach. The mixed method approach involves the collection, analysis and integration of quantitative and qualitative data in a single study (Bryman & Bell, 2011).

**Research methodology**

**Research approach**

This research study is in an article format. The main focus of this study was to explore and determine the experience of the normative and social contract on the psychological contract. Therefore this proposed study was both exploratory and descriptive of nature. The research was divided into two articles that answered the research objectives. Secondary objectives and hypotheses were discussed separately where the two proposed article methods were stated.

**Article 1: Qualitative research method (exploratory)**

**Research method**

The first phase of the study was a qualitative approach of data gathering.

The nature of this phase was exploratory due to the fact that there has not been much focus on the normative and social perspective of the psychological contract. Group interviews, also known as focus groups, as well as individual interviews were conducted for the purpose of this article as this is seen as a qualitative research technique for collecting information (Welman, Kruger, & Mitchell, 2005).

Focus groups were used as the first area where the qualitative approach was applied to identify the main themes of this article. After the main themes had been identified the researcher conducted individual interviews as a second approach to identify the underlying themes.
The purpose of the focus groups and the individual interviews was to gather information about the normative and social contracts' perspectives on the psychological contract of employees.

**Focus group guide.** A gatekeeper was identified within a company, followed by a letter asking permission to do research.

The employees were met at three different venues where the participants were briefed about the background and purpose of the research study. The venues were a comfortable environment with necessary facilities and water was provided during the sessions.

The Livescribe smartpen and the Livescribe A5 Single Subject Notebook to record and capture the data and information were used during the sessions.

The Livescribe smartpen enabled the researcher to make notes and record at the same time. The Livescribe software was used to convert the notes and recordings into a .pdf that made it easy to transcribe the data that was captured.

The following questions were asked and discussed during the focus groups:

- Does belonging to a group provide you with a forum where the feelings, ideas and opinions of the employees could be discussed?
- Does your employer share the same societal norms as you do?
- Do you think it is important to be part of a group that helps you to overcome workplace problems?

**Literature review.** After the interviews were transcribed and themes identified, a literature review for the themes were conducted. The literature review was based on the research of the relevant themes through the normative and social contracts' perspective on the psychological contract. The researcher made use of K. F. Braekkan, C. Tabernero, J. M. Chambel, L. Curral, J. M. Arana, W. H. Turnley, M. C. Bolino, S. W. Lester, J. M.
Bloodgood, L. Van Der Vaart, B. Linde and M. Cockeran, etc., for the first article.

The databases that were used to gather various publications such as textbooks, academic journals and previous studies related to this article, was EBSCO host, Google Scholar and Sabinet-online. The keywords that were used for literature search included – but were not limited to – “normative contract”, “social contract”, “expectations and obligations”, “psychological contract” and “employment relationship”

This explains the dynamics of each construct and how it linked together to form a new dimension in psychological contract research. The literature review for the identified themes also established the validity of the themes identified during the interviews.

**Research participants.** A population is all of the potential participants in a research study from whom a researcher would want to draw a conclusion of a research study (Levine, Stephan, Krehbiel & Berenson, 2011).

For the purpose of this study the researcher made use of the following model:

![Diagram](image)

**Focus groups.** The theoretical population included any individual exposed to the normative and social contract and that can form a psychological contract. The study population consisted of general employees of the company. For the qualitative data
gathering procedure the snowball sampling method was used to determine the study population. An individual was identified that acted as an informant to gather participants that were interested in the study (Welman et al., 2005). A minimum of three (3) focus groups was conducted with 10 employees in a group to identify the themes for this article (Bryman & Bell, 2011).

**Individual interviews.** The study population for the individuals consisted of general employees of a company. The snowball sampling method was used to identify willing participants. Twelve individuals were individually interviewed to determine sub-themes for this article. No biographical information was asked of the participants to ensure anonymity.

**Data analysis.** In the qualitative analysis the interviews from the focus groups, as well as the individual interviews, were transcribed by the researcher. To analyse the data a content analysis was done through the process of conducting. The search for themes is an activity in most approaches to qualitative data analysis (Bryman & Bell, 2011). These themes were examined, compared, conceptualised and categorised to support this study (Bryman & Bell, 2011).

The first article of the research study focused on achieving the first secondary objective.

**Article 2: Quantitative research method (descriptive)**

**Research method**

The second article of the study was a quantitative approach to data gathering where a systematic approach was followed to examine relationships among variables (De Vos, Strydom, Fouché, & Delport, 2012). Surveys was included in this quantitative approach and was a non-experimental design.
**Literature review.** The focus point of the first article consisted of psychological contract breach and violation through the normative and social contract perspective. For this article the researcher perused various works regarding psychological contract breach and violation. Some of this included the work of V. Cassar, R. B. Briner, O. Epitropaki, A. Hussain, A. Jamil, U. Raja, W. Darr and D. M. Rousseau.

Most of the sources consulted regarding the constructs included academic journals, books and the internet and includes social media and/or documentation that had been handed over to the researcher.

**Research participants.** A population is all of the potential participants in a research study to whom a researcher would want to draw a conclusion of a research study (Levine, Stephan, Krehbiel & Berenson, 2011). Purposeful sampling was important for the quantitative research. The term ‘sample’ always implies the simultaneous existence of a population of which the sample is a smaller set of individuals selected from a population (De Vos et al., 2012).

For the purpose of this study the researcher made use of the following model:

![Diagram](image.png)

The theoretical population of this article included any individual that can develop a psychological contract and that were exposed to the normative and social contract. The
study population consisted of a group of employees that has a psychological contract with their employer.

The questionnaire was completely anonymous and none of the information obtained made the participants identifiable by any means. This was an attempt by the researchers to enhance the overall honesty of the respondents and to limit researcher bias.

For this article the researcher made use of a non-probability sample frame. Non-probability sampling methods can be divided into two broad types: accidental or purposive (Trochim, 2006). The sampling method for this article was purposive, because the sampling problem was approached with a specific plan in mind (Trochim, 2006).

The sample for this article was with a company within the healthcare sector. Convenient sampling was used to select a sample from the study population. This is a non-probability sampling technique where the selected sample has the same proportions of individuals as the entire population with respect to known characteristics, traits or focused phenomenon (Explorable.com, 2009). The company that was used represents the major characteristics (employees with a psychological contract) of the population.

The employees in the company that were used is a total of 350 (N) employees. Representative sample according to Welman, Kruger, and Mitchell (2005), is preferably more than 25 units of analysis. For this research study the sample size were calculated as follow: .25*350, therefore the sample size for this study was be 125 (n). However, of the three hundred and fifty (N=350) questionnaires that were distributed a total of one hundred and seventy three (n=173) questionnaires were completed and used for data analysis.

**Measurement.** Measurement consists of rules that assign numbers to represent objects numerically and to describe an object aimed at informing the researcher to make judgements regarding that object (De Vos et al., 2012). A set of questions was formulated regarding the properties of an object from theory, assign a scaling format to these
questions and obtain data that implies that numbers are assigned in a consistent manner. Measurement becomes one of the best means of creating objective scientific knowledge that can enhance the professional knowledge base on research (De Vos et al., 2012).

An instrument that actually measures the concept in question and measured the concept accurately, refers to validity; reliability occurs when an instrument measures the same thing more than once and results in the same outcomes (De Vos et al., 2012). The basic objective of a questionnaire is to obtain facts and opinions about the phenomenon from people who are informed on the particular issue (De Vos et al., 2012).

According to Freese and Schalk (2008) the measurement of the psychological contract is a unilateral view because the psychological contract is based on individual perceptions. The measurement of the psychological contract in both Article 1 and Article 2 will focus on content-oriented and evaluation-oriented measurements (Freese & Schalk, 2008). Content-oriented measurements examining the specific terms of the contract. Contracts include specific obligations based on promises made by the employer and employee as perceived by the employee. Examples are the provision of opportunities for training, security, challenging tasks, flexible working hours; confidentiality, working overtime when needed, and delivering good services (Freese & Schalk, 2008). Assessing the degree of fulfilment, change or violation experienced within the context of the contract will be determined by using the evaluation-oriented measurement. An example is the fulfilment of the provisioning of training by the employer, or working overtime by the employee (Freese & Schalk, 2008).

Freese and Schalk (2008) recommend a complete psychological contract measurement that measures perceived organisation obligations, perceived employee obligations, a breach and violation scale, and a global assessment of fulfilment or violation. According to Freese and Schalk’s (2008) recommendation the Psycones (2005) measurement provide scales with multiple usage opportunities and will be used for this study.
The Psycones (2005) measurement is theory-based and assesses mutual obligations and/or promises. It also has a clear distinction between fulfilment and breach and violation that is both relevant for this study (Freese and Schalk, 2008). Furthermore the overall evaluation of the psychological contract by the Psycones (2005) measurement is important in countries with many differences in cultures such as South Africa.

The questionnaire utilised to reach the objectives of this article was based on the Psycones (2005) questionnaire combined with a newly developed questionnaire to determine the normative and social contract link to the psychological contract. Participants were given the opportunity in each question to state that their promises were not kept to promises kept (no (0) or yes (1-5)). The researcher presented the 6-point scales in the following format:

<table>
<thead>
<tr>
<th>No</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>😞</td>
<td>😞</td>
<td>😞</td>
<td>😊</td>
<td>😊</td>
</tr>
<tr>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**The following constructs were measured to support the objectives for article two:**

1. Psychological contract
2. The normative contract
3. The social contract

**The first construct consisted of three factors**

- **Employee obligations**
- **Employer obligations**
- **The state of the psychological contract**
The first factor, employee’s obligations, consisted of 17 items. Below are two examples of these items:

- Have you promised or committed yourself to work enthusiastically on jobs you would prefer not to be doing?
- Have you promised or committed yourself to accept an internal transfer if necessary?

The second factor, employer’s obligations, consisted of 15 items. Below are two examples of these items:

- Has your employer promised or committed himself to provide you with a reasonably secure job?
- Has your employer promised or committed himself to provide you with a job that is challenging?

The third factor, the state of the psychological contract, consisted of 7 items. Below are two examples of these items:

- Do you feel fairly treated by managers and supervisors?
- Do you feel you are fairly paid for the work you do?

The second construct, the normative, consisted of four factors

- Freedom of association
- Community opinions
- Organisational culture
- Organisational justice

The first factor, freedom of association, consisted of 2 items.

- Third party representation can improve your working conditions?
- Third party representation protects you as an employee in the workplace?

The second factor, community opinions consisted of 2 items.

- Your friends and family have encouraged you to find another job
Your friends and family complain about your working conditions, for example: long working hours, salary and benefits etc.

The third factor, organisational culture, consisted of 4 items. Below are two examples of these items:

- You rely on a co-worker for support or advice regarding your work
- You rely on a co-worker to complete tasks for you at work

The fourth factor, organisational justice, consisted of 2 items.

- You receive a fair salary for the work that you do
- Employees are rewarded equally for the work that they do

The third construct, the social contract, consisted of 2 factors.

- Better basic conditions of employment
- Current labour market tendencies

The first factor, better basic conditions of employment, consisted of 2 items.

- The hours you work justify the salary that you receive
- Government should promote a better wage structure to provide a minimum acceptable standard of living for low-paid workers

The second factor, current labour market tendencies, consisted of 2 items.

- You support protest actions for permanent positions
- You experience job insecurities

Statistical analysis. The statistical analysis was carried out with the SPSS-program (IBM, 2016). The Psycones questionnaire, together with a newly developed questionnaire, was used as a guideline for article two. Descriptive statistics were used to determine the experiences of psychological breach and violation through the normative and social perspective. Descriptive statistics provided the standard deviation, mean and the Cronbach’s alpha coefficients. The Cronbach’s alpha coefficients (α) confirmed the
reliability of the questionnaire and it was considered as reliable with the Cronbach’s alpha coefficients that was higher than 0.7 ($\alpha > 0.7$) (Trochim & Donnelly 2008).

Previous research studies such as Gresse (2012): The pre-entry psychological contract: Exploring expectations and normative entitlements of student groups; and Henderson (2008): Expectations and obligations of the member-union relationship – A psychological contract perspective, also used the Psycones questionnaire in a South African context. Both these studies were considered reliable with a Cronbach’s alpha coefficient higher than 0.7.

To confirm the normative and social contracts experienced as part of the psychological contract, a confirmatory factor analysis was done through the SPSS data reduction process (IBM, 2011). Validity was determined through factor analysis by analysing the internal consistency between the items of entitlement factors and expectations. Further Spearman’s correlation coefficient provided a global description of the relation between sets of data, and it measured how well the data was related. This is the most common measure of correlation in statistics and it shows the linear relationship between two sets of data (Andale, 2012).

**Research procedure.** The questionnaire was distributed after permission had been obtained from the company and collected after completion by participants. It was accompanied by covering letter and clear instructions on how to complete the questionnaire. Multi-choice answer sheets were used to capture the data. The questionnaire was written in the company’s general managerial language.

Participants were chosen voluntarily to participate in this research study. Before the questionnaires were distributed the purpose of this study was explained and all participants reassured that they would be kept anonymous. The company employees participating in the research study were kept anonymous so that the questionnaires could be completed honestly
and without bias by each participating individual.

**Ethical consideration**

A research proposal was presented to the ethical committee of the North-West University requesting the approval of the research study. The research was conducted by the researcher within different companies that represented the researcher’s population group. A letter asking for permission to do research in the companies were given gatekeepers. After obtaining permission the researcher explained to all employees the content of the research study and that anyone could participate if they wanted to.

All participants who took part in this research study were volunteers and were not exposed to any harm. While transcribing the interviews for article one, the researcher did not use the employees’ names; they were simply referred to as employee 1, employee 2, employee 3, etc.

For Article 1 every participant had to sign a letter stating that they were participating in this research study voluntarily and that they understood that they could withdraw if they did not feel comfortable. The researcher respected the confidentiality and anonymity of the research participants. After consent from the ethical committee of the North-West University was received, the research was conducted.

**Chapter division**

The chapters in this dissertation include the following:

Chapter 1: Research proposal

Chapter 2: Article 1

Chapter 3: Article 2

Chapter 4: Conclusion, limitations and suggestions for future research
Reference list


Harvey, P., & Harris, K. J. (2010). Frustration-Based outcomes of entitlement and the influence of supervisor communication. *Human Relations, 63*(11), 1639-1660.


Chapter 2: Exploring the normative and social contract expectations as part of the psychological contract of employees

Abstract

The psychological contract is increasingly regarded as a critical framework to manage and understand what employees expect from an organisation to meet a large number of wide-ranging obligations as part of the employment relationship. The social context of the employment relationship is seen as social contracts that are cultural, based on shared collective beliefs regarding appropriate behaviour in society, and includes norms of reciprocity. Normative contracts exist in the workplace where many members identify themselves in similar ways and with one another. The aim of this study is to explore the normative and social contracts’ link with the psychological contract and to use this information to identify substantiated themes. A qualitative approach was applied to discover and gather data regarding the expectations of employees within the framework of normative and social contracts. Expectations and obligations not being met by the employer cause employees to feel dissatisfied with their employment relationship. This indicates that psychological contract breach emerges when employees are influenced by the normative and social contract, causing employees to perceive that the employer had failed to fulfil expectations and obligations.

Keywords: psychological contract, normative contract, social contract, employment relationship, implied contract, implied obligations, breach, violation
Introduction

_The ‘psychological contract’: the ties that bind companies and employees –_ Wharton (2011)

The psychological contract is increasingly regarded as a critical framework to understand the employment relationship (Hartman & Rutherford, 2015) and is used to indicate the implied and unspoken needs of the employee, such as good working conditions, promotion opportunities and good remuneration scales (Hennicks, 2014). Furthermore, the psychological contract refers to the implied obligations of the employee-employer relationship (Freese & Schalk, 2008). Rousseau (1989) defines the psychological contract as an individual’s beliefs regarding the terms and conditions of a reciprocal exchange agreement between two parties. This refers to an employee’s perception of the exchange of mutual promise-based obligations in the employment relationship (Freese & Schalk, 2008).

The psychological contract framework can be perceived as managing and understanding what employees expect from an organisation to meet a large number of wide-ranging obligations as part of the employment relationship (Hartmann & Rutherford, 2015). Within the psychological contract, Rousseau (1995) makes a distinction between transactional and relational types of contracts (Mervis, 2012). This implies that, from the formation of the employment relationship, employees are implicitly and explicitly promised various things, including relational incentives (e.g., opportunities for skill development), and as well as transactional incentives (e.g., competitive compensation) (Montes & Irving, 2008). Transactional contract orientations focus on specific, short-term, and compensation-type of obligations with limited involvement of the parties. Employees with strong transactional/-contract orientations focus on economic exchange, where obligations are clearly defined and employees presume immediate compensation for their contributions. Relational contract orientations focus on broad, unspoken, and long-term obligations based on perceived
obligations and socio-emotional aspects such as loyalty and support (Mai, Ellis, Christian & Porter, 2016).

The employment relationship is often seen as an economic exchange relationship or as a legally defined and regulated employment contract (Haunschild, 2011). However, promises based on expectations of a fair relationship between effort and compensation, mutual loyalty and commitment, security and risk-sharing, and the stability and duration of the contract, forms part of the implied, unspoken obligations of the employment contract (Haunschild, 2011). The concept of the psychological contract framework is perceived to manage and understand these implied obligations (Haunschild, 2011). Individual employees develop perceived expectations of the employer through promises made by the employer, the individual’s own expectation of employment, and their understanding of the organisational culture during the establishment of the employment relationship (Swanepoel, 2013). The perceived expectations from both the employer and employee will determine the kind of relationship that will exist between them. (Swanepoel, 2013).

Although Rousseau (1995) focuses on mutual commitments, obligations and expectations between organisations and individuals, and the development of the psychological contract during individual-organisation interaction, she defines different types of contracts, as seen in Figure 1: those which match particular types of employment relationships that are dependent on insider or outsider status, and are relevant/ pertinent over long- or short-term orientation (Haunschild, 2011).
Source: Rousseau (1995, p. 9)

Rousseau (1995) emphasises the role of social norms and beliefs and the social context of employment relationships (Haunschild, 2011). This social context of the employment relationship is seen as social contracts that are cultural, based on shared collective beliefs regarding appropriate behaviour in society including norms of reciprocity. According to Rubin (2012), social contracts occur in institutions, organisations and interactional forms. Social contracts comprise/give rise to shared understandings and associated behaviours where people, acting as a group, share their experiences (Rubin, 2012).

Social contracts provide a theoretical way that links the individual to the larger social structure providing the environment within which the individual is situated and acting (Rubin, 2012). The social contract grows from individual beliefs associated with a specific employment organisation and it also incorporates shared understandings, beliefs and ideas about structural relations and perceived promises made by the employer (Rubin, 2012).

### Figure 1. Different types of contracts

<table>
<thead>
<tr>
<th>Outside</th>
<th>Individual</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological contract</td>
<td>Individual beliefs regarding promises made, accepted, and relied between themselves and others.</td>
<td>Normative contract</td>
</tr>
<tr>
<td>Implied contract</td>
<td>Interpretations that third parties make regarding contractual terms.</td>
<td>Social contract</td>
</tr>
<tr>
<td>Within</td>
<td></td>
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</tbody>
</table>

Source: Rousseau (1995, p. 9)
Social contracts in the workplace are evident in the commonly-held beliefs about what constitutes fair treatment (Haunschild, 2011).

Rousseau (1995) also introduced the notion of normative contracts that include organisational cultures or subcultures (Haunschild, 2011). According to Rubin (2012), if many people share a set of normative expectations and similar ideas regarding reciprocity and exchange, these ideas are not the idea of an individual, but ideas from socialisation, participation in larger institutions and organisations, and are embedded in social networks. Normative contracts exist in the workplace where there are many members who identify themselves in similar ways with it and with one another (Rousseau 1995; Haunschild, 2011). These different subgroups in the workplace may share different basic assumptions, values, norms of behaviour and patterns, as well as artefacts (Haunschild, 2011) and create systematic patterns of shared, normative understandings, shaping the individual’s behaviour across institutions (Rubin, 2012).

Psychological contracts can be self-fulfilling for people who have mutual obligations because the psychological contract framework can be perceived to understand what the employer expects from the employee and also what the employee expects from the employer (Xavier & Jepsen, 2015). For the employee, the psychological contract brings a sense of control and predictability when there is uncertainty in the workplace (Xavier & Jepsen, 2015). The extent to which employees feel that their needs have been met, has a big impact on job satisfaction and motivation that may influence the long-term organisational performance. Therefore, it is important that an organisation should manage employees’ expectations in order to ensure that promises are kept (Xavier & Jepsen, 2015). Employers should strive to meet the expectations of the employees who are looking for job satisfaction, together with sufficient working conditions and rewards, and may then expect that the norm of reciprocity will be a motivation for employees to respond with positive attitudes and
behaviours toward their jobs and their organisations (Rayton & Yalabik, 2014).

According to Haunschild (2011) an important feature of the psychological contract is that the individual voluntarily agrees to make and accept certain promises made, which are understandable to the individual. These promises are based on expectations of a fair relationship between work and reward, mutual loyalty and commitment, security and risk-sharing, and the stability and duration of the contract (Haunschild, 2011).

When the employee perceives that an employer breaks the psychological contract, the trust of the employee within the organisation is harmed and work performance does not remain the same (Hussain, 2014). Previous research demonstrated that psychological contract breach is relatively common and that it is associated with various negative outcomes, such as lowered/impaired citizenship behaviour, reduced commitment and satisfaction at work, less/diminished trust in the organisation, and higher intention to quit the organisation (Epitropaki, 2013).

**Problem statement**

Rousseau’s (1995) reference to the concepts of normative and social contracts evolving and expanding in literature states that an individual’s obligations and expectations are influenced by these concepts as part of the psychological contract. However, there is no known theoretical model that explores the varying levels of depth/intensity which can indicate to what extent the normative and social contracts influence an individual’s expectations and obligations in the employment relationship. This may lead to conformity and can be defined as the act of comparable behaviours towards group norms, as it represents people’s behaviour that emerges as a result of their interactions (Javarone, 2014). This tendency to conform occurs in small groups and/or in society as a whole (Javarone, 2014). People often conform from a desire for security within a group (Javarone, 2014).
When this occurs an individual might experience perceived psychological contract breach that can be defined as a person’s perception of the extent to which his employer has failed to fulfil promises and/or obligations that the employer owed the employee (Abu-Doleh & Hammou, 2015); this in turn leads to feelings of anger, mistrust and betrayal and can be labelled as psychological contract violation (Jamil, Raja & Darr, 2013). These feelings can lead to negative consequences for an organisation such as reduced job satisfaction, organisational commitment, performance and turnover intentions (Vantilborgh, Bidee, Pepermans, Griep & Hofmans, 2016).

**Aim of this study**

The aim of this study is to explore the link of the normative and social with the psychological contract and to use this information to identify and substantiate themes. To achieve the purpose of this study, focus groups were formed and interviews were conducted regarding the psychological contract which laid the foundation for exploring the psychological, normative and social experience of the participants.

**Objectives**

The objectives of this study were the following:

- To explore the normative contract expectations of employees in relation to the psychological contract.
- To explore the social contract expectations of employees in relation to the psychological contract.
Research design

Research approach

This article is exploratory in nature since there is no known theoretical model that focuses on the influence that the normative and social contracts can have on the psychological contract of employees. The exploratory research design approach explores, at varying levels, the extent and influence that the normative and social contracts may have on an individual’s expectations and obligations in the employment relationship.

A qualitative approach was undertaken to discover and gather data regarding the expectations of employees within the framework of normative and social contracts. The exploratory research design provides valuable information that helps to identify the main themes relating to the influence that the normative and social contracts can have on employees’ psychological contract.

The qualitative approach was divided into two parts – focus groups and individual interviews. Focus groups made out the first area where the qualitative approach was used to identify the main themes of this article. After the main themes had been identified, the researcher conducted individual interviews as a second approach to identify the underlying themes of this article.

Part 1: Focus groups. Three focus groups with participants of (n=30) 10 people in each focus group were identified to participate in the study. Making use of focus groups is one of the most common uses of exploratory research because the open and natural discussion format allows information to be obtained rapidly with a vast range of participants. The purpose for these focus groups was to identify the main themes associated with the normative and social contracts.
Part 2: Individual interviews. Semi-structured interviews were also conducted with (n=12) participants. The purpose of the interviews was to identify the sub-themes associated with the normative and social contracts.

Research strategy

Focus groups and semi-structured individual interviews were conducted. The data was gathered by using the Livescribe smartpen which simultaneously records while notes are made. In the qualitative approach the focus groups and interviews were transcribed to explore the expectations of the employees as part of the normative and social contracts. A content analysis was done with the transcribed data that assisted in determining their reliability and validity. The responses from the qualitative data were analysed by identifying the relevant efficacy items, as well as counting the number of occasions that the item emerged, in order to determine its importance. This was achieved by a coding process of the transcribed data.

Research method

Two different types of samples were used to identify the main and underlying themes of this research study. Because this is not a context study, it allowed flexibility in the aspects of the research study. This allowed the researcher to explore the influence that the normative and social contracts could have on the psychological contract of employees or any individual with a psychological contract.

Part 1: Focus groups

Workers of a general cleaning company in the North West Province were chosen as the research population. The company gave its consent after a letter asking for permission to do research within the company, was sent to the head of the department. To ensure that the participants stayed anonymous no biographical information was asked of them.

The participants had the option to withdraw from the focus group whenever they felt
uncomfortable about anything. The criteria for the theoretical population entailed any individual working for an employer and formed a psychosocial contract. The study/research population was derived/drawn from the theoretical population and consisted of participants that were in a collective working environment. Therefore the sample consisted of general employees of the company. A minimum of three focus groups were conducted.

**Part 2: Individual interviews**

Employees of a large wholesale-retail company were chosen as the research population for the personal interviews. A minimum of twelve interviews were conducted after the owner of the wholesale-retail company had consented. No biographical information was asked of the participants to ensure anonymity. All the participants had the option to withdraw from the interviews whenever they felt uncomfortable. The criteria for the theoretical population were any individual working for an employer where a psychosocial contract was formed.

**The participants**

**Part 1: Focus groups**

A snowball sampling approach was used to identify participants who were willing to participate in the study. Individuals from the relevant population that acted as informants for the same population were identified (Welman, Kruger, & Mitchell, 2005). Individuals who were interested in the study showed up to participate in the focus groups. The focus groups numbered a total of 30 participants (n=30) and consisted of male (25%) and female (75%) employees of a cleaning company (between the ages of 25 and 40). This company provides multi-service solutions for companies in the North West Province. All the participants of the focus groups voluntarily agreed to take part in the study and all of them were kept anonymous, which would vouch for the honesty and transparency of the data (Welman et al., 2005).
Part 2: Individual interviews

The interviews dealt with a total of 12 participants (n=12) and consisted of male (50%) and female (50%) employees between the ages of 30 and 45 of a wholesale-retail company. The snowball sampling approach was used again to identify participants who wanted to participate in the study. The owner informed the employees of the study at a staff meeting. Employees who wanted to participate, wrote down their names to be called when the interviews took place.

Data collection

Part 1: Focus groups

The focus groups were held at three different venues identified by the company. Each focus group session took approximately one hour. The researcher briefed the participants by giving them a short background and an idea of the purpose of the study. The participants were reassured that their names would not be disclosed during the study or in any publication, or at any event, that they were there on a voluntary basis, and that the findings and recommendations would not be used to victimise or discriminate against any participant.

The interview consisted of two qualitative questions that determined whether:

- The employer had made promises to the employees.
- The employees had expectations or any obligations regarding the employment relationship.

Various follow-up questions regarding the normative and social influences emerged as the discussion in the focus groups progressed.

Part 2: Individual interviews

The personal interviews were held at a coffee shop next to the employer’s premises. It
provided a relaxed environment in a quiet corner which the researcher had reserved. The interviews took approximately 45 minutes each. Each participant was reassured that they would remain anonymous and that all data would be used only for research purposes. A minimum of twelve interviews were conducted until a saturation point regarding the information had been acquired.

**Theme analysis**

Focus groups were used to identify the main themes of this article and individual interviews were used to identify the underlying themes of this article. The responses received from the employees were clustered together on the basis of similarity, and correlating subcategories were grouped together. Each cluster group was assigned an explanatory heading representing the themes. These themes were further investigated through relevant literature, based upon the psychological contract theory, and the theoretical and practical influences of these themes were then specifically focused on. The participants’ answers were categorised and the predominant categories were identified. The themes associated with the normative contract that were identified within the focus groups, together with the underlying themes identified by the individual interviews, are set out in Table 1. The derived themes associated with the social contract that were identified within the focus groups, together with the underlying themes identified by the individual interviews, are set out in Table 2.

**Results and description of themes**

Freedom of association, community opinions, occupational culture and organisational justice were the main themes identified from the focus groups for the normative contract. Better basic conditions of employment and current labour market tendencies were the main themes identified from the focus groups for the social contract. Each theme is made up of substantive subcategories comprising the central theme and is set out in Table 1 and Table 2 below:
Table 1

Normative contract

<table>
<thead>
<tr>
<th>Normative</th>
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<tbody>
<tr>
<td>Freedom of association</td>
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<tr>
<td>• Access to trade union</td>
<td></td>
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<tr>
<td>• Legislative obligations</td>
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<tr>
<td>Community opinions</td>
<td></td>
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<tr>
<td>Family and friends’ opinions</td>
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<tr>
<td>Occupational culture</td>
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<tr>
<td>Social support</td>
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<tr>
<td>Organisational justice</td>
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<td>Distribution justice</td>
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Table 2

Social contract

<table>
<thead>
<tr>
<th>Social</th>
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<tbody>
<tr>
<td>Better basic conditions of employment</td>
<td></td>
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<tr>
<td>• Higher minimum wages</td>
<td></td>
</tr>
<tr>
<td>Current labour market tendencies</td>
<td></td>
</tr>
<tr>
<td>• Permanent positions</td>
<td></td>
</tr>
<tr>
<td>• National protest demands</td>
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</table>

Contents of the normative and social contract

The themes identified in Tables 1 and 2 reveal a basic framework of what were perceived expectations by the participants of the focus groups and noted from their personal interviews. However, they do not clarify and reveal the meaning and impact thereof as such. In the following section of this article a literature review was conducted to disclose both the theoretical and practical relevance of these themes.
Freedom of association

According to Dawkins (2012) freedom of association can be defined as employees’ right to organise and/or belong to a union. The Labour Relations Act states that employees have the right to (a) participate in forming a trade union or federation of trade unions; and (b) to join a trade union subject to its constitution. Employees’ rights to freedom of association can also be exercised through non-union community associations, but are almost exclusively exercised through trade unions in the employment relationship (Lambropoulos, 2013).

Access to a trade union. Dawkins (2012) emphasises that a trade union’s purpose is to maintain and improve the employee’s working conditions. Braekken (2013) suggests that third party representation brings an additional element to the employment relationship; that trade union instrumentality is the degree to which an individual believes a union can improve the employment relationship and the workplace with respect to both “traditional” (e.g. wages, benefits) and “non-traditional” (e.g. job satisfaction) work conditions. Union instrumentality describes the extent to which a union is perceived to be able to put pressure on an employer to fulfil the psychological contract (Braekken, 2013).

The belief that the union can be instrumental in improving work conditions suggests that the individual employee thinks that the union can rectify wrongs that have occurred in the employment relationship (Braekken, 2013). In other words, if employees believe that the union can “right a wrong”, they may be less likely to have the cognitive recognition of psychological contract breach taking place and turning it into an effective negative response; that is, psychological contract violation (Braekken, 2013).

Legislative obligations. Legislative obligations are reflected in most of the employees’ answers when asked what the employees expect from a trade union. The employees felt that it was a trade union’s duty to protect them and to have their best interests
at heart. According to Henderson (2010) employees have developed a propensity to unionise in order to protect themselves in the organisation: a responsibility attributed to legislative obligations that the union is perceived to have towards them.

**Community opinions**

Andrei (2013) states that the concept of community is a gathering of individuals who share common believes and interests in a certain area. Most individuals seek secure mutual understanding and compromise, thus exchanging their opinions with others within these communities (Andrei, 2013). The concept of a community is more than just that of a place. It is about a special feature of the human relations within a community, for example family and friends (Andrei, 2013).

**Family and friends’ opinions.** Most of the employees that participated in the research study indicated that they were (regularly) influenced by their friends and family. According to their family and friends their hours of work is too long and their salaries are too small. The participants responded by stating that their family and friends were constantly encouraging them to seek other employment. The idea behind this can be seen as humanised work or quality of working life. This concept is defined by Chand (n.d.) as the value of treating the employee as a human being, thereby creating perceived expectations within a community that an individual would be treated fairly and be granted reasonable working hours with a reasonable salary.

**Organisational culture**

Organisational culture can be seen as a pattern of expectations regarding a group’s place and function within the employment relationship. Organisational culture is directly connected with effectiveness and performance of the organisation (Lapina, Kairisa, & Aramina, 2015). Thus, weak or strong, good or bad, all organisations have a culture (Eskiler, Ekici, Soyer, &
Sari, 2016) and the stronger the organisational culture, the more efficient the employment relationship (Lapina et al., 2015). Organisational culture is the core of the behaviour, values and beliefs that express individuals’ behaviour in an organisation (Eskiler et al., 2016).

Culture facilitates the mannerisms of individuals within an organisation and teaches employees how to behave. Therefore it could be seen as the beliefs and values that shape individuals’ behaviour in an organisation (Lapina et al., 2015).

**Social support.** Mentoring and debriefing with co-workers and supervisors, group discussions and/or group interaction, are part of the many forms of social support (Poulsen, Khan, Poulsen, Khan, & Poulsen, 2016). The critical components for social support include the creation of a culture where concerns can be shared in a safe and trustworthy environment (Poulsen et al., 2016).

According to some of the participants there is a social hierarchy in the organisations. They stated that, if you’re not friends with the supervisors or belong to a certain “clique”, then you cannot rely on anyone and don’t have a support basis in your working environment.

According to Poulsen, Khan, Poulsen, Khan & Poulsen (2016) the nature of the support within an organisation, whether from co-workers, supervisors or group interactions, can take on a number of different forms:

- **Informational:** Where employees receive direction and advice from co-workers and/or supervisors;
- **Emotional:** Where employees can rely on one another to provide a care and trustworthy environment in times of need;
- **Instrumental:** Support to complete tasks; and
- **Appraisal:** Reassuring employees of their value and worth in the form of evaluation and feedback.
Organisational justice

According to Engstrom (2014) the concept of organisational justice focuses on the role of fairness in the employment relationship. An employee’s perceived perception of fairness is exhibited in the actions, the decisions, allocation of resources, as well as in the rewards and punishment in the organisation. Engstrom (2014) states that one of the most important benefits of the organisational justice theory and framework is that it may be used to explain a wide variety of organisational behaviours. The organisational justice forms part of the equity theory that has its roots in the psychological literature (Engstrom, 2014).

According to Engstrom (2014) the equity theory declares that people compare their own perceived work outcomes to their own perceived work inputs. When they experience inconsistency between their perceived work inputs and perceived work outputs, psychological distress follows and results in adverse behaviour (Engstrom, 2014). Organisational justice also has its roots in the social exchange theory (Engstrom, 2014). The social exchange theory is used to look at patterns of mutually contingent exchanges of gratification between two individuals with a belief in reciprocity under a generalised moral norm (Engstrom, 2014). The social exchange theory therefore explains how people experience the exchanging of goods or services, believing that the exchanging will be reciprocated in order to maintain a stable social system (Engstrom, 2014).

The equity and social exchange theory looks into the perceptions and acts of individuals within a certain context for a better understanding of human behaviour (Engstrom, 2014).

The core element of organisational justice is that people use four different types of justice that all have different outcomes. The four different types of justice are divided between those that focus on content (distributive), those that focus on process (procedural), and those that focus on interactions (interpersonal and informational) (Engstrom, 2014).
**Distributive Justice.** Distributive justice is considered to be the component that is most closely related to equity theory (Engstrom, 2014). The outputs in an organisational setting are items such as pay satisfaction, job satisfaction, recognition, honest feedback, workload, benefits and promotions (Engstrom, 2014).

An individual’s perception of distributive justice can be the result of a comparison between his or her own output/input ratio and that of other employees in the same organisation (Engstrom, 2014). Individuals may vary in the way that they perceive they should be rewarded, based on individual levels of productivity and the way they define fair allocation outcomes, levels of compensation and personal circumstances (Engstrom, 2014).

When asked if the participants experienced any organisational justice, all the respondents stated that they expected to be treated fairly and that they wanted the same treatment as the rest of their co-workers. However, most of them stated that they did not receive the same amount of money at the end of the month as their co-workers. This was a very emotional topic for the participants as they stated that they did the same work and worked exactly the same hours as their co-workers.

**Better basic conditions of employment**

To ensure that people are treated fairly there are quite a few laws which govern and regulate the South African workplace (Steyn, 2016). These laws ensure that employees’ human rights are respected and that the workplace is well organised and disciplined (Steyn, 2016). One of these laws is the Basic Conditions of Employment Act, 75 of 1997.

The purpose of the Basic Conditions of Employment Act, 75 of 1997, as amended, is:

(2) To advance economic development and social justice by fulfilling the primary objects of this Act which are

(a) to give effect to and regulate the right to fair labour practices conferred by section 23(1) of the Constitution
(i) by establishing and enforcing basic conditions of employment; and

(ii) by regulating the variation of basic conditions of employment; and

(b) to give effect to obligations incurred by the Republic as a member state of the International Labour Organisation.

Within the purpose statement of the BCEA the word “basic” occurred twice in the above, and a number of times throughout the whole Act. This may seem of little relevance but to most employees the “basics” did not cover their “basic needs”. The participants stated that they considered their own expectations as more important than the law's minimum requirements since the minimum requirements set out in the Basic Conditions of Employment Act, 75 of 1995, did not cover their basic needs, thus expecting the employer to identify with their basic needs which then leads to perceived psychological contract breach.

**Minimum wages.** According to the ILO (2014) a minimum wage is “the minimum sum payable to a worker for work performed or services rendered within a given period, whether calculated on the basis of time or output, which may not be reduced either by individual or collective agreement, which is guaranteed by law and which may be fixed in such a way as to cater to the minimum needs of the worker and his/her family, in the light of national economic and social conditions” (p. 19).

Minimum wage can be seen as a platform for the amount of money that should be paid to a worker. This platform can be increased if it is the employer’s desire, but it cannot be reduced because it is guaranteed by law. The government sets the platform for the minimum wage, usually in consultation with employer and employee organisations. In this way the government ensures that it is catering to the minimum needs of employees (MyWage, 2016).

The responses from the participants were that the government should set out minimum wages for all employees. They felt that they worked extremely long hours and that they did not get paid enough. They also expected that the government should try and better
these situations for all employees.

According to Rutkowski (2003) the ILO’s fundamental objectives of establishing a minimum wage are “to prevent the exploitation of workers at the hands of employers, to promote a fair wage structure in order to provide a minimum acceptable standard of living for low-paid workers, and to eventually alleviate poverty, especially among working families” (p. 3).

**Current labour market tendencies**

According to Barker (2007) the labour market is a fictional market place where the trading of labour is seen as part of the current economic climate. If the employment rate of a country is high, it is an indicator that the economy is healthy but if the country experience financial instability, the employment rate will be lower (Barker, 2007). People losing jobs because of retrenchment as direct result of a bad economy, will increase the unemployment rate and will cause job insecurity amongst employees (Barker, 2007).

According to Callea, Urbini, Ingusci and Chirumbolo (2016) more attention has been given to job insecurity as a result of vital changes in the employment relationship of the labour market. Callea et al. (2016) defines job insecurity as the ‘subjectively perceived likelihood of involuntary job loss’. Therefore, according to Callea et al. (2016), employees feel a sense of job insecurity when they perceive that they may lose their jobs in the future.

**Permanent positions.** The fear of losing one’s job was common amongst the employees who participated in the focus groups because job insecurities had increased in the current economic climate. This characterises the instability in employment conditions and resulted in contracted outsourcing. The employer is not guaranteed a contract each year with the same organisations that make use of their multi-service solutions. Therefore employees feel uncertain whether they would be employed in the near future.
National protest demands. The development of outsourcing certain services led to the striking by thousands of cleaning, gardening, security and other outsourced workers in the past years as part of the #OutsourcingMustFall campaign in South Africa, which demanded an end to staff outsourcing (TimesLive, 2016). This had a major influence on some employees. They stated that they supported the protest actions because it was an important factor as it would ensure more benefits and job security/permanent positions in the future for them. Not everyone in the focus groups supported the protests and stated that they could not be influenced by this because they needed the money to survive.

Conclusion

This article’s main objective was to explore the normative and social expectations as part of the psychological contract on the part of employees and, as such, it was aimed at determining the underlying themes associated with the normative and social contracts that may create perceived psychological contract breach and violation in the employment relationship. To achieve this, the normative and social contract influences upon employees were obtained and explored. The main themes were identified by conducting focus groups with participants and asking questions to identify their expectations and obligations. The underlying themes of this article were then explored by conducting individual interviews with the participants.

These themes indicated that the participants did not have unrealistic expectations and obligations. Nevertheless, they did have expectations and obligations that were created by the normative and social contracts. They believed that these expectations and obligations formed part of the psychological contract which they have with their employer. However, these expectations and obligations not being met by the employer had thus caused employees to feel dissatisfied with their employment relationship.

This indicates that psychological contract breach emerges when employees are
influenced by the normative and social contract, causing employees to perceive that the employer failed to fulfil expectations and obligations. Therefore, according to Hennicks (2014), psychological contract breach has negative consequences for employees and employers since employees may neglect to keep their promises made to the employer, which will have a negative impact on their performance. Furthermore, the fact that a large percentage of the participants do not have a good relationship with their employer and are unwilling to discuss unhappiness in the employment relationship, is unfortunate and can have a negative influence on it.

The normative and social contracts can have a major impact on the employment relationship. Having said this, an employee’s basic needs will always come first and, even though the normative and social contract may have an impact on the employee by causing perceived psychological contract breach and violation, the majority of employees felt that they would still stay with the current employer because of economic reasons and their basic needs.

**Recommendations for further research**

The consequences of perceived psychological contract breach and violation have now been acknowledged but further studies may be undertaken to determine how the employment relationship can be restored, especially where the employee may be experiencing perceived psychological contract breach and violation as a result of normative and social influences.

Where economic need plays a significant role in job insecurity, further study can explore the contribution that the normative and social influences have upon job insecurity that leads to perceived breach and violation of the psychological contract. In addition, it will be interesting to explore need-based theories while looking at normative and social influences on the psychological contract of an individual. Thus, the ability of employers to manage the
psychological contract effectively and minimise perceived breach and violation, will always be a critical factor in the success of organisations.
Reference list


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Chapter 3: Determining the link between the experience of the psychological, normative and social contracts

Abstract

The psychological contract has become a key concept of employment and focuses on the implicit and largely unspoken perceived promises between employer and employee. The normative and social contracts create expectations and obligations that form part of the employee's psychological contract which they have with his/her employer. A social contract is developed by an individual’s feelings from what is believed are related to the working environment, while the normative contract is a psychological contract shared by members of a team. However, these expectations and obligations created by the normative and social contracts are not always met. This indicates that psychological contract breach emerges when employees are influenced by the normative and social contract, causing employees to perceive that the employer failed to fulfil expectations and obligations. Therefore, the normative and social contracts of an employee can be seen as a moderator that determine psychological contract breach and violation. The aim of this study is to determine if there is a link between the experience of the psychological, normative and social contracts, and if the normative and social contract causes psychological contract breach and violation in the employment relationship.

Keywords: psychological contract, normative contract, social contract, employment relationship, expectations, obligations, breach, violation
Introduction

The psychological contract is subjective and embodies general expectations and shared expectations within a society where parties do not necessarily agree, and therefore are different from other constructions such as implied contracts (Kraak, Lunardo, Herrbach & Durrieu, 2017). A psychological contract plays a mediating role between the characteristics of an organisation and the attitudes and behaviour of employees (Tabernerro, Chambel, Curral & Arana, 2009). According to Rousseau (1995) the focus of a psychological contract is based on individual beliefs formed by the organisation regarding terms of an exchange between individuals and their organisation.

Elst, De Cuyper, Baillien, Niesen and De Witte (2014) state that employees are an important asset in an organisation, therefore the success of organisations depends on a healthy employee-employer relationship. Therefore the psychological contract concept is important because it is a way of understanding and managing attitudes and behaviours in organisations, and it is a way of identifying the employee-employer exchange relationship over a period of time (Elst et al., 2014). Employee perceptions regarding remuneration, resources and attitudes are formed by employees in exchange for their perceived obligations (Elst et al., 2014). According to Tabernerro et al. (2009) employees develop a psychological contract with an organisation depending on the individual's experience in their own work which, in turn, is based on their overall experience in the organisation. However, the psychological contract can be referred to as the individual's perceptions of the exchange conditions between the individual and the other party, which is not necessarily the organisation itself. Individuals can establish psychological contracts that determine the expected reciprocity with immediate line-heads, co-workers and the organisation (Tabernerro et al., 2009).

Verbal or elicited observations of co-workers and organisational operation that
perceives a sequence of promises regarding a reciprocal exchange, will produce obligations (Kraak et al., 2017). Such reciprocity implies that either the employee or organisation will adjust their exchange; hence the extent obligations has been fulfilled by the other party (Kraak et al., 2017). The concept of a psychological contract needs to be redefined to take into consideration that it establishes the differences between the entities functioning at different organisational levels (Tabernero et al., 2009). Thus the number and type of psychological contracts that individuals can establish in their workplace depends on the type of organisation and work process that is being developed (Tabernero et al., 2009).

The expectations of employees and organisations regarding the roles and outcomes of both parties represent a mutual understanding through which fulfilment of promises, to treat employees objectively and to provide employees with fair compensation for their efforts, is expected by the organisation (Li, Wang & Kim, 2016). Complying with organisational rules, having a positive work attitude, identifying with the organisation’s mission and vision, being loyal and fulfil job and in-role behaviour requirements, is expected in return by the organisation (Li et al., 2016). These conditions of exchange places the psychological contract within the social exchange theory because work interactions, such as employee attitudes and behaviours, are important aspects that the social exchange theory explains (Kakarika, Gonzalez-Gomes & Dimitrades, 2017). The main principles of the social exchange theory show that relationships develop when a sequence of mutual exchange of resources based on reciprocity occur (Kakarika et al., 2017). Relationships between employees and organisations develop through reciprocating rewards and benefit causes (Kakarika et al., 2017). According to this norm, trust is established and may increase favourable employee attitudes (Kakarika et al., 2017).

To uphold and maintain a reciprocal and healthy relationship is an aspiration for employees in terms of inducements and contributions. Perceived breach will likely impair
expectation of reasonable dealings that determine long-term employment relations when an employee perceives that an organisation has not fulfilled its obligations (Lu, Shen & Zhao, 2015). Psychological contract breach is defined as an employee's perception of the extent to which the employer failed to comply with promised obligations such as high salary, promotions, payment based on performance, long-term job security, sufficient power and responsibility, training and career development (Guo, 2017). Transactional and relational commitments and promises may contribute to the way employees evaluate their employment and contributes to form perceptions (Kakarika et al., 2017). When an individual finds that the organisation fails to fulfil promises, the psychological contract is breached (Kakarika et al., 2017).

Employees who experience a fulfilled psychological contract demonstrate a positive wellbeing and attitude towards their organisation (Li et al., 2016). These employees tend to adopt the identity of the organisation and there is a greater probability that they will exercise organisational citizenship and show commitment towards the organisation (Li et al., 2016). This positive behaviour improves work performance and other in-roll behaviours (Li et al., 2016). However, perceptions can arise when there is misunderstandings in the employment relationship and the parties fail to deliver promises (Li et al., 2016). Such situations cause a breach of the psychological contract and lead to negative attitudes and feelings, distrust, reduced job satisfaction and organisational dedication, increased turnover intentions and reduced employee efficiency (Li et al., 2016; Kakarika et al., 2017).

Examples show that psychological contract breach has a significant negative effect on job satisfaction and job involvement, and that there is a significant positive relationship between psychological breach and voluntary turnover; also that it negatively affects organisational citizenship behaviour (Guo, 2017). The psychological contract needs to be examined through promises and inducements made to determine the experience of fulfilment,
breach and violation (Kraak et al., 2017).

Thus, the best way to understand the psychological contract is to investigate the consequences when a psychological contract is not fulfilled regarding psychological contract breach (PCB) and psychological contract violation (PCV) (Trybou, Maaike, Elke, & Gemmel, 2016). While the foregoing describes the cognition where an organisation failed to fulfil the obligations of the psychological contract in accordance with the employee's contributions, it refers to emotional distress and feelings of betrayal and anger that arise when an organisation does not comply with promises (Trybou et al., 2016).

According to Jamil, Raja and Darr (2013) employees’ expectations and interpretations of work promises are influenced through the society and cultural orientation of their work environment. A contract based on social reciprocity is developed by an individual’s feelings from what they believe are related to their working environment (Rubin, 2012). The social contract is not developed from private experiences of individuals, but developed through active participation in collective life and through cooperation and joint enforcement of social reality, which dominates society (Moghaddam, 2008). Social contracts are part of institutions, organisations and interaction forums. The concept of social contracts is a way of seeing social life and social change (Rubin, 2012). Another aspect of social contracts is that they are a conceptual vehicle that connects the individual’s schemes with the larger social structure (Rubin, 2012).

Organisations are increasingly structured into working groups; therefore the psychological contracts that relate to working groups need to be investigated (Kakarika et al., 2017). Social interaction in work groups causes shared phenomena, and a shared psychological contract occurs when members of a team experience a common set of psychological contracts (Kraak et al., 2017). This type of contract can be defined as the perception of each group member's perceived obligations, individually and as a group
(Kakarika et al., 2017). The social expectations of behaviour driven by morals and obligations are stabilised by the normative contract (Alexander, 2012). A framework composed of rules, including routines, roles, procedures, conventions and codes, provides for action and explains both the organisational structures and the actions of individuals within those structures (Alexander, 2012).

The logic of appropriateness is central in the normative perspective and consists of rules and routines that provide actions to provide both order and predictability (Alexander, 2012). The beliefs of the relative importance of a group versus the individual in society that control actions such as the relative importance of uniformly applied rules to personal relationships or reciprocity, are included in the normative contract (Alexander, 2012).

Rousseau (1995) refers to the existence of normative contracts as psychological contracts shared by members of a team. A working team that collaborates, shares beliefs on the types of relationships that are established between the members (Jamil et al., 2013). Such a set of beliefs are maintained by the reality of that group. In the initial stages of group interaction, promises about reciprocity and exchange undergo changes as a reflection of the process of acceptance of reality (Jamil et al., 2013).

Consequently it is expected that interaction between workers in a group to solve a common task, share the same kind of psychological contract (Tabernero et al., 2009) and as a result groups who work on a task over time should develop a psychological contract shared by the group (Tabernero et al., 2009).

**Problem statement**

During the 20th century production equipment was the most valuable asset for organisations, while the knowledge and productivity of workers during the 21st century were the most valuable assets for organisations and non-organisations (Elst et al., 2014). However, there are
still many old management practices in workplaces that are applied today. Incompetent managers who cannot inspire their workers to deliver their highest talents and contributions, are still present in many workplaces and this correlates directly with the attitudes and behaviour of people (Elst et al., 2014). The main reason why so many people are dissatisfied with their work, and why organisations do not benefit from the best of their workers, is because people pre-consciously or unconsciously make choices (Elst et al., 2014). They decide in advance how much they will give to their organisation depending on how they are treated (Elst et al., 2014).

Many changes in terms of growing competition, globalisation of markets, the introduction of new technologies and changing government regulations, are challenges of today's organisations (Abu-Doleh & Hammou, 2015). The nature of the employment relationship in a business environment changes due to organisational changes (Abu-Doleh & Hammou, 2015). Organisations should pay more attention to the management of change, to lead and motivate people and to create alignments under the right circumstances (Abu-Doleh & Hammou, 2015). A critical aspect that leaders and managers in the workplace need to determine is how to develop and improve relationships with their people in ways that take into account changes in customer needs, the organisation's goals and strategies, as well as people's changing needs, desires and ambitions (Abu-Doleh & Hammou, 2015).

The psychological contract has become a key concept of employment, while the written labour contracts include all explicit monetary and non-monetary terms of employment, such as wages, required hours and leave entitlements (Abu-Doleh & Hammou, 2015). The psychological contract focuses on the implicit and largely unspoken perceived promises between employer and employee (Abu-Doleh & Hammou, 2015). The importance of a psychological contract is further emphasised when there is breach of a psychological contract (Abu-Doleh & Hammou, 2015). Within a dynamic environment, organisations may
be less willing and/or less able to fulfil all their promises to employees. Failure to comply with promises is called breach of contract and evidence has been found that the majority of employees believe that their employer did not comply with some aspects of their employment agreement (Abu-Doleh & Hammou, 2015).

When an employee experiences a contradiction between expectations from the psychological contract and the actual delivery of promises, it is experienced as perceived contract breach (Abu-Doleh & Hammou, 2015). According to Rousseau (1995) the experience of the psychological contract breach is an event where an employee experiences that what was promised and what was delivered is not in line. Psychological contracts in the employee-employer relationship are used by the employees to determine contribution to the organisation in the future, commitment to the organisation, and how much one should expect from the organisation in return (Solinger, Hofmans, Bal & Jansen, 2016).

Schilling and Linde (in development) emphasises that the normative and social contracts create expectations and obligations that form part of the employees’ psychological contract which they have with their employer. However, these expectations and obligations that are created by the normative and social contracts are not always met. This indicates that psychological contract breach emerges when employees are influenced by the normative and social contract, causing employees to perceive that the employer failed to fulfil expectations and obligations (Schilling and Linde, in development). Therefore the normative and social contracts of an employee can be seen as a moderator that determine psychological contract breach and violation.

**Aim of this study**

The aim of this study is to determine if there is a link between the experience of the psychological, normative and social contracts and if the normative and social contract causes
psychological contract breach and violation within the employment relationship.

**Hypotheses**

$H_0$: The normative and social contract perspectives do not contribute to psychological contract breach and violation.

$H_1$: The normative contract perspective significantly contributes to psychological contract breach and violation.

$H_2$: The social contract perspective significantly contributes to psychological contract breach and violation.

**Research design**

**Research approach**

To achieve the aim of this study a quantitative approach to data gathering was used. Convenience sampling was used to select a sample from the study population composed of employees working in a hospital. Structured questionnaires were administered amongst employees in every department of the hospital.

The questionnaire was completely anonymous and nothing of the information obtained made the participants by any means identifiable. This was an attempt by the researchers to enhance the overall honesty of the respondents and to limit researcher bias.

**Research method**

**Measuring instrument.** A quantitative approach was followed to capture the research information and to meet the research objectives. The quantitative research method is an objective approach that seeks precise measurement and analysis of the target concept (Welman et al., 2012). People who participated in completing the questionnaire were informed on the particular phenomenon or issue, and the questionnaire was used to obtain
facts on opinions from these participants as prescribed by De Vos, Strydom, Fouché, and Delport (2012).

To accomplish the objectives of this paper the Psycones (2005) questionnaire, combined with a newly developed questionnaire, was used to collect data. An additional section requesting demographic information - gender and age - was included in the instrument. The constructs that were measured for this article using this questionnaire were the psychological, the normative and the social contract. The Psycones (2005) questionnaire was used to measure the psychological contract. Employee obligations, Employer obligations as perceived by the employee, and the overall State of the psychological contract were aspects used to measure the psychological contract.

The scale used to measure Employee obligations and Employer obligations as perceived by the employee, can be described as a double scale. The aspects are scored on a six-point scale ranging from (0=“No” to 1-5= “Yes” – “Promise Kept”). For Employer obligations and Employee obligations, “No” (0) and “Yes” (1-5) refer to the measurement of the content of the psychological contract. In other words, “does the employee think promises were made by the employer and does the employee feel that they made and kept their promises to their employer?” “Yes” and “No” refers to a nominal scale and according to Creswell et al. (2012) a nominal scale consists of two or more classes or categories and participants should have indicated if there were promises made or not, hence choosing “Yes” and “No”. The scale from 1-5, is an ordinal scale that refers to the breach experience of the psychological contract. In other words, to what extent do the employees feel that the perceived promises made were kept. Creswell et al. (2012), refers to an ordinal scale as classes that were meaningfully arranged in an order; in this case to what extent promises and commitments that employees and employers made to each other were perceived as kept.

For the purpose of this study, the breach and state experiences of the psychological
contract were the main focus, but before that could be determined, the researcher needed to
determine the contents of the psychological contract first.

_Employee obligations_ were measured using seventeen items (e.g., “Have you
promised or committed yourself to volunteer to do tasks outside your job description?”;
“Have you promised or committed yourself to be polite to customers or the public even when
they are being rude and unpleasant to you?”). _Employer obligations_, as perceived by the
employee, were measured using fifteen items (e.g., “Has your organisation promised or
committed itself to provide you with good pay for the work you do?”; “Has your organisation
promised or committed itself to provide you with a job that is challenging?”).

The overall _State of psychological contract_ fulfilment was measured using an ordinal
five-point Likert-type scale ranging from (1= “Not at all”, 2= “Slightly”, 3= “Moderately”,
4= “Very”, 5= “Totally”). This was measured using seven items (e.g., “Do you feel that
organisation changes are implemented fairly in your organisation?”; “In general, how much
do you trust your organisation to keep promises or commitments to you and other
employees?”).

Previous studies, like Dhuruo, Keyser and Surujilal (2015), and Van der Vaart, Linde
and Cockeran (2013), had high Cronbach’s alpha coefficients for the Psycones (2005)
questionnaire that indicated the questionnaire's reliability with Cronbach’s alpha coefficients
such as (α = .90) for the overall _State of the psychological contract_, (α = .70), (α = .93) for
Employee obligations, and (α = .93) for _Employer obligations_ as perceived by the employee.
The other two constructs, the normative and social contract, were measured through factors
that were identified by themes provided by Schilling and Linde (in development).

The normative contract and the social contract were measured using a five-point
Likert-type scale ranging from (1=“Strongly disagree”, 2=“Disagree”, 3=“Neutral”,
4=“Agree” 5=“Strongly agree”). The score from 1 to 5 refers to the influence of the
normative and social contracts. The normative contract’s influences were measured through four factors namely: *Freedom of association, community opinions, organisational culture* and *organisational justice* by using ten items (e.g., “Third party representation can improve your working conditions”).

The social contract’s influence was measured through two factors namely: *Better basic conditions of employment* and *Current labour market tendencies* by using four items (e.g., “You support protest actions for permanent position”). Confirmatory factor analysis was done to confirm the two newly developed constructs' reliability.

A letter of invitation and an explanation of the purpose of the study formed part of the questionnaire. Three hundred and fifty (n=350) questionnaires were distributed of which one hundred and seventy three (n=173) questionnaires were completed and used for data analysis.

**Research participants.** The criteria for the theoretical populations were that the participants had a psychological contract with their employer. The study population was derived from the theoretical population. A non-probability sampling method by means of convenience sampling was followed. The sample consisted of 173 (n=173) health care employees, including nurses, administrators and maintenance employees in an organisation in the healthcare industry. Before the questionnaire was distributed, permission to do research was first obtained by presenting a research proposal to the organisation's managers. After discussions with the board of the hospital, permission was granted to distribute the questionnaires. Access was granted to all departments, wards and the casualty section.

The characteristics of the participants can be seen on the following page, Table 1.
According to Table 1, 75.1% of the participants were female and 24.9% male. The majority (28.9%) of the participants were between the ages of 30 and 39.

**Statistical analysis.** The statistical analysis was carried out with the IBM SPSS program (IBM, 2016). The survey responses were analysed using factor analysis procedures of SPSS. Data reduction through confirmatory factor analysis was done. Factor analysis is a collection of measuring methods used to examine how underlying influences the responses on a number of measured variables (DeCoster, 1998). Confirmatory factor analysis tests whether a specified set of constructs is influencing responses in a predicted way. Together with the literature review, the confirmatory factor analysis confirms the reliability of the data.

**Results**

**Reliability and internal consistency**

The coefficient of reliability or internal consistency was measured through Cronbach’s alpha coefficients (IDRE, 2014). Descriptive statistics provided the means, standard deviations and the Cronbach’s alpha coefficients of the factors and items used. The reliability and validity of the questionnaires were established through internal consistency (Cronbach’s alpha coefficients) values and validity through confirmatory factor analysis. The constructs
displayed good reliability from the results as shown in Table 2.

Table 2

Descriptive statistics of the Psychological, Normative and Social Contract

<table>
<thead>
<tr>
<th>Components</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>SD</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Psychological contract</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee obligations</td>
<td>1.00</td>
<td>5.00</td>
<td>4.3844</td>
<td>0.48818</td>
<td>0.871</td>
</tr>
<tr>
<td>Employer obligations</td>
<td>1.00</td>
<td>5.00</td>
<td>4.0388</td>
<td>0.65554</td>
<td>0.908</td>
</tr>
<tr>
<td>Overall state of the psychological contract</td>
<td>1.00</td>
<td>5.00</td>
<td>3.5200</td>
<td>0.69205</td>
<td>0.904</td>
</tr>
<tr>
<td><strong>Normative contract</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freedom of association</td>
<td>1.00</td>
<td>5.00</td>
<td>3.6337</td>
<td>0.78145</td>
<td>0.742</td>
</tr>
<tr>
<td>Community opinions</td>
<td>1.00</td>
<td>5.00</td>
<td>2.7630</td>
<td>1.01381</td>
<td>0.781</td>
</tr>
<tr>
<td>Organisational culture</td>
<td>1.00</td>
<td>5.00</td>
<td>3.1758</td>
<td>0.75094</td>
<td>0.790</td>
</tr>
<tr>
<td>Organisational justice</td>
<td>1.00</td>
<td>5.00</td>
<td>2.8450</td>
<td>0.82120</td>
<td>0.767</td>
</tr>
<tr>
<td><strong>Social contract</strong></td>
<td></td>
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<tr>
<td>Work-remuneration balance</td>
<td>1.00</td>
<td>5.00</td>
<td>2.7544</td>
<td>0.94460</td>
<td>-</td>
</tr>
<tr>
<td>Wage structure</td>
<td>1.00</td>
<td>5.00</td>
<td>4.0523</td>
<td>0.87369</td>
<td>-</td>
</tr>
<tr>
<td>Labour market</td>
<td>1.00</td>
<td>5.00</td>
<td>2.6199</td>
<td>0.81093</td>
<td>0.617</td>
</tr>
</tbody>
</table>

The items of the questionnaire were confirmed through literature and grouped together through confirmatory factor analysis. However, two items ("Work-remuneration balance" and "Wage structure") were analysed individually due to their importance as part of the theoretical constructs. The factors Employee obligations, Employer obligations and State of the psychological contract construct indicate a balanced and fulfilled psychological contract with relatively high mean scores, considering that the average mean would be 2,50 (M=2.50). The mean is a measure of central tendency that is characterised by the “middleness” of an entire distribution (Jackson, 2009).

The standard deviation is a measure of variation – the average difference between the scores in the distribution, and the mean or central point of the distribution or, more precisely, the square root of the average squared deviation from the mean (Jackson, 2009). The overall Cronbach's alpha coefficients for this article are acceptable in view of Field (2012) who
indicated that a value of 0.7 to 0.8 is an acceptable value of Cronbach’s alpha coefficient.

**Correlations**

In the case of correlation confidents the hypothesis test can show that the correlation differs from zero, in other words, different from “no relationship” (Field, 2012). If the observed coefficient is most likely to be so high that there is no effect in the population, we can be confident that the relationship observed was statistically meaningful (Field, 2012). Table 3 indicates the correlations between the constructs of the questionnaire
Table 3

Correlations of the Psychological, Normative and Social Contract

<table>
<thead>
<tr>
<th>Components</th>
<th>1</th>
<th>2</th>
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<th>7</th>
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<th>10</th>
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<tr>
<td>Psychological contract</td>
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<td>1 Employee Obligations</td>
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<tr>
<td>2 Employer Obligations</td>
<td>0.0001***+++</td>
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<td>3 State of the Psychological contract</td>
<td>0.0001***+</td>
<td>0.0001***+++</td>
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<tr>
<td>Normative contract</td>
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<tr>
<td>4 Freedom of association</td>
<td>0.077</td>
<td>0.001**+</td>
<td>0.001**+</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>5 Community opinions</td>
<td>0.021**+</td>
<td>0.003**+</td>
<td>0.0001***++</td>
<td>0.126+</td>
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<tr>
<td>6 Organisational Culture</td>
<td>0.817</td>
<td>0.071+</td>
<td>0.024**+</td>
<td>0.001**+</td>
<td>0.532</td>
<td></td>
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<td>7 Organisational Justice</td>
<td>0.0001***+++</td>
<td>0.0001***+++</td>
<td>0.0001***+++</td>
<td>0.303+</td>
<td>0.002**+</td>
<td>0.045**+</td>
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<tr>
<td>Social contract</td>
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<tr>
<td>8 Work-remuneration balance</td>
<td>0.0001***+++</td>
<td>0.0001***+++</td>
<td>0.0001***+++</td>
<td>0.006***+</td>
<td>0.0001***+</td>
<td>0.004**+</td>
<td>0.0001***++</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>9 Wage structure</td>
<td>0.060+</td>
<td>0.409</td>
<td>0.002**+</td>
<td>0.118+</td>
<td>0.015**+</td>
<td>0.037**+</td>
<td>0.0001**+</td>
<td>0.017**+</td>
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<td></td>
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<tr>
<td>10 Labour market</td>
<td>0.503</td>
<td>0.005**+</td>
<td>0.008**+</td>
<td>0.291</td>
<td>0.0001**+</td>
<td>0.682+</td>
<td>0.0001***++</td>
<td>0.002**+</td>
<td>0.201</td>
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</table>

** Correlation is significant at the 0.01 level (2-tailed)
* Correlation is significant at the 0.05 level (2 tailed)
+ Weak Relationship (.10 to .29)
++ Medium Relationship (.30 to .49)
+++ Strong Relationship (.50 to 1)
The value of the correlation can range from -1.00 to 1.00 (Pallant, 2010). The value will indicate the strength of the relationship between variables to determine statistical significance, as well as positive or negative correlations (Pallant, 2010). A correlation of 0 indicates no relationship at all, a correlation of 1.0 indicates a perfect positive correlation, and a value of -1.0 indicates a perfect negative correlation. Statistically significant correlations exist between most variables (Pallant, 2010). Correlation was found for Employee obligations and Employer obligations. High correlations were found for Employer obligations and the State of the psychological contract, Employer obligations and Organisational justice. The State of the psychological contract and Organisational justice, as well as the State of the psychological contract and Work-remuneration balance were also highly correlated. A strong association exists for Organisational justice and Work-remuneration balance.

Medium correlations exist for Employee obligations and State of the psychological contract, Organisation justice and Work-remuneration balance. There is a medium correlation between Employer obligations and Work-remuneration balance. A medium, positive relationship, was found for State of the psychological contract and Community opinions. Labour market and Organisational justice also indicated a medium correlation with a positive relationship.

The strong relationship between Employee obligations and Employer obligations confirms that the psychological contract has become a key concept of employment and that it focuses on the implicit and largely unspoken promises between employer and employee. The high correlation between Employer obligations and the State of the psychological contract confirms that promises made by employers have a direct impact on the employee’s psychological contract.

Employer obligations and Organisational justice from a normative contract
perspective indicate a large effect and emphasises that it is important to the employee. The high correlations between State of the psychological contract and Organisational justice (normative contract), as well as for the State of the psychological contract and Work-remuneration balance (social contract), confirms that the normative and social contracts significantly contribute to the overall psychological contract of the employee.

From the results a strong relationship exists between Organisational justice (normative contract) and Work-remuneration balance (social contract) that confirms that the normative and social contracts both contributes to the psychological contract of the employees.

Discussion

The terms breach and violation in the psychological contract both refer to the perceptions of broken promises in the employer relationship (Jamil et al., 2013). Perceived breach is seen as the evaluation by the employee’s perception whether a contract has been fulfilled or not (Jamil et al., 2013).

The perceived breach that develops when an employee believes the employer has failed to fulfil its obligations is more an emotional aspect where the employee has feelings of anger, betrayal, injustice, mistrust, and wrongful harm (Jamil et al., 2013). Perceived breach and violation have already been seen in all types of psychological contracts (Jamil et al., 2013). The aim of this research was to investigate whether the normative and social contract significantly contributes to psychological contract breach and violation.

Through the above results, the hypotheses can be evaluated as follows:

\[ H_1: \text{The normative contract perspective significantly contributes to psychological contract breach and violation} \]

In the measurement instrument, the normative contracts were grouped into Freedom of
association, Community opinions, Organisation culture and Organisation justice. The emphasis of Organisation justice was on fair and equal treatment of groups working together in an organisation.

The results, with a strong relationship between the State of the psychological contract and Organisation justice, showed that there was a link between the experience of the psychological and the normative contract. By the statistical significant relationship between the State of the psychological contract and Organisation justice, employees still need fair treatment and rewards from employers.

The strong positive relationship between the three factors of the psychological contract construct – Employee obligations, Employer obligations and the State of the psychological contract – and Organisation justice confirms the link between the employee’s normative and psychological contract. With a mean of 2,8450 it confirms that Organisation justice contributes to the psychological contract, and when an organisation can improve the obligations of Organisation justice, the employee will experience a more fulfilled psychological contract. On the other hand it means that, when an employee experiences unfulfilled and unbalanced organisational obligations, it is a significant contributor to the feelings of perceived breach and violation by the employee (Jamil et al., 2013).

Community opinions has a medium, positive link with the State of the Psychological contract. The mean of 2,7630 confirms Community opinions have an influence on the State of the Psychological contract. According to Badera and Kacon (2014) community opinion is a very important social concept in a democratic society. It plays an integrational, controlling, consultative and creative role. Community opinion of a given society is an important predictor of different types of investments (Badera, & Kacon, 2014). Because of the positive relationship between Community opinions and the State of the psychological contract, organisations have to understand and manage perceived obligations to prevent perceived
breach and violation on the one hand, and to and to fulfil promises on the other hand.

The above implies that the normative contract perspective significantly contributes to psychological contract breach and violation.

\[ H_2: \text{The social contract perspective significantly contributes to psychological contract breach and violation} \]

The social contract was grouped into Work-remuneration balance, Wage structure and Labour market.

The results show a positive strong relationship between the State of the psychological contract and Work-remuneration balance. A mean of 2,7544 confirms that Work-remuneration balance have an influence on the State of the psychological contract. Employee behaviour and attitudes are an effect of the state of the psychological contract and there is a negative relationship between psychological contract breach and job-related attitudes and behaviours of employees (Van der Vaart et al., 2013). The interaction between working conditions, especially high working hours, causes employees to continuously diminish their work and eventually it leads to poor working conditions (Ali, Ali & Adan, 2013). Thus, looking at the results, it is clear that better Work-remuneration balance has a positive relation on the State of the psychological contract and leads to a balanced and fulfilled psychological contract, while poor Work-remuneration balance has a negative impact on the State of the psychological contract that can lead to perceive contract breach and violation.

The above implies that the social contract perspective significantly contributes to psychological contract breach and violation.

**Conclusion**

This research was designed to determine the link between the experience of the psychological, normative and social contracts. The results confirm a positive link between the
psychological, normative and social contracts.

The above findings confirm that the normative and social contracts have an influence on the psychological contract of employees and that it significantly contributes to the expectations of the employee. Both the hypothesis statements of this study that the normative contract perspective significantly contributes to psychological contract breach and violation, and that the social contract perspective significantly contributes to psychological contract breach and violation, were accepted.

With a mean of 55% Community opinions have a positive relationship towards the psychological contract. A limitation of the measuring instrument is that there is no information about the different cultural groups who participated in the study. In South Africa different cultural groups can experience Community opinions differently and, for an organisation not knowing these different expectations, can cause perceived breach and violation. From the results it is clear that Organisational justice contributes to the psychological contract with a mean that is above 2,5 but relatively low, 2,8450 (57%). Further study can be done to improve the measuring instrument to determine the level of contribution of Organisational justice towards the psychological contract. When the level of contribution is known, organisations can manage and improve these obligations and by achieving a better psychological contract, reduce perceived breach and violation and create a healthy employment relationship.

Based on the findings there was a positive correlation between the Work-remuneration balance and the State of the psychological contract with a mean of 55%. Employees can experience the obligations regarding Work-remuneration balance differently, and it is recommended to improve the measuring instrument to determine to what extent it influences different people in different positions. The measuring instrument was limited because it only tested the hypothesis of this study. Further causal research is recommended
for organisations to quantify the effect of employee expectations in the psychological contract so that they can use the results in future managerial processes.

The recommendation to organisations is that they need to be more aware of the influences of the normative and social contracts. Knowing this they can proactively manage these obligations and/or expectations. Consequently a good employment relationship, as well as a balanced psychological contract between employer and employee, can be maintained.
Reference List


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*Stress and Health* 32, p. 100-116. doi: 10.1002/smi.2584


Chapter 4: Conclusions, summary, limitations and recommendations
Conclusions

In this chapter a summary will be given of the foregoing three chapters. The contributions to the field of labour relations and to organisations, as well as the limitations regarding this research study, are discussed. Recommendations are also made for future research.

Summary

Much research has been undertaken that describes the psychological contract as a concept of the current employment relationship (Kasekende, Munene, Ntayi, & Ahiauzu, 2015). According to Rousseau (1995) the psychological contract is an individual’s belief that forms during the employment relationship between the individual and his/her organisation. Most research argue that the employment relationship that focuses on the individual in the labour market is best seen through the lens of the psychological contract (Kasekende et al., 2015). Kasekende et al. (2015) assume that the reason for this is that individuals tend to be more involved in special transactions with their employers. Haunschild (2011) states that Rousseau focuses on the developing of the psychological contract through mutual obligations, expectations and interaction between organisations and individuals, and also defines different types of contracts.

The types of contracts defined by Rousseau (1995) are divided into two components – the Individual and the Group components – and were the basis of this research. From these two perspectives the group component of the types of contracts showed that the normative and social contract may have an influence on employees’ psychological contracts, which lead to the following problem statement: The psychological contract forms an important part of the employment relationship, but this relationship is influenced by expectations and obligations that arise from the normative and social contract. This can have a negative or positive affect on the employment relationship.
The general objective of this study was to investigate the normative, social and psychological contracts' experience. Two specific objectives for this study were used for two research articles. The first specific objective was to explore the normative and social contract expectations as part of the psychological contract of employees. The second objective was to determine the link between the experience of the psychological, normative and social contracts.

The normative and social contract expectations as part of the psychological contract of employees were explored in Chapter 2. A qualitative research method was applied; therefore focus groups were used to identify the main themes and individual interviews were conducted to identify the underlining themes of this article. Freedom of association, community opinions, occupational culture, and organisational justice were the main themes for the normative contract identified from the focus groups. Better basic conditions of employment and current labour market tendencies were the main themes identified through the focus groups for the social contract.

The link between the experience of the psychological, normative and social contracts – and if the normative and social contract causes psychological contract breach and violation within the employment relationship – were determined in Chapter 3. The hypothesis statements of this study that the normative contract perspective significantly contributes to psychological contract breach and violation, and that the social contract perspective

<table>
<thead>
<tr>
<th>Outside</th>
<th>Individual</th>
<th>Group</th>
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<tbody>
<tr>
<td>Psychological contract</td>
<td>Normative contract</td>
<td>Social contract</td>
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<tr>
<td>Within</td>
<td>Implied contract</td>
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**Figure 1. Different types of contracts**
significantly contributes to psychological contract breach and violation, were accepted. To determine if there was enough statistical evidence in favour of the hypothesis of this article, quantitative research was undertaken and the required data collected using the Psycones (2005) questionnaire and a newly developed questionnaire based on the themes of article one. The constructs psychological, normative and the social contract were measured for this article. The results of the correlations showed the existence of statistical significance between variables. High correlations were found between employer obligations and the state of the psychological contract, employer obligations and organisational justice, the state of the psychological contract and organisational justice. Medium correlations were found between employee obligations and work remuneration balance, the state of the psychological contract, the labour market and organisational justice.

Contribution to the field of labour relations

This research made a discovery in article one when it identified new themes from the normative and social contracts that may have an influence on the psychological contract of employees. Article two measured the extent contributed by these themes to the psychological contract. Freedom of association, community opinions, occupational culture, and organisational justice were the main themes identified for the normative contract. Better basic conditions of employment and current labour market tendencies were the main themes identified for the social contract. The research confirmed that the expectations and obligations of the normative and social contracts have an influence on the psychological contract, that can again have an impact on the employment relationship that may lead to perceived psychological contract breach and violation.

Contribution to organisations

This research shows that the expectations and obligations that arise from the normative and
social contracts influence the psychological contract and can lead to perceived psychological contract breach and violation that have a negative influence on the employment relationship. Knowing this, organisations can prevent this from happening when they are aware of the obligations and expectations caused by the normative and social contracts of the employees. Understanding and identifying obligations and expectations from the normative and social contracts, organisations can enter into conversation with employees to eliminate misperceptions and to improve the psychological contract of employees.

**Limitations**

The research was done with an acceptable sample size of employees but a limitation is that the generalization of the results is restricted. For future research more diverse samples in different sectors of employment needs to be constructed. The link between the experience of the psychological, normative and social contracts can be determined in different sectors and between different cultural groups, and can be used to make a more general finding.

**Recommendations for future research**

From the findings of article 2 the normative and social contracts have an influence on the psychological contract of employees that may cause obligations and expectations. The organisation is not always aware of these obligations and expectations, and this can lead to perceived psychological contract breach and violation. The psychological contract in the employment relationship can be considered in terms of violation where the employee experiences betrayal (Paille & Raineri, 2016). Breach is another aspect of the psychological contract and individuals may tolerate repeated psychological contract breach, but at a point will experience a feeling of violation. When and individual experiences perceived psychological contract violation they tend to significantly reduce production at work (Paille & Raineri, 2016). Future research can be done to determine whether trust in an organisation
can prevent or reduce psychological contract violation that can cause a negative effect on the employment relationship.

Future research can be done to determine the extent that an employee experiences a feeling of violation when perceived psychological contract breach occurs. After psychological contract breach and violation occurs because of the normative and social contract’s influence on an employee's psychological contract, future research is recommended to focus on how an organisation can restore the employment relationship.
Reference list


