
[https://theses.gla.ac.uk/6999/](https://theses.gla.ac.uk/6999/)

Copyright and moral rights for this work are retained by the author

A copy can be downloaded for personal non-commercial research or study, without prior permission or charge

This work cannot be reproduced or quoted extensively from without first obtaining permission in writing from the author

The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the author

When referring to this work, full bibliographic details including the author, title, awarding institution and date of the thesis must be given

Enlighten: Theses
[https://theses.gla.ac.uk/](https://theses.gla.ac.uk/)
research-enlighten@glasgow.ac.uk
INVESTIGATING POWER, INTERDEPENDENCE AND STRUGGLE IN THE EMPLOYMENT RELATIONSHIP: A PSYCHOLOGICAL CONTRACT PERSPECTIVE

HARIS ALI

A Thesis Submitted in Partial Fulfillment of the Requirements of the University of Glasgow
For the degree of Doctor of Philosophy (Ph.D.)

(Sep 2015)

I certify that this thesis is the true and accurate version of the thesis approved by the examiners.
DEDICATION

To my mother, Anila Hina But, who has been a source of

Immense encouragement, inspiration and blessing

throughout my life.
ACKNOWLEDGEMENTS

I would like to express my sincere appreciation and heart-felt gratitude to my supervisors, Judy Pate and Fiona Wilson for their continuous support, guidance and mentoring over the last five years.

I am grateful to all those who agreed to be interviewed and gave their time to take part in the study.

I would also like to acknowledge my friends and family for their support throughout the PhD process.
DECLARATION

This thesis contains no material published elsewhere or extracted in whole or in part from a thesis by which I have qualified for or been awarded another degree. No other person’s work has been used without due acknowledgement in the main text of the thesis. This thesis has not been submitted for the award of any degree in any other institution. All research procedures reported in the thesis received the approval of the relevant ethics committee.

_________________
Haris Ali

Sep, 2015
This thesis explores the implications of power in relation to the psychological contract. The majority of the psychological contract literature, because of its underpinning assumptions of mutuality and reciprocity, largely downplays the dynamics of power in the employment relationship. The key objective of the current study therefore is to make further empirical and theoretical developments in relation to the psychological contract by exploring these power dynamics in the relationship between employees and employer. Concerning power, the complex interdependencies and the associated workplace struggles characterizing the employment relationship between employees and the different representatives of the organization are investigated.

From an empirical perspective, the research contributes in a twofold manner as the results not only highlight the complex interdependencies and the workplace struggles in the employment relationship but also offer new knowledge about work and management in Pakistan. This context of employment relations based on underlying power dynamics that are embedded into the complex and interdependent relationships between employees and organizational representatives is globally significant in terms of workplace research, yet generally neglected in the relevant studies.

The current study has a qualitative orientation and follows a critical realist research philosophy. Using data collected from 43 interviewees in three call centre organizations, the research additionally makes a theoretical contribution to the psychological contract from the perspectives of mutuality, reciprocity and agency. The results illustrate that, in comparison to mutuality and reciprocity, interdependence and negotiation play a critical role in the psychological contracts of employees. Largely acknowledging the implications of power dynamics, these concepts highlight that employees, based on their perceptions of interdependence (rather than mutuality) in the employment
relationships, tend to focus primarily on negotiation (rather than reciprocation) in their psychological contracts with employers.

Concerning agency, different classifications of human agents are highlighted (i.e. primary agents, secondary agents, multiple agents, incumbent agents). The current research extends the concept of agency beyond the boundary of human agents into the domain of the electronic agents of the organization. The results highlight that it is not only the perceived capability to reward or punish but also the perceived tendency to actively use that capability which significantly influences employees’ assumptions to consider particular organizational members as the agents of the organization. From the viewpoint of relational interdependence in the employment relationship, the efforts made by employees to decrease their dependence on employers and increase the employer’s dependence on them are illustrated. The research findings demonstrate that these efforts are largely motivated by the employees’ objective of promoting their bargaining power in employment relationship.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedication</td>
<td>i</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>ii</td>
</tr>
<tr>
<td>Declaration</td>
<td>iii</td>
</tr>
<tr>
<td>Abstract</td>
<td>iv</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>vi</td>
</tr>
<tr>
<td>List of Tables</td>
<td>xiv</td>
</tr>
<tr>
<td>List of Figures</td>
<td>xv</td>
</tr>
</tbody>
</table>
# CHAPTER 1 – INTRODUCTION

1.1 Background to the research
1.2 Research objectives and questions
1.3 Justification for the research
1.4 Methodology
1.5 Outline of the thesis
1.6 Contributions to knowledge
1.7 Conclusion

# CHAPTER 2 – LITERATURE REVIEW

2A.1 Introduction
2A.2 The underlying assumption of the psychological contract
2A.3 The definition of the psychological contract
2A.4 The common feature of ‘expectations’
2A.5 Methodological challenges
2A.6 An exchange model or a mental schema
2A.7 Social exchange theory
2A.8 The assumption of ‘mutuality’
  2A.8.1 The use of rhetorical language with managerialist orientation
  2A.8.2 The unitarist and pluralist perspective
  2A.8.3 The issue of diverse employer’s representation
  2A.8.4 The limitations of the drivers of mutuality
2A.9 The ‘reciprocity’ issue
  2A.9.1 A language perspective
  2A.9.2 The issue of power asymmetry
2A.10 The issue of agency
  2A.10.1 Psychological contract with whom?
  2A.10.2 The representation of the organization
  2A.10.3 The issue of power asymmetry
2A.11 The growing interest in the psychological contract
2A.12 The relevance and applicability of the psychological contract literature for the current study

2B Power

2B.1 Lukes and the three dimensions of power

2B.2 Dahl’s one-dimensional view of power - coercion

2B.3 Bachrach and Baratz’s two-dimensional view of power – manipulation

2B.4 Lukes’ third dimension of power - domination

2B.5 Overlapping nature of Lukes’ notion of power

2B.6 Lukes’ (re)conceptualization of power

2B.6.1 Power as a capacity

2B.6.2 Negative view of power

2B.6.3 Location of power

2B.7 Hindess’s critique of the dimensional view of power

2B.8 Foucault’s view of power – subjectification

2B.9 Emerson’s theory of mutual dependence

2B.10 Power conceptualization for the current study

2B.11 The agency and structure debate

2C.1 Integrating parts A & B of the literature review

2C.2 Chapter summary

CHAPTER 3 – METHODOLOGY

3.1 Introduction

3.2 Research philosophy

3.2.1 Positivism

3.2.2 Interpretivism

3.2.3 Critical realism

3.2.3.1 Some critiques of critical realism

3.2.3.2 Critical realist ontology and epistemology

3.2.3.3 Abduction
3.2.3.4 Retroduction 91
3.2.3.5 Intensive research design 92
3.2.3.6 Transformational model of social action 93

3.3 Research Strategy 95
3.4 The case of call centres 101
3.5 A perspective on Pakistan 103
3.6 Rationale for data collection in Pakistan 105
3.7 Specific contact organizations in Pakistan 106
3.8 A perspective on Indian call centres 106
3.9 Data collection - Interviews 108
   3.9.1 Details of interviewees and interviewing process 112
3.10 Sampling procedure 118
3.11 Ensuring rigour in research 120
3.12 Ethical considerations 122
3.13 Strategies for data analysis 123
3.14 Template analysis 126
   3.14.1 Level 1 – Substantive coding 127
   3.14.2 Level 2 – Theoretical coding 128
   3.14.3 Level 3 – Producing core categories 128
3.15 Chapter summary 129

CHAPTER 4 – FINDINGS 130

4.1 Introduction 131
4.2 Mutuality 132
   4.2.1 Indeterminacy in employment relations 132
   4.2.2 Implications of explicit communication 134
   4.2.3 Employer oriented mutuality 136
   4.2.4 The issue of employability 138
   4.2.5 The issue of flexible employment contracts 142
   4.2.6 Promoting employees’ perceptions of mutuality 144
   4.2.7 Divergent mutuality perceptions 145
for managers and employees

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2.8</td>
<td>Summary of mutuality findings</td>
<td>147</td>
</tr>
<tr>
<td>4.3</td>
<td>Reciprocity</td>
<td>148</td>
</tr>
<tr>
<td>4.3.1</td>
<td>Introduction</td>
<td>148</td>
</tr>
<tr>
<td>4.3.2</td>
<td>Prevalence of perceptions of unbalanced employer reciprocity</td>
<td>149</td>
</tr>
<tr>
<td>4.3.3</td>
<td>Employees’ perceived inability to reciprocate</td>
<td>152</td>
</tr>
<tr>
<td>4.3.4</td>
<td>Influences of employees’ internal motives</td>
<td>155</td>
</tr>
<tr>
<td>4.3.5</td>
<td>Development of negative attitudinal reciprocity</td>
<td>156</td>
</tr>
<tr>
<td>4.3.6</td>
<td>Withdrawal of positive discretionary behaviors</td>
<td>158</td>
</tr>
<tr>
<td>4.3.7</td>
<td>Additional efforts to promote reconciliation</td>
<td>159</td>
</tr>
<tr>
<td>4.3.8</td>
<td>Ignoring the discrepancy</td>
<td>161</td>
</tr>
<tr>
<td>4.3.9</td>
<td>Forgiving the harm-doer</td>
<td>161</td>
</tr>
<tr>
<td>4.3.10</td>
<td>Exercising deviant behavior</td>
<td>162</td>
</tr>
<tr>
<td>4.3.11</td>
<td>Attributing employer reciprocity to managers</td>
<td>164</td>
</tr>
<tr>
<td>4.3.12</td>
<td>Avoiding balancing acts with the managers</td>
<td>165</td>
</tr>
<tr>
<td>4.3.13</td>
<td>Lower tendency to develop perceptions of unbalanced employer reciprocity among managers</td>
<td>166</td>
</tr>
<tr>
<td>4.3.14</td>
<td>Higher tendency to develop perceptions of unbalanced employer reciprocity among lower level employees</td>
<td>168</td>
</tr>
<tr>
<td>4.3.15</td>
<td>Implications of perceptions of low job mobility</td>
<td>169</td>
</tr>
<tr>
<td>4.3.16</td>
<td>Summary of reciprocity findings</td>
<td>171</td>
</tr>
<tr>
<td>4.4</td>
<td>Agency</td>
<td>172</td>
</tr>
<tr>
<td>4.4.1</td>
<td>Introduction</td>
<td>172</td>
</tr>
<tr>
<td>4.4.2</td>
<td>Primary and secondary agents</td>
<td>172</td>
</tr>
<tr>
<td>4.4.3</td>
<td>Multiple agents</td>
<td>174</td>
</tr>
<tr>
<td>4.4.4</td>
<td>Incumbent agents</td>
<td>176</td>
</tr>
</tbody>
</table>
4.4.5 Implications of trustworthiness 177
4.4.6 The relational influence of primary agents 178
4.4.7 Criteria for perceived primary agents 179
4.4.8 Electronic agents and their coercive influence 180
4.4.9 Perceptions of limited coercion from human agents 183
4.4.10 Line managers as primary agents 184
4.4.11 Employees’ upward influence 185
4.4.12 Summary of agency findings 187

4.5 Chapter summary 188

CHAPTER 5 – DISCUSSION 191

5.1 Introduction 192
5.2 Mutuality 192
5.2.1 Indeterminacy in employment relations 192
5.2.2 Implications of rhetoric 195
5.2.3 Employer oriented rhetoric 198
5.2.3.1 The employability issue 198
5.2.3.2 The issue of flexible employment contracts 202
5.2.3.3 Training and career development 204
5.2.4 Promoting employees’ perceptions of mutuality 205
5.2.5 Divergent mutuality perceptions for managers and employees 207
5.2.6 Summary of mutuality discussion 209

5.3 Reciprocity 210
5.3.1 Introduction 210
5.3.2 Prevalence of perceptions of unbalanced employer reciprocity 210
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3.3</td>
<td>Reciprocal or negotiated exchange</td>
<td>212</td>
</tr>
<tr>
<td>5.3.4</td>
<td>Gouldner’s notion of reciprocity and psychological contract</td>
<td>217</td>
</tr>
<tr>
<td>5.3.5</td>
<td>Reciprocity and complementarity</td>
<td>218</td>
</tr>
<tr>
<td>5.3.6</td>
<td>Reciprocity from a practical perspective</td>
<td>221</td>
</tr>
<tr>
<td>5.3.7</td>
<td>Internal motives of employees</td>
<td>223</td>
</tr>
<tr>
<td>5.3.8</td>
<td>Different alternatives of reciprocity</td>
<td>223</td>
</tr>
<tr>
<td>5.3.8.1</td>
<td>Development of negative attitudinal reciprocity</td>
<td>224</td>
</tr>
<tr>
<td>5.3.8.2</td>
<td>Higher tendency to develop negative attitudinal reciprocity among lower-level employees</td>
<td>224</td>
</tr>
<tr>
<td>5.3.8.3</td>
<td>Influences of job mobility</td>
<td>226</td>
</tr>
<tr>
<td>5.3.8.4</td>
<td>Withdrawal of positive discretionary behaviors</td>
<td>227</td>
</tr>
<tr>
<td>5.3.8.5</td>
<td>Ignoring discrepancy, reconciliation and forgiveness</td>
<td>228</td>
</tr>
<tr>
<td>5.3.8.6</td>
<td>Exercising deviant behavior</td>
<td>230</td>
</tr>
<tr>
<td>5.3.9</td>
<td>Summarizing the incompatibility of Gouldner’s (1960) theorization</td>
<td>232</td>
</tr>
<tr>
<td>5.3.10</td>
<td>Implications of rhetoric</td>
<td>234</td>
</tr>
<tr>
<td>5.3.11</td>
<td>Summary of reciprocity discussion</td>
<td>236</td>
</tr>
<tr>
<td>5.4</td>
<td>Agency</td>
<td>237</td>
</tr>
<tr>
<td>5.4.1</td>
<td>Introduction</td>
<td>237</td>
</tr>
<tr>
<td>5.4.2</td>
<td>Psychological contract with the organization</td>
<td>237</td>
</tr>
<tr>
<td>5.4.3</td>
<td>The issue of organization representation</td>
<td>240</td>
</tr>
<tr>
<td>5.4.4</td>
<td>The role of organizational managers/supervisors</td>
<td>240</td>
</tr>
<tr>
<td>5.4.5</td>
<td>The typology of multiple agents</td>
<td>242</td>
</tr>
<tr>
<td>5.4.6</td>
<td>The classification of incumbent agents</td>
<td>243</td>
</tr>
<tr>
<td>5.4.7</td>
<td>Contingent reward-based trustworthiness</td>
<td>244</td>
</tr>
<tr>
<td>5.4.8</td>
<td>The issue of implicitness</td>
<td>245</td>
</tr>
</tbody>
</table>
## LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 2.1</td>
<td>Key conceptualizations of psychological contract</td>
<td>20</td>
</tr>
<tr>
<td>Table 3.1</td>
<td>Process of theory development in case study research</td>
<td>98</td>
</tr>
<tr>
<td>Table 3.2</td>
<td>Criteria for selecting case study strategy</td>
<td>99</td>
</tr>
<tr>
<td>Table 3.3</td>
<td>Profile of research participants</td>
<td>114</td>
</tr>
<tr>
<td>Table 5.1</td>
<td>Gouldner’s (1960) concept of reciprocity and practical employment conditions</td>
<td>233</td>
</tr>
</tbody>
</table>
### LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 4.1</td>
<td>Agency typologies</td>
<td>182</td>
</tr>
<tr>
<td>Figure 6.1</td>
<td>Conceptual framework</td>
<td>276</td>
</tr>
</tbody>
</table>
Chapter 1

INTRODUCTION
Chapter 1

Introduction

1.1 Background to the research

The concept of the psychological contract serves as an important organizational behaviour construct in order to explore the dynamics of the employment relationship (Shore et al., 2012). Over the last two decades, there has been an exponential growth in the number of journal articles published on the subject (Conway and Briner, 2009). First coined by Argyris (1960) as a psychological work contract, the notion has captured researchers’ attention due to its capability to explore employment relationship as an ongoing exchange unfolding dynamically on a day-to-day basis (Guest et al., 2010). Furthermore, the concept gains currency as a result of the significant support it provides in understanding the influences of micro and macro factors on employees’ subjective experiences of work (Wellin, 2012).

The concept of the psychological contract is mainly characterized by its dynamic, complex and subjective nature (Shore et al., 2012). According to Marks (2001, p. 458), ‘it is something specific and internal to the individual ... and is therefore difficult to describe and almost impossible to generalize’. However, as noted by Conway and Briner (2009), the majority of the relevant research, with a positivistic approach and the key objective of the generalization of results, has been dominated by ‘quantitative empirical studies’ (p. 73). This mismatch in the qualitative orientation of the psychological contract and the quantitative approach of the majority of psychological contract researchers has led the relevant research to fall into a ‘methodological rut’ (Taylor and Tekleab, 2004, p. 279).

Based on this approach, ‘much of the work in the area considers the “state” of the psychological contract and its impact on work outcomes [e.g. job
satisfaction, turnover and commitment] rather than the content or the nature of the contract itself” (Marks, 2001, p. 458, quotation marks in original). Similarly, Shore et al. (2012) argue that there has been a dearth of critical accounts in the relevant research aimed at the theoretical development of the concept. Acknowledging the issue of the under-developed theorization of the concept, Conway and Briner (2009) highlight different limitations in the current psychological contract theory (e.g. definitional ambiguity, inadequate explanatory power, the use of inappropriate quantitative methodologies etc.) and argue that these limitations ‘need to be taken seriously in order for the field to develop’ (pp. 72–73).

The majority of the psychological contract literature, because of its emphasis on the assumptions of mutuality and reciprocity, largely downplays the implications of power dynamics in the employment relationship (e.g. C. Hui, G. E. Dabos, M. B. Arthur, P. M. Bal, R. Schalk, S. A. Tijoriwala). This has largely resulted in an oversight of the issues related to the complex relational interdependencies in the employment relationship. These issues are critical as they provide support in shifting the focus from the limited view of power based on the narrow class terms of workers and capitalists (Hindess, 1996) to the in-depth view of power highlighting the ongoing workplace struggles between employees and the different agents of the organization.

Exploring the concept of the psychological contract in relation to this context of power contributes to the relevant research on the theoretical as well as empirical basis. From a theoretical perspective, it highlights the significance of interdependence and negotiation in contrast to the prevailing assumptions of mutuality and reciprocity in the psychological contract literature. In addition, this context of power contributes from an empirical perspective by demonstrating the ongoing struggle in the interdependent employment relationships in which employees resist and respond to the employer’s efforts for reshaping these dependency relations in their own favour.
1.2 Research objectives and questions

In spite of the exponential growth in the number of journal articles published on the subject, the concept of the psychological contract has ‘serious conceptual and empirical limitations’ (Cullinane and Dundon, 2006, p. 125). Similarly, Conway and Briner (2009) maintain that the ‘psychological contract research has grown exponentially in terms of the number of published articles … however, this growth has not resulted in a significant or marked increase in conceptual clarification, theory development or good quality empirical evidence’ (p. 121). They attribute these limitations largely to the unitarist philosophical assumptions underlying the psychological contract literature which implicitly presumes that employment relationships are generally established on the basis of power symmetry.

Explaining their viewpoint further, they argue that the assumptions of mutuality, reciprocity and so on are:

at odds with the fundamental power imbalance faced by most employees. From this perspective, the psychological contract is just another concept … that seeks to advance capitalism. The effects of possible managerialist bias in psychological contract research deserves further exploration as taking a more employee-oriented perspective which also takes in account power may help meet some of the challenges associated with the notion.

(Conway and Briner, 2009, p. 120)

This viewpoint is later endorsed by other psychological contract researchers to further explore the under-researched implications of power in the relevant research (e.g. Guest et al., 2010; Hallier, 2009; Inkson and King, 2011; Rodrigues and Guest, 2010; Shore et al., 2012). Based on this line of argument, the overarching objective of the current study is to explore the psychological contract in relation to the under-researched implications of power. This principal objective in turn informs the study’s main research question:
RQ: What are the implications of power in relation to the psychological contract?

Researchers have highlighted the notions of mutuality, reciprocity and agency as three major constituent elements of the psychological contract (Wellin, 2012). The concept of mutuality refers that employee and employer generally agree on mutual objectives in order to accomplish gains for both parties (Rousseau, 2011). Mainly based on the unitarist perspective, the concept of mutuality implicitly assumes that employees generally have sufficient bargaining power to negotiate and subsequently consent to the terms of employment (Cullinane and Dundon, 2006). Inkson and King (2011), however, raise concerns about this assumption particularly in the case of the larger category of lower level employees because of the prevailing power asymmetry between them and their employers. Researchers therefore argue that the assumption of mutuality largely underplays the implications of power dynamics in employment relationships (e.g. Conway and Briner, 2009; Guest et al., 2008; Inkson and King, 2011; Legge, 2005). This issue calls for investigating the assumption of mutuality in relation to the under-researched implications of power. Based on this objective, the first sub-question of the current study is:

SQ1: What are the implications of power from the perspective of mutuality in relation to the psychological contract?

The concept of reciprocity is also considered as another major constituent element of the psychological contract (Kiazad et al., 2014). Gouldner (1960) originally conceptualized reciprocity on the basis of the assumption of power parity in the exchange relationship (Molm, 2010). In employment relationship, the assumption of reciprocity implies that employees generally tend to respond to the employers’ inducements on a reciprocal or parity basis (Bal et al., 2008). Cullinane and Dundon (2006), however, have raised concerns regarding the assumption of reciprocity as the employment relationships are not necessarily established on the basis of power parity. According to Hallier (2009), the
assumption of reciprocity projects employees with comparable bargaining power to their employers, which is not the case particularly for the larger category of lower level employees. Researchers therefore argue that the assumption of reciprocity largely underplays the implications of power dynamics in employment relationships (e.g. Conway and Briner, 2009; Guest et al., 2010; Shore et al., 2012). Based on this argument, another objective of the current study is to investigate the assumption of reciprocity in relation to the under-researched implications of power. This objective in turn informs the second sub-question of the current study:

SQ2: What are the implications of power from the perspective of reciprocity in relation to the psychological contract?

In addition, the notion of agency is considered as another key concept in the psychological contract literature (Lee and Taylor, 2014). However, similar to mutuality and reciprocity, the implications of power remain under-researched in the domain of agency as well (Shore et al., 2012). Guest (1998, p. 652) argued that the notion of ‘contract’ implies the existence of power symmetry as the terms of employment are voluntarily accepted after negotiation between employee and employer. However, accepting ‘such a document does not mean you have to like it [because] a contract between employer and employee … is rarely a document between equals’ (Guest, 1998, p. 652).

According to Cullinane and Dundon (2006), the ‘power relations [between employees and organizational representatives] … are taken for granted and go unchallenged, and this assumption is implicit in much of the psychological contract literature’ (pp. 122–123). Similarly, other psychological contract researchers maintain that the naive treatment of power has largely resulted in deflecting attention from the complex issues associated with struggles for power in the relationships between employees and organizational representatives (e.g. Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Shore et al., 2012). This issue calls for investigating the under-researched implications of power dynamics in the domain of agency. Based on this objective, the third sub-question of the current study is:
SQ3: What are the implications of power from the perspective of agency in relation to the psychological contract?

1.3 Justification for the research

The psychological contract construct has attracted increased interest (Guest et al., 2010). However, Conway and Briner (2009) argue for further theoretical developments due to the noticeable divergence in the conceptualization of the notion. Similarly, Shore et al. (2012) emphasize the need to proceed towards more general agreement on the conceptualization of the construct. According to Guest (1998, p. 650), a general agreement is imperative as the disagreements over the conceptualization of the construct have largely resulted in an ‘analytic nightmare’. The key justification for the current study, therefore, is to make further theoretical and empirical developments in order to proceed towards more general agreement over the conceptualization of the psychological contract. As argued by Conway and Briner (2009), this will not only support in reducing the existing ambiguity over the conceptualization of the notion but will also enhance its utility from a practical perspective.

1.4 Methodology

With a qualitative orientation, the current research follows a critical realist research philosophy. The discussion in chapter 3 highlights in detail, why critical realism, in comparison to positivism or interpretivism, is considered as the most appropriate choice for the current study. Furthermore, after a detailed discussion of the relevance and suitability of different research strategies, the case study strategy is chosen for the current research. For the purpose of data collection, 43 semi-structured interviews are conducted. Semi-structured interviews are selected as they not only help the research participants to express their responses in an unrestricted manner but also support the researcher in managing any unanticipated themes emerging from these responses.
The current research employs the technique of template analysis for the analysis of data. Template analysis has been used in a number of qualitative studies with a critical realist research philosophy and case study approach (Au, 2007; Biedenbach and Muller, 2012; Carter, 2012; King, 2004). In the domain of the psychological contract, the researchers following a critical realist research philosophy have also used the technique of template analysis for the analysis of their research findings (e.g. Kenny and Briner, 2013; McDowall and Saunders, 2010).

1.5 Outline of the thesis

The thesis consists of six chapters as described below:

Chapter 2 aims to present a critical review of the relevant literature for the current study. The chapter is arranged into two parts. The first part (A) largely focuses on a critical evaluation of the psychological contract literature. In addition to other issues (e.g. the divergence of the different definitions, the mental schema or exchange model approach to the concept etc.) the discussion highlights the under-researched implications of the notion of power in relation to three major themes (mutuality, reciprocity and agency) in the domain of the psychological contract. The second part (B) of the literature review focuses mainly on the notion of power as in the first part (A), the concept of power is generally discussed from the perspective of its underplayed implications in the domain of the psychological contract. Based on a detailed critical evaluation of the different notions of power, the discussion finally presents the conceptualization of power chosen for the current study.

Chapter 3 discusses the methodology adopted in the thesis. The chapter begins by highlighting issues related to the philosophical underpinnings of research and subsequently presents the research philosophy opted for the current study, i.e. critical realism. The following discussion focuses on the issue of research strategy. The case study strategy is finally selected after a detailed consideration of the relevance and suitability of different research strategies. The next section then turns to the issue of data collection and highlights semi-structured interviews as the data collection method for the current research.
Finally, the discussion illustrates the details of the template analysis, a technique followed in the current study for the purpose of data analysis.

Chapter 4 presents the findings of the research. The current study aims to explore three key concepts in the domain of the psychological contract i.e. mutuality, reciprocity and agency. Based on this outline, the findings chapter is organized into three major sections, each focusing on one of these concepts. Chapter 5 discusses the findings of the current study in the context of the relevant literature. Similar with chapter 4 which presented the research findings, chapter 5 is organized into three major sections. Each section focuses on one of the three key concepts (i.e. mutuality, reciprocity and agency) investigated in the study.

Chapter 6 draws the thesis together by highlighting the principal conclusions. The discussion then proceeds to the contributions the thesis makes to the body of knowledge in this area and proposes an alternative framework based on the research findings. The next section focuses on the limitations of the study. The following discussion highlights the practical implications of the research. In the final section of the chapter, areas for future research are specified.

1.6 Contributions to knowledge

This study contributes to the relevant research from the empirical as well as theoretical perspectives. The empirical data of the study not only highlights the complex interdependencies and the associated workplace struggles in the employment relationship but also offers new knowledge about work and management in Pakistan. This context of the employment relationship, which is based on underlying power dynamics that are embedded into the complex and interdependent relationships between employees and organizational representatives, is globally significant in terms of workplace research, yet generally neglected in the relevant studies.

From a theoretical perspective, this research contributes to knowledge in relation to the key concepts of mutuality, reciprocity and agency in the
psychological contract literature. Regarding the first concept, the study demonstrates the significance of interdependence rather than mutuality in the employment relationship. The results highlight that, in contrast with the assumption of mutuality, the concept of interdependence fully acknowledges the critically important but largely underplayed implications of power dynamics in the psychological contract literature.

Concerning reciprocity, the research contributes to knowledge by highlighting the significance of negotiation in relation to the psychological contract. The concept of reciprocity is largely based on the assumption of power symmetry between exchange actors (Gouldner, 1960). However, the employment relationships for most employees are generally characterized by power asymmetry in favour of the employers (Inkson and King, 2011). Negotiated contracts therefore gain currency in the conceptualization of the psychological contract as (unlike reciprocal contracts) they acknowledge the implications of power asymmetry in employment relationship (Cook et al., 2013; Molm, 2010).

In relation to agency, the study contributes to the psychological contract literature by highlighting different classifications of organizational agents (i.e. primary agents, secondary agents, multiple agents and incumbent agents). This research also extends the concept of agency beyond the boundary of human agents into the domain of the technology-based electronic agents of the organization. The study further demonstrates that it is not only the perceived capability to reward or punish but also the perceived tendency to actively use that capability which significantly influences employees’ assumptions to consider a particular organizational member as the agent of the organization. Another key contribution that this thesis makes is a conceptual framework based on the concepts of interdependence, negotiation and different classifications of organizational agents.
1.7 Conclusion

This chapter has laid the foundations of the thesis. It has presented the background to the research and highlighted the research questions. The methodological underpinnings of the research were briefly described. The outline of the thesis, explaining the aims of the different chapters, has been presented. The justification of the research and the contributions the thesis makes to the body of knowledge in this area have been specified. The following chapter is based on a critical review of the relevant literature.
Chapter 2

LITERATURE REVIEW
Chapter 2

Literature review

2A.1 Introduction

This chapter aims to present a critical review of the relevant literature for the current study. The chapter is arranged in two parts. The first part (A) largely focuses on a critical evaluation of the psychological contract literature. The discussion in this part begins by highlighting issues regarding the assumptions underlying the concept of the psychological contract. The discussion next focuses on the issue of the divergence among the different definitions of the psychological contract. It highlights the different key terms (e.g. expectations, aspirations, obligations, beliefs, promises, perceptions, implicit contracts etc.) that are drawn on in order to conceptualize the notion of the psychological contract.

The issue of the conceptualization of the psychological contract as either a mental schema or an exchange model is then investigated. The discussion argues for a conceptualization of the psychological contract as an exchange model. This is because the notion of the psychological contract is principally an exchange agreement or a contract between two actors (i.e. the employee and the employer). In order to determine the viewpoint of these actors, the concept needs to be investigated from the bilateral perspective of social exchange. The missing implications of the social exchange theory in the relevant literature are then highlighted. It is argued that, even though the psychological contract literature generally acknowledges the notion of social exchange, nevertheless it has largely ignored the key elements of interdependence and power asymmetry in the exchange relationship.

After highlighting these issues, the discussion focuses on the three constituent elements (mutuality, reciprocity and agency) of the psychological contract. The discussion on mutuality begins by highlighting the issue of the use of
rhetorical language with a managerialist orientation. The assumption of mutuality largely underplays the issue of power asymmetry in the employment relationship. It is important to explore the notion of the psychological contract from a pluralist rather than a unitarist viewpoint in relation to mutuality. The discussion emphasizes that it is very challenging to induce mutuality (not only implicitly but also explicitly) due to the potential inconsistency of the messages communicated by the different agents of the organization.

The discussion ends by highlighting the limitations of the four drivers of mutuality suggested by Rousseau (2001). I emphasize that it is very challenging to maintain the implicit nature of the psychological contract due to the highly explicit orientation of the first two drivers (i.e. shared information and objective accuracy in perceptions). Similarly, in relation to the last two drivers (having the power to demand things and having the power to consent to or reject the terms of the contract), I argue that only a small category of employees (i.e. managerial, professional, knowledge or technical workers) have sufficient bargaining power to actively make demands, or to consent to or reject the terms of the employment contract.

Regarding the assumption of reciprocity, I emphasize the incompatibility of Gouldner’s (1960) notion of reciprocity with the psychological contract literature. The linguistic issues associated with the use of the term ‘reciprocity’ are highlighted. The discussion also focuses on the issue of power asymmetry in the employment relationship. It is argued that, consistent with its dictionary meanings and the conceptualization of Gouldner (1960), the notion of reciprocity suggests that employees have comparable bargaining power to their employers and therefore has limited relevance in the domain of the psychological contract. This is because the notion of power symmetry is generally not valid in the case of lower level employees.

In relation to agency, the significance of a bilateral rather than a unilateral approach to the notion of the psychological contract is highlighted. The psychological contract cannot plausibly be considered as a contract if it is conceptualized unilaterally as an individual employee’s mental schema.
Moreover, it is argued that the unilateral mental schema approach, focusing only on the employee’s perspective, inevitably leads to biased or subjective mutuality. The issue of whether the psychological contract is established between employees and the organization, or between employees and the different agents of the organization, is also discussed. The review then focuses on the notion of the representation of the organization through its different agents (e.g. supervisors, immediate managers, senior managers etc.) and highlights the issue of the development of breach perceptions among employees in relation to the diverse representation of the organization. Finally, the implications of the notion of power asymmetry, which are underplayed in the literature on agency, are discussed.

The discussion in part A highlights the issues regarding the three key constituent elements (i.e. mutuality, reciprocity and agency) of the psychological contract. However, in spite of all these issues, it does not recommend that we abandon the concept. Other researchers have also acknowledged the increasing popularity of the concept particularly over the last two decades (e.g. Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Cullinane and Dundon, 2006; Guest et al., 2010; Shore et al., 2012). Finally, before concluding part A, the review highlights the issue of the relevance and applicability of the psychological contract literature for the current study.

The second part (B) of the literature review focuses mainly on the notion of power as in the first part (A), the concept of power is generally discussed from the perspective of its underplayed implications in the domain of the psychological contract. The discussion begins with a critical analysis of the dimensional views of power put forward by Dahl (1957), Bachrach and Baratz (1962) and Lukes (1974). It highlights the issue of the conceptually overlapping nature of Lukes’ three-dimensional, Bacharach and Baratz’s two-dimensional and Dahl’s one-dimensional views of power.

The discussion then looks at Lukes’ re-conceptualization of power from three major perspectives (i.e. power as a capacity, the negative notion of power and
the location of power). It highlights Hindess’s critique of Lukes’ three-dimensional view of power. Foucault’s (1977) view of power and Emerson’s (1972a, b) theory of mutual dependence are also critically analyzed. Based on a detailed discussion of all these notions of power, the conceptualization of power chosen for the current study is presented. The last section of the literature review focuses on the issue of the relationship between structure and agency.

2A.2 The underlying assumption of the psychological contract

Since its inception, the concept of the psychological contract has been largely viewed as important for understanding the dynamics of the employment relationship (Clinton and Guest, 2014; Conway and Briner, 2009; Shore et al., 2012). According to Cullinane and Dundon (2006), the concept has captured researchers’ attention to the extent ‘that it is now firmly located within the lexicon of the Human Resource Management (HRM) discipline’ (p. 113). A frequently cited definition of the psychological contract is the ‘individual beliefs, shaped by the organization, regarding terms of an exchange agreement between the individual and their organization’ (Rousseau, 1995, p. 9). The notion of the psychological contract is typically based on an underlying assumption of changes in traditional employment relationships, particularly over the past few decades (e.g. Briscoe and Hall, 2006; Grimshaw and Rubery, 2010; Hess et al., 2012; Rubery et al., 2010).

Researchers have argued that traditional employment relationships until the 1980’s have generally been characterized by their long-term nature (e.g. Arthur and Rousseau, 1996; Briscoe et al., 2012; Sullivan and Arthur, 2006). Rousseau (1995, 1997, 2005) describes prominent features of these traditional employment relationships as being that employees entered employment at an early stage and stayed for a long period with that employer in order to gain benefits from a seniority system that rewarded loyalty to the organization. Millward and Brewerton (2000) and Sullivan and Arthur (2006) maintain that from the 1980’s onwards, there has been a gradual decline in these traditional employment arrangements. Researchers posit that this decline, in addition to
factors pertinent to the organizations themselves (e.g. increased market competition, motives of cost efficiency, meeting short-term goals etc.), is largely fuelled by increasing individualistic trends among workers, who are now more concerned with their employability security than their job security (Briscoe and Hall, 2006; Hess et al., 2012).

The researcher, however, agrees with the emphasis of Rodrigues and Guest (2010) and argues that an assumption of a substantial evolution in the dynamics of employment, largely resulting in a decline in traditional employment relationships, is rather naive. This argument is consistent with the concern of Cullinane and Dundon (2006) that the psychological contract literature is largely based on the assumption of a paradigm shift in terms of ‘irreversible declines in unionized labour, increasingly individualistic employees and so on. We are not denying there have been changes. However, the problem is that there exists an unquestioning assumption about the scale and so-called inevitability of such change, which much of the psychological contract and HRM literature seems to embrace with very little scrutiny’ (p. 123).

The argument of Cullinane and Dundon (2006) is consistent with the concerns of other researchers regarding the validity of the assumptions of a substantial decrease in the role of trade unions and of an increase in the individualistic trends among contemporary employees (e.g. Clarke and Patrickson, 2008; Dobbins and Dundon, 2014; Hallier, 2009; Guest, 2004a). Watson (2004) attributes these assumptions to the prevailing tendencies of researchers to exaggerate and overgeneralize in order to emphasize the evolution in employment arrangements. Similarly, Hallier (2009, p. 853) and Inkson and King (2011) argue that these tendencies have largely resulted in the conceptualization of the ‘new’ employment relationship in the psychological contract literature in a way that is not relevant to the actual working environment of most workers (i.e. those who are not managerial, professional or knowledge workers).
Rodrigues and Guest (2010, p. 1157) also criticize the assumptions regarding the ‘collapse’ of traditional employment relationships, based on empirical evidence from the US, Japan and Europe. Referring to one of these assumptions (i.e. an increasing preference for employability rather than job security among contemporary employees), they argue that the majority of contemporary workers ‘still value traditional careers’ (Rodrigues and Guest, 2010, p. 1161). In terms of another assumption (i.e. an increasing tendency among employees to take responsibility for and control of their own career development), they argue that employees are rather ‘being forced to manage their own careers, instead of relying on formal organizational career development programmes’ (Rodrigues and Guest, 2010, p. 1159). Based on the concerns of Rodrigues and Guest (2010, p. 1158) and the analyses of other researchers, an evidence-based approach, therefore, needs to be followed in order to empirically evaluate the assumptions emphasizing substantial changes in traditional employment relationships which underlie the notion of the psychological contract (e.g. Arnold and Cohen, 2008; Clarke and Patrickson, 2008; Feldman and Ng, 2007; Hallier, 2009; Inkson and King, 2011).

2A.3 The definition of the psychological contract

In addition to these concerns regarding the underlying assumptions, there is another issue of divergence in the different definitions of the psychological contract. In spite of an extensive volume of published literature, there exists very limited agreement over the conceptualization of the psychological contract (see Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Cullinane and Dundon, 2006; Guest et al., 2010; Rousseau, 2011; Shore et al., 2012; Wellin, 2012). This debate regarding the conceptualization of the psychological contract was intensified to the level of an argument between Rousseau (1998) and Guest (1998), ultimately resulting in further escalation of disagreement and confusion. The following definitions of the psychological contract from researchers reveal the magnitude of the variation in its conceptualization.
The notion of the psychological contract implies that the individual has a variety of expectations of the organization and that the organization has a variety of expectations of him. (Schein, 1970, p. 12)

individual beliefs, shaped by the organization, regarding terms of an exchange agreement between the individual and their organization. (Rousseau, 1995, p. 9)

the perceptions of both parties to the employment relationship – organization and individual – of the reciprocal promises and obligations. (Guest et al., 2010, p. 17)

an implicit contract between an individual and his organization which specifies what each expects to give and receive from each other in their relationship. (Kotter, 1973, p. 92)

perception of the two parties, employee and employer, of what their mutual obligations are towards each other. (Herriot, 2013, p. 38)

the perceptions of reciprocal expectations and obligations implied in the employment relationship. (Isaksson et al., 2003, p. 3; Isaksson et al., 2010)

The following table highlights the divergence in the conceptualization of different researchers based on the key terms emphasized by them in order to define the notion of the psychological contract.
<table>
<thead>
<tr>
<th>Researcher</th>
<th>Key terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argyris (1960)</td>
<td>Expectations and aspirations</td>
</tr>
<tr>
<td>Levinson et al. (1962)</td>
<td>Mutual expectations</td>
</tr>
<tr>
<td>Schein (1970)</td>
<td>Expectations</td>
</tr>
<tr>
<td>Kotter (1973)</td>
<td>Implicit contract, expectations</td>
</tr>
<tr>
<td>Herriot (2001, 2013)</td>
<td>Perceptions, obligations</td>
</tr>
<tr>
<td>Isaksson et al. (2003, 2010)</td>
<td>Reciprocal expectations and obligations</td>
</tr>
<tr>
<td>Guest et al. (2010)</td>
<td>Perceptions, reciprocal promises, obligations</td>
</tr>
</tbody>
</table>

An initial examination of the above definitions used by different researchers results in confusion over the currency of the psychological contract i.e. ‘what it is the psychological contract refers to’ (Conway and Briner, 2009, p. 80). Researchers emphasize different key terms, such as implicit agreement (Rousseau 1989), beliefs (Rousseau, 1995), obligations (Rousseau, 2011), expectations (Kotter, 1973; Schein, 1978; Shore et al., 2012), perceptions (Herriot, 2013) and promises (Guest and Conway, 2002a; Guest et al., 2010). According to Conway and Briner (2009), this incongruent emphasis on different key terms ‘is probably the major area of disagreement’ in the conceptualization of the psychological contract (p. 80). However, exploring the initial literature of the psychological contract reveals the existence of these disagreements even between the founding authors of the concept. For instance, the initial work of Argyris (1960) on the psychological work contract was based on the notions of expectations as well as aspirations, which differs from Levinson et al. (1962), who predominantly emphasized expectations.

2A.4 The common feature of ‘expectations’

The incongruent definitions reflect no consistent pattern in terms of the currency (i.e. the contents) of the psychological contract. However, a relatively common element of expectations can be partially traced in the majority of the discussions. Initially Argyris (1960) and Levinson et al. (1962) conceptualized
psychological contracts on the basis of mutual expectations. Following Argyris (1960), Schein (1978) also explained the psychological contract as ‘a set of unwritten reciprocal expectations between an individual employee and the organization’ (p. 48). Later Kotter (1973) discussed the psychological contract in terms of an implicit agreement ‘which specifies what each expect to give and receive’ (p. 93). Similarly, Stiles et al. (1997) maintain that psychological contracts are shaped by the ‘reciprocal expectations’ of the individual employee and the organization (p. 57).

Rousseau (2011), in spite of her emphasis on obligations, beliefs and promises, recognizes the role of expectations by arguing that ‘expectations, apart from promises, play a key role in psychological contracts’ (p. 209). She further emphasizes that expectations are not only important during the employment period but also play a significant role at the pre-employment stages in terms of ‘a priori belief about how employers should treat or reward employees’ (Rousseau, 2011, p. 209). Similarly, Conway and Briner (2009, p. 81) argue that expectations play a vital role in the formation of the psychological contract and ‘may arise from a number of sources (parental socialization, pre-employment experiences, previous employment experiences, etc.).’

The statement of Coyle-Shapiro and Kessler (2000, p. 906) that it is not clear ‘where expectations end and obligations begin in the minds of employees’, also highlights the significance of expectations in employees’ psychological contracts. The recent psychological contract literature acknowledges the significance of expectations by emphasizing that any discrepancy in the ‘expectations of exchange of favors’ may strengthen employees’ perceptions of ‘psychological contract breach and violation’ (Guest et al., 2010; Montes and Zweig, 2009; Shore et al., 2012, p. 140). Radford and Larwood (1982, p. 67), however, caution that in the employment relationship ‘many expectations remain inexplicit’. Baker (1996) argues that this problem may also surface in the case of obligations, promises or beliefs. According to him, this is largely because ‘neither the employer nor the employee can, at any point in time, know fully what will be required from each of them’ (Baker, 1996, p. 16). Researchers, therefore, emphasize the significance of explicit communication
in order to promote the development of mutual expectations between employee and employer (e.g. Clinton, 2011; Conway and Briner, 2009; Guest et al., 2010; Shore et al., 2012).

2A.5 Methodological challenges

Another issue is the incompatibility of the predominant survey method with the psychological contract theory. Highlighting this issue, Conway and Briner (2009) argue that about 90% of psychological contract studies are based on questionnaire surveys, while only 10% make use of qualitative interview data. Largely based on a positivistic approach, the common use of the survey method by the majority of the psychological contract researchers (including Rousseau and Guest) has led the relevant research to fall into a ‘methodological rut’ (Taylor and Tekleab, 2004, p. 279).

According to Conway and Briner (2009), ‘the most glaring and disturbing feature of this rut is the mismatch between the survey method and psychological contract theory’ (p. 106). For them, the psychological contract as an exchange process unfolds dynamically on a day-to-day basis. The questionnaire surveys are ‘fundamentally inappropriate to examining psychological contracts’ as they are likely to provide ‘invalid and unreliable’ information regarding these everyday events (Conway and Briner, 2009, p. 107). In addition, surveys are not compatible with the subjective nature of the psychological contract. Questionnaire surveys with a standardized layout are generally designed with an emphasis on objectivity in the research findings (Saunders et al., 2009). However, this layout largely prevents them from capturing the subjective data embedded in the respondents’ idiosyncratic beliefs and perceptions regarding their psychological contracts.

Consistent with the critique of Conway and Briner (2009), other researchers emphasize using qualitative research methods in order to advance our understanding of psychological contracts (e.g. Bankins, 2011; Morgan and Finniear, 2009; Nadin and Williams, 2011). However, there are several issues that have largely resulted in a reluctance among researchers to make use of qualitative research methods. First, the research findings based on qualitative
research methods, because of their subjective nature, can be interpreted in multiple ways (Bryman, 2008; Schwandt, 2003). Despite their context-rich nature, the subjectivity of the findings may reduce the interest of potential sponsors in such research projects (Silverman, 2000). According to Martin et al. (1998), this issue may have ‘serious practical implications for companies, many of whom take major decisions based solely on positivistic organizational surveys’ (p. 36).

Second, as the findings of qualitative studies are generally based on samples of relatively smaller sizes, they may have to be subject to further verification for the purpose of generalization (Coffey and Atkinson, 1996; Saunders et al., 2009). This apparent inability of qualitative findings to be generalized to broader levels may serve as another obstacle to their wider acceptance (Symon and Cassell, 2012). In addition, researchers attribute the scarcity of qualitative research in the domain of employment relationships to the politics among academics and practitioners, which ultimately obstruct the impartial appreciation of qualitative approaches (Grunig, 2002; Schwandt, 2003). Referring to these issues, which have resulted in the under-acknowledgement of the qualitative perspective in the relevant research, Conway and Briner (2009) argue that ‘while there are practical, career and other reasons why most researchers continue to use inappropriate methods and designs, we are in little doubt that insight into psychological contracts will not develop to any significant degree if we do not change how we research it’ (p. 108).

The emphasis of Conway and Briner (2009) has intuitive resonance, as the initial work of the psychological contract researchers (e.g. Argyris, Levinson, and Schein) was largely qualitative in nature (Atkinson, 2007; Bankins, 2011). Recognizing this initial trend, there have been increasing calls for the proportionate acknowledgement of the qualitative perspective in the relevant research (Morgan and Finniear, 2009; Nadin and Williams, 2011). The emphasis of these researchers is consistent with the viewpoint of Poppleton and Briner (2008). According to them, qualitative studies ‘may hold new implications for theory and practice [as they] can complement survey-based designs by [highlighting] the idiosyncratic and complex ways in which people
understand and manage [their] relationships and demonstrate how different contextual factors at different level of analysis come into play’ (Poppleton and Briner, 2008, pp. 483–4).

2A.6 An exchange model or a mental schema

Two different approaches emerge in the various conceptualizations of the psychological contract. The first comprises an exchange model between employees and the employer, while the second is largely based on an employee’s mental schema. The exchange model approach is based on the assumption of a bilateral agreement and focuses on the versions of both parties i.e. the employee and the employer. The notion of the psychological contract as an exchange model was originally proposed by Argyris (1960) and followed by a number of researchers (e.g. Aggarwal and Bhargava, 2014; Chaudhry and Tekleab, 2013; Conway and Coyle-Shapiro, 2012; Guest et al., 2010; Herriot, 2013; Parzefall and Coyle-Shapiro, 2011; Shore et al., 2012).

The theory of social exchange (discussed in next section) serves as a basis for conceptualizing the notion of the psychological contract as an exchange model. This approach appears to be more pertinent to the notion of the psychological contract as it incorporates the versions of both parties i.e. the employee and the employer. Unfortunately, this approach has suffered from the vague representation of the employer’s side of the contract. This has ultimately led to the agency problem in relation to the bilateral approach in the psychological contract literature (Conway and Briner, 2009; Shore et al., 2012). The relevant research has yet to uncover a clear criterion for the identification of the organizational agents, representing the employer’s side of the contract.

In comparison with the exchange model approach, the relevant research, largely under the influence of Rousseau (1995, 2001, 2011), conceptualizes psychological contracts on the basis of mental schemas. A schema ‘can be explained as a model evoked in a given situation to help individuals cope with and understand what they experience. The schema is revised as time goes by
and new information and feedback from the environment regarding a phenomenon is gathered’ (Svensson and Wolven, 2010, pp. 188-9). Schemas influence the formation of an employee’s psychological contract through their role in interpreting any information, especially incomplete information, at the early stages of the employment (Rousseau, 2001; Tomprou and Nikolaou, 2011).

Although, this view of the psychological contract as a mental schema also acknowledges the notion of exchange, this assumption of exchange is largely based on the perspective of the individual employee. Thus, the conceptualization of the psychological contract as a mental schema lacks a holistic perspective as it focuses only on one party of the contract i.e. the employee. According to Rousseau (2001), the psychological contracts are largely based on individuals’ perceptions; therefore, it is only their perspective that needs to be the primary focus. She further argues that as psychological contracts are predominantly subjective, employees do not necessarily need to discuss or agree their terms and conditions with the employer (Rousseau, 2011).

Rousseau’s approach is helpful in avoiding the agency problem. However, focusing on a single party’s perspective only i.e. that of the employee, raises the question of whether this unilateral approach fulfills the criterion of a ‘contract’ or is only the perception of a contract. Considering a psychological contract unilaterally as an employee’s mental schema renders the associated issues of mutuality, reciprocity and power as irrelevant because these concepts cannot be operationalized without the recognition of the other party. Even if psychological contracts are assumed as a perception of a contract, as emphasized by Rousseau, there still exists an indispensable need to clearly identify the other party, i.e. the employer, in order to meet the basic criterion of a contract.

Based on the above discussion and consistent with the viewpoint of other researchers, this research conceptualizes a psychological contract as an exchange model (e.g. Aggarwal and Bhargava, 2014; Argyris, 1960; Chaudhry
However, the agency issue still needs to be adequately addressed. Although, an extensive amount of the psychological contract literature has theoretically supported the bilateral approach, no empirical study has been conducted with the primary objective of developing the criteria for the identification of organizational agents (Shore et al., 2012). This research, therefore, attempts to develop the criteria that can be used in order to distinguish the representatives of the organization i.e. the organizational agents. This will provide support not only for the identification of agents’, but will for further exploration of the notion of the psychological contract from the perspective of social exchange theory.

2A.7 Social exchange theory

The early work on the notion of social exchange can be attributed to Walras (1874), whose work implied the concept, arguing that the world may be considered as a broader market comprising a number of smaller markets where social capital is traded (p. 84). Influenced by Walras (1874), Blau (1964) explicitly referred to the notion of social exchange in his work. Blau (1964) principally emphasized the influence of power on the exchange process in terms of the ‘interdependence’ of the exchange actors (p. 118). He argued that the exchange relationship is generally characterized by ‘the asymmetry of power relations’ between the exchange actors (Blau, 1964, p. 115). Given the ‘inherently asymmetrical’ nature of power relations, the benefits for the exchange actors are largely determined by their interdependence on each other (p. 117).

The psychological contract researchers, irrespective of their approach (i.e. whether mental schema or exchange model) generally refer to social exchange theory in their discussions of the contract management process (e.g. Bal et al., 2010; Cassar and Briner, 2011; Chaudhry and Tekleab, 2013; Colquitt et al.,
However, the psychological contract literature, despite acknowledging the significance of social exchange theory, largely downplays the implications of one of its vital features i.e. power asymmetry in the exchange relationship (Blau, 1964). This is because the relevant literature is largely based on the assumptions of mutuality and reciprocity (discussed in detail in the next sections), implying the notion of power symmetry in the employment relationship.

These notions of mutuality and reciprocity, therefore, may not be considered as highly relevant for a large category of employees (i.e. non-managerial employees) because of the prevailing power asymmetry between them and the employers (Hallier, 2009; Inkson and King, 2011; Rodrigues and Guest, 2010). Other researchers have raised similar concerns because of the issue of power asymmetry (particularly for lower level employees) in the employment relationship (e.g. Coyle-Shapiro and Shore, 2007; Cullinane and Dundon, 2006; Guest and Sturges, 2007; Guest et al., 2010; Shore et al., 2012). Based on this argument, the current study attempts to explore the underplayed implications of the notion of power asymmetry in the domain of the psychological contract, particularly from the perspective of the assumptions of mutuality and reciprocity in the employment relationship.

2A.8 The assumption of ‘mutuality’

The majority of the psychological contract literature, following the conceptualization of Rousseau (1989, 1995, 2001, 2011), is based on the assumption of mutuality between employee and employer (e.g. Dick, 2010; George, 2009; Hess and Jepsen, 2009; Suazo et al., 2009; Wellin, 2012). According to Dabos and Rousseau (2004, p. 53), mutuality is ‘the degree to which the two parties agree on their interpretations of promises and commitments each party has made and accepted (i.e. agreement on what each owes the other)’. As evident in the above definition, mutuality primarily refers
to the degree of agreement between employee and employer in terms of the promises and commitments made to each other.

From the perspective of mutuality, Rousseau (2011, p. 191) further emphasizes the notion of implicitness by referring to the unwritten or unspecified nature of these promises and commitments, which are ‘implied, regarding an exchange agreement’. However, Rousseau’s conceptualization has inherent limitations due to the contradictory nature of its underlying assumptions. According to Conway and Briner (2009, p. 83), ‘if psychological contracts entail a strong form of mutuality, then it seems improbable that such a clear understanding of a contract’s terms could be perceived without some outward sign of agreement. Alternatively, if psychological contracts are defined by a weak form of mutuality, can this reasonably be considered to be a contract, as the perceived terms and details of the exchange remain unspecified?’

While emphasizing the significance of explicit communication between employee and employer in order to promote the ‘specificity of the exchange’, they ask ‘can someone have a contract with an organization, without knowing its terms? [This is because the] strong forms of agreement are conceptually incompatible with the implicit nature of psychological contracts, whereas weak forms of agreement are incompatible with the contractual nature of psychological contracts’ (Conway and Briner, 2009, pp. 82–3). It can be argued that the notion of implicitness inevitably reduces the degree of mutuality or agreement, which in turn significantly affects the contractual nature of the psychological contracts.

Guest et al. (2010, p. 183) endorse this viewpoint by arguing that the implicit nature of promises and obligations ‘raises questions about the way in which they are communicated.’ Other researchers posit that in this case employees and employers may develop different interpretations of the same contract (e.g. Jun Je et al., 2012; Shore et al., 2012). Moreover, given the issues of the highly dynamic, idiosyncratic and implicit nature of the psychological contract, and the diverse representation of the organization, the achievement of such
mutuality appears to be very challenging (Coyle-Shapiro and Shore, 2007; Cullinane and Dundon, 2006; Guest, 1998).

Cullinane and Dundon (2006) argue that the unwritten or unspecified nature of the commitments in the psychological contract ‘provide the relationship with a strong element of indeterminacy’ (p. 115). According to Atkinson et al. (2014), the disagreements resulting from this indeterminacy generally lead to the perceptions of the breach of the psychological contract. However, in spite of conceptualizing the psychological contract as an implicit agreement, Rousseau nonetheless asserts mutuality to the level of ‘objective agreement’ and argues that a ‘failure to reach such an agreement can give rise to psychological contract violation’ (Dabos and Rousseau, 2004, p. 52). It is argued that Rousseau’s conceptualization inevitably leads to the breach of the psychological contract, as the assumption of implicitness renders very limited possibility for employee and employer to bring about mutuality or agreement in their psychological contract.

The same issue of self-contradictory conceptualization can be noted in Levinson et al.’s (1962) definition. According to them, the psychological contract is ‘a series of mutual expectations of which the parties to the relationship may not themselves be even dimly aware but which nonetheless govern their relationship to each other’ (Levinson et al., 1962, pp. 21–2). This appears to be self-contradictory as it requires the expectations to be mutual or agreed between the parties despite the fact that the parties themselves are not aware of their own expectations. Conway and Briner (2009) raise similar concerns regarding the possibility of mutuality or agreement in the expectations that largely ‘affect and define the psychological contract’, even when both parties are ‘largely unconscious’ of their own expectations (p. 75).

2A.8.1 The use of rhetorical language with managerialist orientation

The Oxford English dictionary defines ‘mutuality’ as ‘two or more people: having the same feelings for each other; standing in reciprocal relation to one another’ (emphasis added in bold and italics to the online citation). This raises
issues about the conceptualization of mutuality in the psychological contract literature. In any relationship between parties A and B, the expectations, obligations or promises will be mutual or ‘the same’ if they are unidirectional and both parties are working for the benefit of a unified party (e.g. either both A and B work for the benefit of A, or both work for B or both work for any other party C). However, in normal circumstances, this scenario is relatively uncommon as in any relationship ‘parties within the exchange are motivated to maximize personal gains at minimum cost’ (Mitchell et al., 2012, p. 101).

This has significant implications for the employment relationship as, according to Detert et al. (2007, pp. 994–5), ‘employees have different interests than the organization and are motivated to pursue their own interests’. This motivation to pursue their own interests tends to prevail in any contract between two individuals or groups. In the employment relationship, employees and employers will tend to maximize their own interests. For example, an employer may expect the employee to work hard and with dedication for low wages. In direct contrast, an employee may expect a moderate workload with high wages (Mitchell et al., 2012). Therefore, each party has interests and expectations which are not necessarily mutual or the same. Rather, their interests in many cases are competing (Detert and Linda, 2010).

As far as mutual expectations (Conway and Briner, 2009), obligations (Rousseau, 2011), or promises (Guest et al., 2010) are concerned, it can be argued that, even if made explicit, these are not mutual or the same, as both parties (i.e. employee and employer) from their own perspectives have different, indeed in many cases competing, versions of expectations, obligations or promises. From a linguistic perspective, therefore, it can be argued that the use of the term ‘mutuality’ is in contradiction to the underlying dynamics of the employment relationship between employee and employer.

The use of the term ‘mutuality’ may imply a linguistic issue only. However, researchers argue that the emphasis on the assumption of mutuality in the domain of the psychological contract largely serves as a management instrument in order to promote the interests of the organization (e.g. Clarke
and Patrickson, 2008; Guest, 1998; Guest et al., 2010; Hallier, 2009; Inkson and King, 2011; Prujit and Derogee, 2010). Cullinane and Dundon (2006) argue that ‘the use of language and linguistic devices can mask an awareness of underlying conflicts between employees and the employer’ (p. 124). This view echoes the concern of Hamilton (2001) that the use of rhetorical language in the domain of employment relations generally masks the issues experienced by most employees.

Similarly, from the perspective of mutuality and reciprocity, Hallier (2009, p. 853), while referring to the issue of the use of rhetorical language with a managerialist orientation, argues that the ‘management’s legitimatory intentions [can be] easily seen through by employees because of the visible gap between the espoused message and the lack of dedicated policy and practical support provided by employing organizations’. From the perspective of power, the emphasis of these researchers is consistent with the concern of Guest (1998) that the assumption of mutuality incorrectly suggests that employees have comparable bargaining power to their employer. Inkson and King (2011) also argue that the emphasis on the assumption of mutuality is generally not valid for most employees due to the prevailing power asymmetry in favour of employers.

2A.8.2 The unitarist and pluralist perspective

As noted, in contrast to the assumption of mutuality, employees and employers generally have different or conflicting interests in order to maximize personal gains from the employment relationship (Detert and Linda, 2010; Mitchell et al., 2012). The human resource management literature discusses this topic of similar or conflicting interests in the unitarist and pluralist debate. According to the unitarist perspective, employees and employers generally agree on the shared objectives in order to accomplish mutual gains for both parties (Calveley et al., 2014). Therefore, the possibility of conflicts in the employment relationship is relatively limited (Johnstone and Wilkinson, 2012). Beardwell and Claydon (2007), however, argue that the unitarist view overstates the unification of the goals of both parties because of its emphasis
on the exchange actors (i.e. the employer and employee) largely shaping their objectives in a way that is consistent with the goals of the other party. Similarly, Grint (2005), while referring to industrial disputes between employees and their organizations, argues that the unitarist perspective has limited application in the domain of employment relations, as it overstates the unanimous reconciliation of the goals of both parties.

The unitarist perspective has been criticized as a management tool utilized to gain more control over employees (Inkson and King, 2011; Legge, 2005). In contrast, the pluralist approach acknowledges the inevitability of disagreements between employee and employer and, therefore, urges the development of appropriate mechanisms to manage these conflicts. The current study follows the pluralist rather than the unitarist approach. The researcher’s decision to follow the pluralist approach is consistent with the viewpoint of other researchers conceptualizing the notion of the psychological contract from a pluralist perspective (e.g. Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Cullinane and Dundon, 2006; Guest et al., 2010; Hallier, 2009; Shore et al., 2012). The overwhelming evidence of contract breach and violation also manifestly points towards the pluralist rather than the unitarist orientation of the psychological contract literature (e.g. Cassar and Briner, 2011; Epitropaki, 2013; Kiazad et al., 2014; Suazo and Stone-Romero, 2011).

2A.8.3 The issue of diverse employer’s representation

Another challenge is the diverse representation of the employer by means of different agents of the organization. The psychological contract researchers generally argue that an organization comprises a number of agents representing the employer’s side of the contract (e.g. Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; George, 2009; Rousseau, 2011; Suazo et al., 2009; Wellin, 2012). These agents, however, may not necessarily represent the organization in a consistent manner (Guest et al., 2010; Shore et al., 2012). From the perspective of seeking mutuality at a broader individual–organization level, it becomes difficult to establish mutuality (not only
implicitly but also explicitly) because of the potential inconsistency of the messages communicated by the different agents of the organization (Coyle-Shapiro and Shore, 2007; Shore et al., 2012).

2A.8.4 The limitations of the drivers of mutuality

With the exception of Rousseau (2001), the relevant literature is silent on the issue of how to promote implicit mutuality between employees and the different agents of the organization. In her frequently cited article, Rousseau (2001, p. 535) posits the following four drivers of mutuality. It is, however, argued that these four drivers have manifest limitations in terms of promoting mutuality in practical employment conditions. These drivers are:

- Shared information
- Objective accuracy in perceptions
- Having the right or power to demand things in one’s own interest
- Having the right or power to consent to or reject the terms of the contract.

The problem over Rousseau’s driver of shared information stems from its disagreement with her own (i.e. Rousseau, 1989, 1995, 2001, 2011) conceptualization of the psychological contract as an implicit agreement between employee and employer. On the one hand, Rousseau emphasizes the ‘implicit’ nature of the psychological contract but on the other hand she argues for sharing ‘explicit’ information. There are issues regarding the second driver (i.e. objective accuracy in perceptions) as well. Even though she considers psychological contracts as highly ‘subjective’, nonetheless she emphasizes ‘objectivity’ in the perceptions of the contracts.

It appears to be very challenging to achieve objective accuracy in the perceptions of mutuality because of the highly implicit and subjective nature of the psychological contract. According to Guest (1998, p. 652), seeking to
achieve objective accuracy in the perceptions of mutuality is like ‘two strangers passing blindfold and in the dark, disappointed at their failure to meet’. Other researchers have also raised concerns regarding the notion of mutuality because of the implicit nature of the psychological contract (e.g. Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Cullinane and Dundon, 2006; Guest et al., 2010; Jun Je et al., 2012; Shore et al., 2012).

Similarly the last two drivers (i.e. having the power to demand things in one’s own interest and having the power to consent to or reject the terms of the contract), other than the issue of their largely overlapping nature, also provide very modest support in promoting mutuality between employees and the employer. Rodrigues and Guest (2010), based on their detailed empirical evidence from the U.S., Japan and Europe, argue that only a small group of employees (i.e. managerial, professional, knowledge or technical workers) generally have enough bargaining power to actively negotiate their terms of contract with the employer. Inkson and King (2011) posit that the assumption of mutuality is relevant only ‘in the case of professional and managerial workers, who are typically equipped with valuable personal knowledge’ (p. 43) and therefore ‘possess appreciable labour market power’ supporting them in their negotiation with the employer (p. 50).

Inkson and King (2011) echo the concern of Cullinane and Dundon (2006) that ‘an advocacy of focusing upon mutuality presents its own difficulties, especially where there is a large power differential between employer and employees’ (p. 116). They further posit that, if the power asymmetry is inherent in the explicit contracts, the employer’s prerogative to distribute resources as they think appropriate for themselves is further magnified in the case of psychological contracts, due to their unspecified and implicit nature. The concern of Cullinane and Dundon (2006) echoes Guest’s (1998, p. 652) view that ‘a contract between employer and employee may have legal force but it is rarely a document between equals’ Based on Guest’s (1998) argument, if legal employment contracts cannot ensure mutuality, it appears unrealistic to assume mutuality or agreement in psychological contracts, which are not even legally enforceable by law (Suazo et al., 2011).
The above discussion highlights issues regarding the assumption of mutuality from the perspectives of implicitness and power asymmetry. At this point, it is valid to raise the question that, given the limited relevance of the notion of mutuality, what is the factor that engages both employee and employer in the employment relationship. Consistent with the viewpoint of other researchers, it is the interdependence of both employee and employer in their attempt to achieve their objectives (e.g. Detert and Linda, 2010; Mitchell et al., 2012; Tjosvold and Wisse, 2009). This constantly binds them together in the employment relationship. When either or both parties conceive of an overall better bargaining opportunity with another employment relationship, the current relationship comes to an end. This is consistent with the established view of social exchange in which both parties analyze their relationship on the basis of the costs incurred and the benefits received from that relationship (Mitchell et al., 2012).

Mitchell et al. (2012) support Blau (1964) and Thibaut and Kelly (1959), who argue that the objective of gaining benefits serves as the foundation for any exchange relationship. These benefits are largely determined by the degree of ‘interdependence’ of both parties (Blau, 1964, p. 294). The viewpoint of Blau (1964) is further endorsed by other researchers who argue that an individual will have less power in a relationship, if s/he is more dependent on that relationship, ultimately resulting in the reduction of the benefits acquired (e.g. Cook and Emerson, 1978; Cook et al., 2013; Molm, 2010; Uhl-Bien and Carsten, 2007). The phenomenon of interdependence rather than mutuality, therefore, appears as a suitable notion in order to conceptualize the psychological contract.

The interdependence rather than the mutuality approach will not only set the research free from the virtually impossible task of establishing mutuality to the level of ‘objective accuracy’ (Rousseau, 2011, p. 197) in an implicit contract but will also support researchers to explore the notion of the psychological contract from the perspective of the power asymmetry between employee and employer. The emphasis on exploring psychological contracts from the
perspectives of interdependence and power asymmetry supports the argument of Harvey and Randles (2002) that the notions of asymmetric power and interdependence of the actors are intrinsic in any exchange process. The roots of this argument can be traced further back into the influential writings of Blau (1964) which emphasized the implications of ‘interdependence’ (p. 118) and the ‘inherently asymmetrical’ nature of power relations (p. 117) in the exchange relationships.

2A.9 The ‘reciprocity’ issue

Most of the psychological contract literature following the conceptualization of Rousseau (1995, 1998, 2001, 2011) is further based on Gouldner’s (1960) notion of reciprocity between employee and employer (e.g. Bal and Vink, 2011; Dick, 2010; George, 2009; Parzefall, 2008; Wellin, 2012). According to Dabos and Rousseau (2004, p. 53), the notion of ‘reciprocity refers to the degree of agreement about the reciprocal exchange’ between employee and employer. In addition to the other limitations, an apparent conceptual issue with this description of reciprocity is that it is very difficult to differentiate reciprocity from mutuality, as the focus is on the ‘degree of agreement’ which also describes the notion of mutuality.

The notion of reciprocity in the psychological contract literature is largely based on the assumption of an implicit mutuality, i.e. both parties reciprocate on the basis of mutual or agreed expectations, obligations or promises ‘implied, regarding an exchange agreement’ (Rousseau, 2011, p. 191). The assumption of reciprocity on the basis of an implicit mutuality has manifest limitations in terms of its application in practical employment conditions. As noted, it is very challenging to achieve mutuality on an implicit basis in the employment relationship. The task of stimulating reciprocity on the basis of non-existent implicit mutuality is even more complicated. This is because if the terms of the exchange agreement (i.e. expectations, obligations or promises) remain implicit, it is very challenging for both parties to reciprocate on the basis of such unidentified terms. As Shore et al. (2012, p. 300) argue, ‘employees who tend to communicate in an implicit manner may experience
more difficulties in expressing their thoughts and having others understand them’. Guest et al. (2010) also highlight similar issues as a result of the implicit or unspecified nature of expectations, obligations or promises on which this reciprocity is established.

There are several other issues associated with the assumption of reciprocity in the psychological contract literature. Gouldner (1960) originally conceptualized reciprocity from the perspective of the relationship between individuals. However, the psychological contract literature has generally applied the notion of reciprocity to the relationship between an individual and the organization. According to Gouldner (1960), the act of reciprocity is predominantly autonomous in its orientation. That is, the actors engaged in the reciprocal exchange relationship generally reciprocate independently without any consultation with the other party. The notion of the reciprocal exchange, therefore, may not be considered as relevant in the domain of the employment relationship. This is because employee and the employer generally engage in the process of formal consultation in order to negotiate the terms of the employment contract (Deakin and Njoya, 2008; Suazo et al., 2011). However, these terms of employment may be imbalanced as a result of the possible power asymmetry between the exchange actors (Blau, 1964; Cook et al., 2013; Tjosvold and Wisse, 2009).

Gouldner (1960) argues that the actors reciprocate without any consultation with the other party. This may result in uncertainty as to whether and how the other party will reciprocate (Molm, 2010). However, this is not the case for employment relationships, where formal employment contracts largely determine the nature of returns for both parties i.e. employee and the employer (Suazo et al., 2011). Based on these inconsistencies, it is argued that the notion of reciprocity, even though extensively acknowledged in the psychological contract, is not generally aligned with the dynamics of the employment relationship. Other researchers have also raised issues about the relevance of the assumption of reciprocity in the psychological contract (e.g. Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Guest et al., 2010; Shore et al., 2012; J. B. Wu et al., 2006).
2A.9.1 A language perspective

There are also language issues with the notion of reciprocity. As with the assumption of mutuality, the literal meanings of reciprocity, according to the Oxford English dictionary, are not compatible with its conceptualization in the psychological contract literature. The Oxford English dictionary describes ‘reciprocity’ in the sense of parity or equality as ‘equivalent in meaning or force’. Reciprocity implies the notion of power symmetry in a relationship. As noted, the assumption of power symmetry in the employment relationship is relevant only in the case of a small category of employees i.e. managerial, professional, technical, knowledge workers (Cappelli, 2004; Inkson and King, 2011; Rodrigues and Guest, 2010). Therefore, the assumption of reciprocity becomes irrelevant to the large group of employees who do not belong to these categories. The Oxford English dictionary defines ‘subordinate’ as an individual ‘dependent upon the authority or power of another’. Referring to this dictionary meaning, the use of the term reciprocity becomes inherently contradictory in an employee–organization relationship, as subordination implies a lack of power while reciprocity suggests equivalent power.

2A.9.2 The issue of power asymmetry

Similar with the conceptualization of other researchers, Gouldner (1960) argues that reciprocity is generally established on the basis of power symmetry and the freewill of the exchange actors (e.g. Burgess and Nielsen, 1974; Elgar, 1958; Gergen, 1969; Malinowski, 1922; Mauss, 1925; Michaels and Wiggins, 1976). As well as being kind, individuals may also freely and negatively reciprocate the unkind or harmful actions of other individuals. That is, the actors in a reciprocal exchange relationship can pay back any previous act of harm or kindness in line with their freewill because of the existence of a power symmetry between them.

The assumption of reciprocity has limited relevance in the domain of the psychological contract. This is because the notion of power symmetry is
generally not valid in the case of the major category of lower level employees (Inkson and King, 2011; Rodrigues and Guest, 2010). This argument is further endorsed by Vettori (2012) who notes that, after accepting the employment contract, employees are generally obligated to respond not according to their freewill but as prompted by the employer’s preferences.

Cullinane and Dundon (2006, p. 123) agree, arguing that the ‘employee needs and expectations are often imposed by corporate values and interests … while much of the psychological contract literature seems to pre-suppose some level of an equal two-way exchange process’. Similarly, Coyle-Shapiro and Shore (2007) argue that in order to ‘develop our understanding of how the employee–organization relationship operates we need to direct attention to non-reciprocal mechanisms that may underpin the relationship’ (p. 179). While referring to the issue of power asymmetry in the domain of the employment relationship, they further posit that, ‘an obedience norm may have greater prominence than a norm of reciprocity in explaining the “relationship”’ (Coyle-Shapiro and Shore, 2007, p. 179, quotation marks in original).

Cook et al. (2013) also support this viewpoint by arguing that power asymmetry in the exchange relationships generally results in unequal gains for the exchange actors. Supporting evidence can be drawn from the writings of Gouldner (1960) as well. According to him, power symmetry among the exchange actors is imperative in order to establish reciprocity in the exchange relationship. Similarly, Blau (1964) posits that power asymmetry or disproportionate interdependence in the social exchange relationship generally results in an unequal flow of benefits for the exchange actors.

It can be argued that the notion of reciprocity, because of its underlying assumption of power symmetry in the exchange relationship, has limited relevance in the domain of the psychological contract (Cook et al., 2013; Gouldner, 1960; Molm, 2010). Supporting this viewpoint, other researchers have also raised similar concerns (e.g. Coyle-Shapiro and Conway, 2004; Coyle-Shapiro and Shore, 2007; Cullinane and Dundon, 2006; Guest et al., 2010; Shore et al., 2012). The current study, therefore, attempts to explore the
notion of reciprocity from the perspective of power asymmetry in the employment relationship as one of its aims.

2A.10 The issue of agency

The concept of agency mainly deals with the issue of the representation of the organization (Boxall and Purcell, 2011; Conway and Coyle-Shapiro, 2012; Guest et al., 2010; Shore et al., 2012; Suazo et al., 2009; Wellin, 2012). The relevant research, largely following the influential guidelines of Rousseau (1995, 1998, 2001, 2011), has predominantly focused on the employee’s perspective of the contract. According to Rousseau (2011, p. 194), the psychological contract is primarily a perception of a contract largely influenced by the ‘employee’s mental schemas (i.e. mental structures that organize knowledge)’. While explaining her conceptualization, principally based on the employee’s perspective, she argues that the issue of organization representation (i.e. agency) is not important as the contract is established between employee and the organization, while ‘the agent is merely a go-between’ (Rousseau, 1998, p. 669).

In contrast to this unilateral view and consistent with the bilateral conceptualization of other researchers, it is, however, argued that a psychological contract cannot plausibly be considered as a contract if it exists only in the mind of an employee (e.g. Boxall and Purcell, 2011; Conway and Briner, 2009; Guest et al., 2010; Shore et al., 2012). That is, in order to qualify even as a perception of a contract, there is an indispensable need to identify the other party of the contract (i.e. the employer). The researcher further argues that focusing only on the employee’s perspective inevitably leads to the issue of biased or subjective mutuality.

The support for this viewpoint can be drawn from the writings of Rousseau (2004) herself as she argues that ‘an individual’s psychological contract reflects his or her own understanding of the commitments made with another. Individuals act on that subjective understanding as if it is mutual, regardless of whether that is the case in reality’ (pp. 120–121). The researcher’s argument
regarding the issue of biased or subjective mutuality inherent in the conceptualization of Rousseau (as a result of the predominant focus being largely on the employee’s perspective) is further supported by her own emphasis that the agreement in the psychological contract ‘is, of course, in the eye of the beholder. It does not mean that any two or more parties to some agreement actually in fact agree’ (Rousseau, 2011, p. 197).

When considering agency, Rousseau contradicts her own unilateral conceptualization of the psychological contract. On several occasions, Rousseau undermines her own argument (of emphasizing only the employee’s perspective), as she conceptualizes mutuality as ‘a common understanding’, as an ‘agreement between worker and employer’ and also as ‘when both parties agree on the terms’ of the contract (Rousseau, 2004, p. 123). In her recent work, she emphasizes the issues of ‘shared information between the parties, and interactions that test their agreement’, in order to promote mutuality between employee and employer (Rousseau, 2011, p. 197). These excerpts manifestly point towards the inherent contradiction in her approach to the issue of agency. On the one hand, with a unilateral approach, she asserts to focus only on the employee’s perspective; on the other hand, she emphasizes issues (e.g. common understanding, shared information, agreement between employees and employer etc.) evidently pointing towards the need for acknowledging the employer’s viewpoint as well. Other researchers have also raised similar concerns about Rousseau’s unilateral conceptualization regarding the notion of agency (e.g. Boxall and Purcell, 2011; Conway and Briner, 2009; Guest et al., 2010; Shore et al., 2012).

2A.10.1 Psychological contract with whom?

The above discussion highlighted the significance of the bilateral conceptualization of the notion of agency. However, there is also the issue of whether the psychological contract is established between employees and the organization as a single entity, or between employees and the different agents of the organization. Marks (2001) argues that the idea that the psychological
contract ‘is solely a relationship between the individual and a single entity known as the organization, is clearly obsolete’ (p. 457). According to her, the notion of considering the psychological contract as a relationship between employee and the organization (rather than the different agents of the organization) is ‘problematic [because] although we know who the employee is, there is a problem understanding what is actually meant by “the organization”’ (Marks, 2001, p. 457, quotation marks in original). Furthermore, the organization cannot negotiate or communicate the contract on its own. Rather these are tasks of the employee’s line manager or the HR manager, who do so on behalf of the organization (Marks, 2001).

The emphasis of Marks (2001) has intuitive resonance and provides support in avoiding the agency problem (i.e. the representation of the organization, discussed in the next section). However, this viewpoint is not completely compatible with the conceptualization of the majority of the psychological contract researchers (e.g. Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Cullinane and Dundon, 2006; Guest et al., 2010; Rousseau, 2011; Shore et al., 2012). According to this prevailing conceptualization, employees largely perceive their psychological contracts as established with the organization. As emphasized by Conway and Briner (2009) ‘researchers have argued that employees somehow aggregate psychological contract messages communicated from principals, agents and practices that variously represent the organization … in order to arrive at a view of the organization as if it were a coherent single entity (p. 84).

Furthermore, researchers generally acknowledge the role of the administrative contract makers or administrative agents (e.g. human resource policies, mission statements etc.) in terms of representing the organization or communicating the expectations of the organization (e.g. Chaudhry and Tekleab, 2013; Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Shore et al., 2012; Wainwright and Sambrook, 2011; Wellin, 2012). Following the conceptualization of Marks (2001), it would be challenging to investigate the notion of employees’ psychological contracts established with these
different agents of the organization, as employees cannot plausibly establish their psychological contracts with these administrative agents.

However, consistent with the Marks’s (2001) viewpoint, Conway and Briner (2009) argue that, even though employees perceive ‘the organization as the other party in the relationship’ (p. 84), nevertheless the organizations in turn cannot ‘have psychological contracts as such a notion would entail anthropomorphizing organizations and bring with it a range of problems, not least the problem of identifying how an organization could hold a set of subjective beliefs’ (p. 79). The diverging viewpoints of these researchers can be aligned by arguing that, even though employees establish their psychological contracts with the organization, the organization in turn cannot have psychological contract with employees. The role of the organization in this case (as the other party in the relationship) is mainly symbolic as an abstract entity (Coyle-Shapiro and Shore, 2007). According to Conway and Briner (2009) and Shore et al. (2012), the focus needs to be on the organizational agents as contract makers who (on the basis of messages communicated to employees) represent the organization and principally shape employees’ psychological contracts established with the organization.

2A.10.2 The representation of the organization

As noted, employees (on the basis of messages communicated from the organizational agents) generally establish their psychological contracts with the organization. However, associated with this notion is the complex issue of the representation of the organization, i.e. ‘who represents the organization in the exchange relationship with the employee’ (Shore et al., 2012, p. 56). The concern of Shore et al. (2012) gains currency due to the noticeable differences among the researchers regarding this issue. For some researchers (e.g. Aselage and Eisenberger, 2003; Chen et al., 2008; Liden et al., 2004; Petersitzke, 2009; Tsui et al., 1997; Zagenczyk et al., 2011) these are the supervisors who represent the organization, while for others (e.g. Coyle-Shapiro and Kessler, 2002; Porter et al., 1998; Shore et al., 2012; Tomprou and Nikolaou, 2011) these are the senior managers. Other researchers (e.g. Lee and Taylor, 2014;
Tekleab and Taylor, 2003; Tekleab et al., 2005) consider the immediate managers as the agents representing the organization. Other than supervisors, senior managers or immediate managers, some researchers (e.g. Conway and Monks, 2008; Guest, 2007; Guest and Conway, 2002a) have also focused on the role of human resource managers as the agents of the organization.

In addition to the differences among the researchers regarding agency (i.e. the representation of the organization), another important issue is the lack of any empirical support provided by these researchers for their emphasis on these representatives as the agents of the organization. To the knowledge of the researcher, no empirical research has explicitly focused on defining any guideline for the identification of organizational agents. The researcher’s concern is echoed in Shore et al.’s (2012) remarks that ‘there is no research that explicitly asks employees who they have in mind (i.e. which organizational agents) when they answer questions about the EOR [employee organization relationship]’ (p. 30).

The prevailing tendency has been to focus on the discussion of the complexities associated with the notion of agency rather than to empirically advance our understanding. For example, Rubery et al. (2010) posit that, in non-traditional types of employment such as agency employment, the actual employer is not clear, and therefore it is very challenging to identify organizational agents. The argument of Rubery et al. (2010) has logical appeal, but it needs to be acknowledged that the concept under scrutiny is a contract and the complications of ascertaining the organization’s side of the contract do not warrant ignoring the employer’s perspective.

The need for better understanding of the representation of the organization also gains currency as it is largely associated with the development of the perceptions of contract breach among employees (Conway and Coyle-Shapiro, 2012; Restubog et al., 2011). As argued by Conway and Briner (2009), the organization side is generally represented by a number of agents (e.g. supervisors, immediate managers, senior managers, HR managers etc.) Considering the diverse representation of the organization, there is a high
possibility that the representatives or agents may communicate different or even contradictory messages about the expectations of the organization (Coyle-Shapiro and Shore, 2007). This may lead to inconsistency in employee and employer interpretations of the same contract, resulting in the perceptions of breach.

Recognizing this issue, Shore et al. (2012) recommend consistency in the messages communicated by the different agents of the organization (including human resource policies and mission statements) to employees. According to Guest et al. (2010), we need to focus on more or less explicit deals that are renegotiated between employees and organizational agents over time. This renegotiation will be helpful in bringing about consistency in employee and employer interpretations of the contract, inhibiting the development of the perceptions of breach.

2A.10.3 The issue of power asymmetry

There is another important issue associated with the underplayed implications of the phenomenon of power. The notion of the psychological contract generally refers to social exchange theory in the context of the relationship between employees and the different representatives of the organization (e.g. Cassar and Briner, 2011; Chaudhry and Tekleab, 2013; Colquitt et al., 2013; Conway and Briner, 2009; Fox, 1974; Shore et al., 2012). From the perspective of social exchange, Blau (1964, p. 117) emphasizes the ‘inherently asymmetrical’ nature of power in the relationships between the exchange actors.

Based on the conceptualization of Blau (1964) and other researchers (e.g. Cook et al., 2013; Guest et al., 2010; Mitchell et al., 2012; Molm, 2010), it is argued that power asymmetry between employees and organizational agents has been largely ignored in the study of the psychological contract because of the assumptions of mutuality and reciprocity, which imply power symmetry between the exchange actors (i.e. employees and the different agents of the organization). Endorsing this viewpoint, other researchers have also raised
concerns regarding the ignored implications of power asymmetry between employees and the different representatives or agents of the organization (e.g. Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Guest et al., 2010; Shore et al., 2012).

The viewpoint of these researchers largely echoes the concern of Cullinane and Dundon (2006, p. 119) that ‘… entering into a relationship with an employer, for the majority of employees, it means that they become subordinate to their employers’ power and authority, because it is employers who control and direct the productive resources of the enterprise’. The organizational representatives generally have a dominant influence in their interdependent relationships with employees as a result of their capacity to control the productive resources of the organization (Cullinane and Dundon, 2006). Therefore, the exchange relationships between the majority of employees and organizational agents are largely based on the dynamics of power asymmetry or disproportionate interdependence, as employees are more dependent on the organizational rewards under the control of these representatives (Podsakoff et al., 2006; Rubin et al., 2010; Tremblay et al., 2013).

2A.11 The growing interest in the psychological contract

The above discussion has highlighted several key limitations from the perspectives of mutuality, reciprocity and agency in the conceptualization of the psychological contract. However, none of the researchers, despite all their critiques, recommend abandoning the notion (e.g. Conway and Briner, 2009; Cullinane and Dundon, 2006; Guest et al., 2010; Meckler et al., 2003; Rousseau, 2011; Shore et al., 2012). According to Cullinane and Dundon (2006), ‘in spite of a number of serious conceptual and empirical limitations in the literature, the idea of a psychological contract remains extremely popular’ (p. 125). Similarly, Conway and Briner (2009, p. 71) maintain that over the last 20 years, there has been a ‘rapid increase in the number of journal articles, now several hundred, published on the subject. It has also over the same period had considerable appeal to managers and practitioners’.
There are a number of reasons for this growing interest in the concept of the psychological contract. First, the concept has ‘highly intuitive links with employment contracts’ (Conway and Briner, 2009, p. 71). Second, the notion of the psychological contract provides significant support for understanding the influences of micro and macro factors on employees’ subjective experiences of work (Wellin, 2012). Third, based on the notion of breach, the psychological contract theory contributes distinctively to our knowledge of exchange in the domain of employment (Conway and Briner, 2009; Restubog et al., 2011). Fourth, because of its assumption of dynamic and ongoing exchange, the psychological contract is distinguished ‘from many other organizational psychology theories that tend to focus on simple cause–effect relationships or include attitudinal constructs that provide little insight into everyday work experience and behavior’ (Conway and Briner, 2009, p. 72).

Conway and Briner’s (2009) view is endorsed through the application of the concept to a number of other relationship dyads outside the domain of employment. Examples of these studies include IT outsourcing inter-firm relationships (Koh et al., 2004), seller–buyer relationships in online markets (Pavlou and Gefen, 2005), customer relationships and corporate reputation (MacMillan et al., 2005), buyer–supplier relationships in the motor industry (Kingshott, 2006), salesperson–customer relationships during product return transactions (Autry et al., 2007), service provider–customer relationships (Schneider and Bowen, 1999), relationships between landlords and tenants (Radford and Larwood, 1982), relationships between students and professors (Taras and Steel, 2007), and advisor–student relationships (Bordia et al., 2010).

The significance of the notion of the psychological contract also stems from the limitations of formal employment contracts. Suazo et al. (2011) posit that no formal or legal contract can cover all aspects of employment. According to Deakin (2004, p. 203) ‘the substantive meaning of the contract of employment is not made clear by statute’. This substantive meaning, however, depends upon the subjective interpretations of the employment contract and is
discussed under the concept of the psychological contract (Shore et al., 2012; Suazo et al., 2011; Wellin, 2012). This capacity to examine the subjective elements of the employment relationship experienced by employees on daily basis is, therefore, a key strength of the psychological contract (Conway and Briner, 2009; Shore et al., 2012).

2A.12 The relevance and applicability of the psychological contract literature for the current study

The first part (A) of the literature review mainly focused on the critical evaluation of the psychological contract literature. At the concluding stage of this part, it is pertinent to evaluate the relevance and applicability of the psychological contract literature for the current study, which is based on a Pakistani context. Addressing this issue is vital, as the relevant literature has been largely developed in Western societies. Hui et al. (2004) previously raised this issue during their study, principally aimed at investigating the generalizability of the psychological contract literature to Asian societies. They considered ‘whether it is possible to study in a meaningful way worker–employer relationships in such societies [non-western societies of developing Asian countries] using approaches derived from more developed countries’ (Hui et al., 2004, p. 311).

Conway and Briner (2009), endorsing the affirmative findings of Hui et al. (2004), argue that the ‘psychological contract studies have been conducted across many different occupational groups and national contexts and these generally support the main predictions of psychological contract theory’ (p. 72). This view is further supported by a number of empirical studies with results endorsing the generalizability of the concept in non-western Asian societies. A few examples of these studies are India (Aggarwal and Bhargava, 2014), China (Chen et al., 2008; Hui et al., 2004), Hong Kong (Westwood et al., 2001), Japan (Thomas et al., 2003), Taiwan (Chen and Kao, 2012) and South Korea (Kim and Choi, 2010).

The case of Pakistan is similar. Raja et al. (2004, pp. 363–64), consistent with the later endorsement of Sajid et al. (2011) and Bashir and Nasir (2013), posit
that ‘in planning the study, we considered but did not find any reason to expect that our predictions, based on Western research, would not apply in Pakistan. Having conducted the study, we had no specific experiences that violated this expectation.’ Based on the observation of Conway and Briner (2009) and the supporting empirical evidence from these non-western countries including Pakistan, it can be argued that the psychological contract literature has established relevance and applicability in the non-western context and can be safely used for the purpose of investigation in the current study.

The first part (A) of the literature review mainly focused on the critical evaluation of the psychological contract literature. The discussion now proceeds to the second part (B) of the literature review. It focuses primarily on the notion of power as in part A, the concept of power is generally discussed from the perspective of its underplayed implications in the domain of the psychological contract. The discussion presents different conceptualizations of power and finally proceeds to the notion of power followed in the current study.

2B Power

Conceptualizing power has long been debated in social sciences. A researcher may be mesmerized by the divergence of the different approaches as, according to Lukes (2005, p. 30), power is an ‘essentially contested’ concept. These conceptualizations have mostly been far from sharing a common ground (Fleming and Spicer, 2014). The aim of this part is to provide a detailed critical overview of the different conceptualizations of power. Based on this detailed overview, the conceptualization of power opted for the purpose of the current study is presented towards the end of the part.

2B.1 Lukes and the three dimensions of power

A major contribution to the debate in the social sciences about the conceptualization of power is made by Steven Lukes’ (1974) influential book, ‘Power: A Radical View’. Developed as a critique of the preceding
theorizations of power by Dahl (1957) and Bachrach and Baratz (1962), the book itself has spawned many critiques and academic commentaries in the last four decades (Fleming and Spicer, 2014). Based on these critiques, Lukes reconsidered his original notion of power and presented an updated theorization in the second edition of his book (Lukes, 2005). This section aims to make a critical evaluation of Lukes’ notion of power in relation to Dahl’s one-dimensional and Bachrach and Baratz’s two-dimensional view of power.

2B.2 Dahl’s one-dimensional view of power – coercion

According to Lukes (1974, 2005), Dahl’s (1957) notion of power is one dimensional in which ‘A has power over B to the extent that he can get B to do something that B would not otherwise do’ (pp. 202-3). This involves making decisions and enforcing them directly upon other actors. Actors, the objects and subjects in the relationship of power, as postulated by Dahl (1957), may comprise individuals, groups, other human aggregates, offices, roles, governments or nation-states. Dahl’s (1957) notion of power has several features. First, power is considered as episodic, i.e. based on actual and visible episodes of behaviour producing empirically observable effects. Second, power is causal, i.e. A causes B to do something against B’s interests. Third, power is situational, i.e. A may have power over B in some but not necessarily in all situations (Fleming and Spicer, 2014). According to Lukes (2005), Dahl’s (1957) definition appears to be primarily influenced by the assumption of direct coercion. This coercion is based on the exercise of power, which is considered as a property of the powerful actor ‘A’, engaged in a situation of conflict with a dominated actor ‘B’.

Parallels may be drawn between the conceptualization of Dahl (1957) and French and Raven (1960), as according to them power is the ‘potential ability of one group or person to influence another within a given system’ (p. 609). Based on this definition, it can be argued that the theorization of French and Raven (1959, 1960) also conceptualizes power mainly as a property of actors. In a similar way to Dahl (1957), French and Raven consider that these actors (individuals or groups) are generally conceived as able to exercise their powers.
independently from the countering influences of the other actors or the limitations imposed by the structures in which they are interacting. As a result of the underlying assumptions, Clegg (1990) draws an analogy between Dahl’s (1957) notion of power and classical notions of mechanics that are characterized by the assumption that bodies may perform their operations independently from any external influences. Dahl’s (1957) viewpoint, therefore, may be considered as highly mechanical and static, as it is largely based on the assumption of power as a property of particular actors whose actions are not influenced by the limitations imposed by other actors or by the structural settings.

Based on these underlying assumptions, Dahl’s empiricist view of power is subject to several criticisms. First, this coercive approach tends to depict power as a quantitative commodity held by the actors (Crozier, 1972). In this approach power is generally considered to exist only in observable and overt actions. This behavioral approach may deflect attention from analyzing the relatively subtle forms of power that are generally exercised behind the scenes (Bachrach and Baratz, 1962). Furthermore, the assumption of coercion largely depicts a negative view of power, deflecting attention from its productive aspects. Finally, a coercion-based approach may constrain the focus to the intended consequences of the exercise of power. This may result in the potential oversight of many unintended consequences related to the exercise of power (Bachrach and Baratz, 1962; Wrong, 1968). For instance ‘a managerial decision may aim to force employees to work harder, but also impact on their family and private lives’ (Fleming and Spicer, 2007, p. 16). Summarizing this view of power, Lukes (1974, 2005) argues that Dahl’s (1957) theorization is one-dimensional as it is largely based on the sole dimension of coercion i.e. getting the other person to do something that he or she would not have done otherwise.
2B.3 Bachrach and Baratz’s two-dimensional view of power – manipulation

Unlike the one dimensional view (Dahl, 1957) based only on exercise of power in situations of observable conflict and confined to the domain of decision making, Bachrach and Baratz (1962) posit that power is associated not only with direct decisions but also with non-decisions in terms of manipulating the background rules of the game. Without rejecting the importance of the exercise of power in situations of observable conflict, Bachrach and Baratz (1962, 1970) emphasize the less visible face of power, which keeps some actors and their interests excluded from the decision-making processes. According to them, power is not only exercised:

when A participates in the making of decisions that affect B. But power is also exercised when A devotes his energies to creating or reinforcing social and political values and institutional practices that limit the scope of the political process to public consideration of only those issues which are comparatively innocuous to A.

(Bacharach and Baratz, 1962, p. 948)

According to Fleming and Spicer (2014), the manipulative power posited by Bachrach and Baratz (1962, 1963) comprises three processes, which systematically eliminate some issues from the political discourse. First, the anticipation of the results: this is when actors anticipate the possible expressions of power in future and, therefore, comply with what they consider as aligned with the desires of the powerful. Second, the mobilization of bias: at this stage, some issues are organized into decision-making activities while others are organized out. In other words, those issues that do not concur with the interests of the dominant groups are dismissed from the deliberation process. The third and final process is institutionalized rule-and-norm making, rendering some issues as non-decisions. This occurs when certain issues are prevented from surfacing because they counter the established and taken-for-granted rules and specifications. This practice ultimately results in the
exclusion of perfectly feasible propositions and options that do not conform to the established rules and norms.

Bachrach and Baratz (1970) argue that power relations generally lead to conflict between actors. For them, if ‘there is no conflict, overt or covert, the presumption must be that there is consensus on the prevailing allocation of values, in which case non-decision-making is impossible’ (Bachrach and Baratz, 1970, p. 49). The conflict according to them is between the interests of those who are excluded from a hearing within a political system and those who are engaged in non-decision-making. They further emphasize that in a situation of consensus (i.e. absence of conflict) it is not possible ‘to determine empirically whether the consensus is genuine or instead has been enforced through non-decision-making’ (Bacharach and Baratz, 1970, p. 49).

At this point, a limitation can be noted in the notion of Bachrach and Baratz. Their conceptualization is mainly based on the dimension of non-decision-making in addition to the previously discussed dimension of decision-making by Dahl (1974). However, it is very difficult to analyze their key assumption of non-decision-making if there is no conflict, because it is not possible to know whether this consensus is genuine or imposed by the powerful. Bachrach and Baratz (1970), acknowledging this limitation, posit that ‘the analysis of this problem is beyond the reach of a political analyst and perhaps can only be fruitfully analyzed by a philosopher’ (p. 49).

The manipulation view of power of Bacharach and Baratz (1962) develops our understanding beyond mere coercion. However, it is very challenging to empirically and logically support the two-dimensional approach (Fleming and Spicer, 2014). This argument is consistent with the emphasis of Merelman (1968) and Wolfinger (1971) that, as manipulation drives us away from the directly observable behaviours, it is, therefore, difficult to empirically investigate Bachrach and Baratz’s (1962) conceptualization of power. Lukes (1974, 2005) also makes several criticisms of the manipulation view of power. Power, according to Bachrach and Baratz (1962), is explained in terms of decisions and non-decisions. They argue that the inclusion of non-decisions
adds another dimension to the conceptualization of power by moving the analytical focus beyond the behaviouralist approach based only on the dimension of decision-making. However, Lukes (1974, 2005) argues that Bachrach and Baratz’s (1962) approach is also based on behaviouralism (modified behaviouralism) because preventing some issues from being included in the decision-making process (non-decisions) is itself a form of decision. Lukes (1974, 2005), therefore, asserts that the issue of non-decisions remains largely unresolved in the discussion of Bachrach and Baratz.

Lukes (2005) goes on to argue that the view of power as manipulation largely focuses on the behaviour of the powerful actors while ignoring the broader structural issues. Finally, the manipulative approach to power considers the absence of grievance in a similar way as the absence of conflict. This largely stems from the processes that structure our wishes so that we may not even desire to communicate our grievances, which ultimately result in preventing conflict from arising in the decision-making processes. Lukes (1974, 2005), however, argues that, rather than preventing conflict from arising in the first place, power is more concerned with the domination of the preferences of the powerful actors.

2B.4 Lukes’ third dimension of power – domination

Dahl (1957) conceptualizes power as direct coercion, while Bachrach and Baratz (1962) consider power as manipulation. In comparison, Lukes (1974, 2005) identifies power as domination. While acknowledging the theorization of Dahl (1957, 1961) and Bachrach and Baratz (1962, 1963, 1970) as key conceptual dimensions for the analysis and understanding of power, Lukes (1974, 2005) attempts to develop another dimension, which, he argues, is neglected in the work of these theorists. For him, this dimension of power shapes actors’ attitudes and preferences in a way that is counter to their own interests.

Lukes (2005) defines the notion of domination as ‘the ability to bring about significant outcomes ... whenever it furthers, or does not harm, the interests of
the powerful and bears negatively on the interests of those subject to it’ (p. 86). He emphasizes that decision making and non-decision making are not the most important issues in the exercise of organizational power. Rather, for him, power is embedded in the development and imposition of paradigmatic frameworks within which decision-making is defined (Brown, 1988). These paradigmatic frameworks largely result in the development of wants and preferences in the dominated actors that are antithetical to their own interests (Fleming and Spicer, 2014; Ranson et al., 1980).

Lukes’s (1974, 2005) third dimension of power is largely based on challenging the assumption that actors can determine and express their real interests. Lukes claims that, due to the influence of institutional practices and social forces, actors may develop a false consciousness. This false consciousness may restrain actors’ minds in such a way that they may hardly be able to recognize (let alone communicate and struggle for) their real interests. Lukes (2005) further explains his viewpoint as

is it not the supreme and most insidious exercise of power to prevent people, to whatever degree, from having grievances by shaping their perceptions, cognitions and preferences in such a way that they accept their role in the existing order of things, either because they can see or imagine no alternative to it, or because they see it as natural or unchangeable, or because they value it as divinely ordained and beneficial.

(p. 24)

The third dimension of power by Lukes (1974, 2005) extends our understanding of power relations in organizations beyond coercion (Dahl, 1957) and manipulation (Bachrach and Baratz, 1962) in several ways. First, it brings into focus not only the manifest or existing conflict but also highlights the issue of potential or latent conflict. This resonates with one of the most insidious patterns of politics, ensuring that conflict does not arise in the first place. According to Lukes (1974, 2005) conflict does not arise because we are so deeply immersed in a particular view of the world that we see nothing
illegitimate or wrong with it. Second, it draws attention to how some topics are legitimized (generally through shaping ideologies and mental schemas) while others are not even considered. Finally, Lukes emphasizes that power involves situations in which, although individuals are in a position to make their decisions freely, nonetheless their interests may be betrayed. For him, under the influence of this third dimension of power as domination, individuals may act in a manner that is antithetical to their own real interests.

It is important to highlight that, in the Lukes’ notion of power, the absence of actual conflict is not equivalent to a genuine consensus. Lukes argues that conflict would still continue to exist but in the form of latent or potential conflict. According to him, there would remain a contradiction between the interests of the powerful actors exercising power and the real interests of the dominated actors. The dominated actors are, however, unable to identify their real interests because their preferences, perceptions and cognitions are shaped by the powerful actors through broad social forces. This largely results in the development of a false consciousness which prevents the dominated actors from identifying their real interests. If, at a later stage, these dominated actors are somehow able to discover their real interests, they may recognize that their real interests are being unmet in the current order. Consequently, these now enlightened actors would be able to discern their real interests accurately, express them publicly and ultimately change their policy preferences. At this stage, after the discovery of their real interests by the dominated actors, the (until then) potential or latent conflict would transform into an actual conflict.

The domination approach of Lukes (1974, 2005) makes a significant contribution to the debate on power. However, it is not immune to several criticisms. First, although the assumption of real interests is at the core of Lukes’ theorization, it is at the same time the source of problems within this theory. For him, determination of real interests is something beyond the scope of analytical explanation, as they will differ according to whether one is investigating power from a liberal, a reformist, or a radical perspective. To circumvent this ambiguity, he further argues that the identification of the real interests generally depends on the empirically supportable or rejectable
hypothesis. However, he does not go further to explain his viewpoint by giving an example of such a hypothesis (Fleming and Spicer, 2014). Lukes (1974) also acknowledges that the assumption of real interests is susceptible in terms of its possible misuse as a ‘paternalist license for tyranny’ (p. 37). Second, as also recognized by Lukes (2005), his view of power is based mainly on inaction rather than observable action. It is, therefore, very difficult to empirically investigate the power relationships among the actors.

Third, as Clegg (1989) emphasizes, we need to be wary of the assumption of objective interests because it fails to acknowledge that interests are politically contingent and divergent within groups. This implies that the researcher can identify real interests and distinguish them from distorted or the fake interests. Fourth, this view of power ignores the productive aspects of power by focusing only on the negative dimensions such as prohibiting, repressing and constraining (Fleming and Spicer, 2014). Consequently, this guides us towards a view of power in which the powerless participate in the process of their own subjugation (Knights and Willmott, 1989). Finally, the underlying assumption of power remains unchanged i.e. A affecting B in a way that is contrary to B’s interests. Lukes’ notion of different dimensions focuses on different ways in which one actor affects the other; however, the locus of analysis as A affecting B largely remains unchallenged among all these views. Power, by the end, still remains a property of the actors and is largely explained in individualistic terms (Clegg, 1989, 2006).

2B.5 Overlapping nature of Lukes’ notion of power

Isaac (1987) argues that Lukes’ ‘similarities with his predecessors outweigh his differences’ (p. 13). Similarly, Ribeiro (2003) posits that, although Lukes (1974, 2005) asserts the distinct nature of his view of power, the notions of power by Dahl (1957), Bachrach & Baratz (1962) and Lukes (1974) share some fundamental underlying assumptions. First, all of them are based on the effects that are caused by the exercise of power rather than the nature of power.
itself. Lukes (1974) acknowledges that the three dimensions of power ‘can be seen as alternative interpretations and applications of one and the same underlying concept of power, according to which A exercises power over B when A affects B in a manner contrary to B’s interests’ (p. 30). According to Clegg (1989), even though there are differences in terms of whether the power is associated more with a particular agent (for pluralists and elitists) or with a broader system (Lukes) and also in context of whether power is exercised more visibly (for pluralists) or less visibly (for elitists and Lukes), the focus in all three dimensions is on the effects caused by the exercise of power.

The second common feature among the three dimensions of power is the assumption that power is or can be located in a particular entity. According to Clegg (1989), it is possible to identify the location of power for all three dimensions in a certain entity. For pluralists (Dahl, 1974), power can be located in the visible, sovereign and diversified interest group (e.g. individuals, human aggregates, governments, nation-states etc.) which prevail in situations of observable conflict. In the case of elitists (Bachrach and Baratz, 1962), power appears to be located among the relatively less visible minority of elites, who prevail by preventing the topics of conflict from becoming a part of the political discourse. In the case of Lukes, power can be located among the society’s ruling class, which prevails by preventing conflict from arising in the first place through shaping the ideologies of the subjugated classes.

The third common feature among all three dimensions is the emphasis on the negative view of power. According to this view, actor A generally exercises power over actor B in a way that is ‘contrary to B’s interests’ (Lukes, 1974, p. 30). This highlights the underlying assumption of the notion of ‘power over’ in all three dimensions. Furthermore, this promotes the zero-sum conceptualization of power in which the interests of one actor are achieved through the losses of the other actor. This win–lose scenario is manifest in all three dimensions. In the case of pluralists, a plurality of powerful actors generally wins on the basis of the losses of the plurality of powerless actors. For elitists, a minority elite wins by excluding the interests of the majority from the decision–making process. Finally, in case of Lukes (1974), the ruling
class of the society wins by shaping the ideologies of the other classes and preventing conflict from arising in the first place.

2B.6 Lukes’ (re)conceptualization of power

Lukes’ (1974) notion of power is subject to several criticisms based on its noticeable similarities with the prior work of Dahl (1957) and Bachrach and Baratz (1962). As a result, Lukes made some corrections in his 2005 work. He acknowledged that his previous work was based on ‘a very partial and one-sided account’ of the notion of power (Lukes, 2005, p. 64). Consequently, he offered three modified perspectives (i.e. power as a capacity, negative view of power and location of power) in his later book, which are discussed below.

2B.6.1 Power as a capacity

First, Lukes (2005, p. 109) acknowledged that in his previous work he mistakenly committed the ‘exercise fallacy’, i.e. power exists only if it is exercised. Lukes (2005) reconsidered his viewpoint and argued that power is ‘an ability or capacity, which may or may not even be exercised’ (p. 109). Therefore, Lukes (2005) advanced his conceptualization from the assumption of power over (i.e. power of an actor ‘A’ which is exercised over the other actor ‘B’) to the notion of power to (i.e. as a capacity to achieve some effects).

The notion of power as a capacity, however, depicts the essence of power from a realist perspective. This realist perspective ultimately recommends following a deterministic stance in which power as a capacity ensures certain pre-determined outcomes (Fleming and Spicer, 2014).

This determinism underlying the realist notion of power as a capacity to achieve certain pre-determined outcomes, has been criticized in the social sciences. For example, Hardy and Leiba-O’Sullivan (1998) argue that ‘actors may have intentions concerning outcomes, and may mobilize resources or engage in the management of meaning with the idea of achieving them, but pulling these “strings” of power does not necessarily produce these desired outcomes’ (p. 458, quotation marks in original). Similarly, Ribeiro (2003)
argues that in the social world ‘powers are not covered by [universal, physical] laws, but rather are fixed in and through rules that are enacted by individuals who participate in social relations. But individuals, unlike inert materials, may always choose to respond otherwise – that is, by reference to different sets of rules’ (p. 63).

### 2B.6.2 Negative view of power

In addition to the exercise fallacy, Lukes (2005) considered the predominantly negative view of power as a second limitation in his previous work. Rather than assuming power from a zero-sum perspective (Lukes, 1974), he later conceptualized power as a positive, non-zero sum game which ‘may sometimes favour, or at least not disfavour, the interests of those who are subject to it’ (Lukes, 2005, p. 84). Therefore, power can be facilitative and positive in terms of promoting the interests of the other actors. Clegg et al. (2006), however, argue that the view of power as positive or facilitative is strictly contingent as ‘for some people the effect may be positive while for others it will be negative’ depending on ‘the contingent position of the agents involved in the relation’ (p. 191). Clegg et al. (2006) further explain this viewpoint as, for example the power to overthrow tyrants will be certainly considered as negative by the former tyrants but as positive by those liberated.

### 2B.6.3 Location of power

Finally, Lukes (2005) attempted to distance himself from the view that power can be located in particular agents (i.e. As that have power in comparison to Bs). Clegg et al. (2006), however, argue that, even though Lukes (2005) further developed his conceptualization by focusing on the effects of a broad system rather than particular agents (i.e. As and Bs), he still views power as being in one single location i.e. the society’s ruling class. Therefore, the issue of the location of power is not radically revisited, as the location is still determinable in the society’s ruling class. Lukes (2005) conceptualization also lacks the critical assumption of power as a relational phenomenon, necessary
to deal with the interdependency, complexity and unpredictability inherent in social relations.

Clegg et al. (2006) also highlight the issue of the lack of relational dimension in Lukes’ (2005) conceptualization because of its predominant focus on the assumption of power as a phenomenon which can be located in particular agents. For them ‘power should not be seen as concentrated in particular organizations, institutions or the resources they have available to them’ because ‘power is above all a relational effect, not a property that can be held by someone or something’ (Clegg et al., 2006, p. 223). This emphasis is consistent with the argument of Allen (2003) that power emerges as a relational effect of social interaction. Thus, the notion of power (rather than as a resource or a capacity of particular agents) can be considered as a relational phenomenon embedded in the relationships between the agents (Clegg et al., 2006). Clegg et al. (2006, pp. 221–2) further argue that Lukes’ (2005) notion of power is rather static and supports the ‘structural view of organizations in their timelessness and motionlessness ... so we need to move towards a more relational view of power ... in which structure regulates the relations (and their settings) that produce–reproduce–transform such structures.’

2B.7 Hindess’s critique of the dimensional view of power

Hindess (1982) also makes a critical evaluation of Lukes’ (1974) dimensional view of power. According to him, the main issue is the assumption of power as a capacity. He argues that the dimensional view has interpreted power not only as a simple capacity, but also as a quantitative capacity that can be apprehended by the particular actors. This view promotes ‘a sense of determinism’ in conceptualizing power as a physical force (e.g. military power) suggesting that, in the event of conflict, the actors with more power will always prevail over the less powerful actors (Hindess, 1996, p. 138). He denies the idea that, in the social world, power has the ‘capacity to secure’ because ‘first the means of actions of agents are dependent on conditions that
are not in their hands. Secondly, the deployment of these means of action invariably confronts obstacles, which often include the opposing practices of others. Success in overcoming those obstacles cannot in general be guaranteed’ (Hindess, 1982, pp. 500–01).

Hindess (1996) then argues that the dimensional view discusses power and its consequences as counterfactuals, i.e. it makes some actors do something that they otherwise would not have done, or it prevents some actors in a power relationship from doing or thinking what they otherwise might have done or thought. For him, the conception of power as a mere capacity does not help us, as this approach is largely confined to the view of realizing an actor’s will at the expense of the will of other actors. According to him, this approach to power as a capacity does not allow for the emergence of unpredictable conflict (Hindess, 1996). As a result, this further inhibits the recognition and analysis of the associated strategies and tactics deployed by the actors in order to cope with that (unpredictable) conflict. Consequently, even though this dimensional view of power, ensuring predictability, is unable to offer prediction because of its inability to acknowledge the unpredictable conflict. Hindess (1996), therefore, argues that the quantitative view of power as a capacity does not have the analytical and predictive capabilities it claims.

Lukes (1974) posits that ‘power is one of the concepts which is ineradicably value-dependent’ (p. 26). Hindess (1976), however, argues that the appeal to values leads to a serious theoretical weakness in the Lukes’ (1974) conceptualization of power. This is because the analysis of the power relations will:

therefore depend not only on the situation of action but also the values of the investigator. One would need to be extraordinarily fortunate in one’s choice of values for the consequences of one’s action to bear any relation to one’s value-laden estimate of those consequences.

(Hindess, 1976, p. 330).
Based on this assumption, the investigations of power relations are not only dependent on the conflict but are also influenced by the idiosyncratic values of the investigator. The findings of these investigations, therefore, ‘cannot be evaluated on theoretical and empirical grounds’ and would largely be considered as ‘ad hoc empirical generalizations' that will be of ‘little value’ with ‘no practical utility’ (Hindess, 1976, pp. 330, 331).

Hindess (1996) argues that the assumption regarding real interests as something that may or may not be recognized poses another serious theoretical challenge to the Lukes (1974) view of power. Lukes (1974) insists ‘on the empirical basis for defining real interests. The identification of these [the interests of B] is not up to A, but to B, exercising choice under conditions of relative autonomy and, in particular, independently of A’s power – e.g. through democratic participation’ (p. 33). Hindess (1976), however, argues that Lukes’ (1974) view of power has little practical implications as it invokes ‘a utopian state of democratic participation in which people really know their real interests’ (p. 330).

Hindess criticizes the term ‘real’ as used in relation to interests. For him, interests (as objectives or concerns of the agents), rather than being based on relative autonomy and democratic participation, are shaped by the conditions in which the actors are engaged in the ongoing struggles (Hindess, 1982). Therefore, the interests, rather than being considered independently of the particular conditions of the struggle (as implicit in Lukes’ dimensional view of power), are largely developed and changed in the course of the struggle. Based on this argument, Hindess (1996) emphasizes that the capacity–outcome conceptions of power, conceived independently of the conditions of struggle, are fundamentally mistaken. For him, ‘it is rather a matter of the successful deployment of resources and means of action in the context of particular conditions of struggle, not all of which are in the hands of the agent in question’ (Hindess, 1982, p. 509).

In summary, Hindess (1976, 1982, 1996) argues that the notions of power to and power over are both based on the single conception of power as a
quantitative capacity, i.e. the capacity to achieve certain desirable outcomes by the sovereign powerful actors. For him, power should not be viewed as a capacity that unproblematically promotes the interests and objectives of the powerful actors. Rather than assuming it to be a mechanical and static phenomenon (i.e. power possessed by certain actors, which they can exercise independently of the constraints imposed by their conditions of struggle), power needs to be conceived in dynamic structural arrangements as an ongoing struggle on different levels between particular agents (i.e. interests, objectives, individuals, groups etc.) interacting through relational interdependencies.

2B.8 Foucault’s view of power – subjectification

Generally considered as the fourth dimension of power, ‘the notion of subjectification suggests that power may run deeper than ideology’ (Fleming and Spicer, 2014, p. 267). Mainly attributed to the influential work of Michel Foucault, the notion of subjectification is largely based on producing voluntary compliance from the subjects of power. Rather than focusing on coercion or decision-making (as well as non-decision-making), or preventing conflict from arising in the first place, the subjectification view of power emphasizes the ‘constitution of the very person who makes decisions’ (Fleming and Spicer, 2007, p. 23). According to Foucault (1977), subjectification operates through defining the structural conditions that determine how we experience ourselves as people.

For him, ‘power produces; it produces reality; it produces domains of objects and rituals of truth. The individual and knowledge that may be gained of him belong to this production’ (Foucault, 1977, p. 194). Foucault (1977) further argues that productive power relations are entrenched in the micro-political techniques that are diffused throughout society in different forms of knowledge. As a result, ‘power reaches into the very grain of individuals, touches their discourses, learning processes and everyday lives’ (Foucault, 1980, p. 39). Foucault, while explaining his notion of power, focuses on the role of the technologies through which voluntary compliance is achieved. For
him these structures of control producing voluntary compliance stem from the codified knowledge that ensures disciplinary effects.

Based on Foucault’s view, Deetz (1992a) argues that discipline is ‘a configuration of power inserted as a way of thinking, acting and instituting. The disciplined member of the organization wants on his or her own what the corporation wants’ (p. 42). Advancing his discussion of subjectification, Foucault refers to the notion of governmentality, which is ‘the conduct of the conduct: a form of activity aiming to shape, guide or affect the conduct of some person or persons’ (Gordon, 1991, p. 2). This leads to a process of self-government, in which the exercise of external power is not required. Rather, the individuals maintain control of themselves through auto-monitoring behaviours (Fleming and Spicer, 2014).

Foucault (1977) identifies the critical role of dominant discourses in the case of subjectification. Discourses may be defined as ‘the structured collection of texts embodied in the practices of talking and writing (as well as a wide variety of visual representation and cultural artefacts) that bring organizationally related objects into being as these texts are produced, disseminated and consumed’ (Grant et al, 2004, p. 3). These discourses are critical as they are subjectively absorbed by the workers, influencing their thinking about themselves and their co-workers (Sewell and Wilkinson, 1992). According to Fleming and Spicer (2007), the vital issue is the ‘internalization of surveillance, so that employees monitor themselves and peers’ (p. 24). This results in the creation of individualized employees from the constant scrutiny of a panopticon gaze, which reaches the core of every member’s subjectivity, developing an environment which ensures self-management (Sewell and Wilkinson, 1992).

Foucault’s work contributed to the notion of power by shifting the focus of researchers from the macro to the micro aspects of the power relationships in organizations. However, there are several criticisms of the subjectification approach by Foucault. Foucault places a disproportionate emphasis on the all-encompassing nature of power, while ignoring the issue of human freedom and
agency (Fleming and Spicer, 2014). This ultimately downplays how the subjects of power, in the Foucault’s conceptualization, act against the disciplinary practices and dominant discourses (Ackroyd and Thompson, 1999). Consequently, the relevant research, with an approach of the complete subordination of the workers, generally ignores the notion of human agency emerging from employees’ attempts of independent sense making and resistance (Beirne et al., 2004; Callagan and Thompson, 2001). While not applicable to all investigations based on Foucault’s conceptualization, the subjectification approach generally downplays the issue of resistance in organizations (Wray-Bliss, 2002). For example, Dick and Cassell (2002), Alvesson and Willmott (2002), and Thomas and Davies (2005) in their investigations found that employees, through constructing counter-discourses, may develop alternative notions of self in order to resist the attempts of complete subjectification by the employer.

Hindess (1996) argues that Foucault’s treatment of power is parallel to ‘the work of Weber’ (p. 146). Fleming and Spicer (2014, p. 272) raise a similar concern that the notion of subjectification ‘frequently relies on a coercive backdrop in order to function ... through laying down the background rules of the game’ that the subjects of power must abide by. Another criticism of the fourth dimension of power as subjectification is the reduction of all the aspects of social life to the technology driven structures in terms of social engineering. Consequently, ‘there is little room for reflections about a future emancipatory freedom in this cold vision of organization’ (Fleming and Spicer, 2007, p. 26).

2B.9 Emerson’s theory of mutual dependence

The work of Richard Emerson is also considered as a significant contribution to the conceptualization of power (Cook et al., 2013; Molm, 2010). Extending the discussions of prominent researchers in the context of social exchange (e.g. Homans, 1961; Thibaut and Kelly, 1959 and Blau, 1964), Emerson (1972a, b) published his work as the power–dependence theory. Based on his earlier work in 1962, Emerson emphasized the notion of mutual dependence in the relationship among the exchange actors. Emerson’s work can be
acknowledged for two major contributions to the notion of power. First, in his theory ‘power is treated explicitly as relational, not simply the property of a given actor’ (Cook et al., 2013, p. 64). Second, in contrast to the assumptions of ‘power to’ and ‘power over’, Emerson (1972a, b) conceptualizes power from the perspective of ‘actors’ mutual dependence’ (Molm, 2006, p. 31).

In his conceptualization of power, Emerson originally focused on the dyadic relations i.e. the A – B dyad (Molm, 2010). Realizing this limitation, he later extended the focus to larger social networks, comprising different structures based on relations between the actors (Cook et al., 2013). The concept of exchange networks beyond dyadic exchanges ‘allowed power–dependence theory to bridge the gap between micro and macro levels of analysis more successfully than its predecessors’ (Molm, 2006, pp. 31–2). According to Emerson (1972a), all the exchange relations in larger networks are developed within the structures of mutual dependence, i.e. between actors who are dependent on one another.

Emerson (1972a, b) further emphasized that the more balanced (imbalanced) the actors’ dependencies are on each other, the more equal (unequal) will be the distribution of benefits for the actors in that exchange relationship. Moreover, since actors in exchange relationships are motivated to maximize their benefits and minimize their losses, conditions of power among the actors are rarely stable (Emerson, 1972b). Emerson also argued that it is not only the actors but also the structures (comprising the exchange relationships characterized by actors’ mutual dependence) that enable or constrain the specific types of exchange between the actors (Cook et al., 2013).

According to Molm (2007, 2010), Emerson’s (1972a, b) work on power–dependence relations made several contributions to the concept of exchange. First, it emphasized the relations among the actors, rather than the actors themselves. Second, it shifted the focus from dyadic relations to the exchange structures, ultimately bridging the gap between the dyadic interaction and the macro-structures. Third, in addition to the issue of reciprocal exchanges (prominent in Blau’s (1964) work), it also highlighted the notion of negotiated
exchanges, in which the actors bargained the terms of agreements on the basis of their mutual dependence. Finally, the theory established the notion of power (from the viewpoint of mutual dependence) as a major issue in the domain of exchange theory.

2B.10 Power conceptualization for the current study

The above section described different conceptualizations of power. As noted earlier, ‘the concept of power is, in consequence, what has been called an ‘essentially contested concept’ – one of those concepts which, inevitably, involves endless disputes about their proper uses on the part of their users’ (Lukes, 2005, p. 30, quotation marks in original). It is very challenging to provide an all–encompassing definition of power. However, it is necessary to explain the key dimensions of the notion of power used for the current study.

Based on the above detailed discussion, power is conceptualized in this study as a relational phenomenon that is embedded in the dynamic interdependent relationships between different actors (individuals, groups, organizations etc.) Kotter (2010) defines the notion of interdependence in organizations as ‘a state in which two or more parties have power over each other, because they are, to some degree, dependent on each other’ (p. 11). Kotter’s (2010) definition is consistent with Beirne’s (2006) viewpoint that, rather than as a quantitative capacity or as a resource that can be deployed by particular actors to unproblematically achieve their objectives, power emerges from the ongoing struggles between particular actors who are interacting through relational interdependencies. This viewpoint negates the static, mechanical and deterministic conceptualization of power in which powerful actors are able to exercise their sovereign power over powerless actors in order to unproblematically achieve their predetermined objectives.

Conceptualizing power as a quantitative capacity or a resource rules out any unpredictable outcomes of the interaction between the interdependent actors. The recognition of the issue that power relations may lead to unpredictable
consequences is critical as it supports the bi-directional view of power in which all the actors are able to make agentic interventions in their interdependent relationships. These agentic interventions, rather than being necessarily exercised in an expected or predetermined manner, may be unexpected as well. This is because (unlike the static view of power which assumes absolute compliance from the dominated actors in a predetermined manner) all the actors in interdependent relationships can exercise their agency and can (or can at least attempt to) act according to their own interests and preferences.

In other words, no actor in an interdependent relationship will be absolutely compliant and therefore the outcomes of the interdependent relations cannot be determined in advance (due to the possible unexpected agentic interventions from the interdependent actors). Finally, even though all the actors can make agentic interventions, the nature and intensity of the influence of these interventions will largely be determined by the actor’s level of dependence on the other actors in that mutually interdependent relationship. Consistent with other researchers, it can be argued that the existence of power asymmetry or disproportionate interdependence may possibly result in differential gains for the interdependent actors (e.g. Blau, 1964; Cook et al., 2013; Molm, 2010).

2B.11 The agency and structure debate

The notion of power in the current study is based on the assumption of interdependent relationships among actors. The actions of these actors are, however enabled and constrained by the structure in which they operate (Fleming and Spicer, 2014; Kotter, 2010; Tjosvold and Wisse, 2009). This notion inevitably leads us to the agency–structure debate, a recurring issue in the intellectual development of social and organization theory for more than a century (Wolin, 2004; Reed, 2003, 2008). In this debate, at one extreme, human agency is reduced to being entirely determined by the external, coercive structure (i.e. structuralism), and at the other extreme, the structure is merely reduced to the actions of human agents (i.e. individualism). Both of
these reductionist approaches have been criticized for underplaying the dynamic interaction between agency and structure.

According to Reed (2008), both agency and structure, rather than being connected through a causal relationship, create mutual influences through acting upon each other. This view is based on Roy Bhaskar’s notion of critical realism focusing on the ‘Transformational Model of Social Action: TMSA’ (discussed in detail in the methodology chapter). According to this view, all human actions take place within the contextual circumstances of a social structure, which enables or constrains the actions of these agents. In terms of research philosophy (discussed in detail in the methodology chapter), this key notion of critical realism is distinct from both the assumptions of determinism in positivism (i.e. human actions are largely determined by the environment and the structures in which they operate) and voluntarism in interpretivism (i.e. human actions are largely independent of the environment and the structures in which they operate).

The TMSA argues that structures are not fixed as they are largely influenced by ongoing human agency. This does not imply that structure is a mere creation of individual human actors. Rather, structure is both a condition and a consequence of human agency as ‘individuals draw upon existing social structure as a typically unacknowledged condition for acting, and, through the action of all individuals taken in total, social structure is typically unintentionally reproduced’ (Lawson, 1997, p. 169). This viewpoint highlights that, on the one hand, social structures are continuously reproduced and transformed as an outcome of human actions, and, on the other hand, these human actions are in turn conditioned (i.e. enabled and constrained) by the social structure.

The notion that structure is both a condition and a consequence of human action refers to the dual feature of social structure. Giddens’ (1984) theory of structuration is significant in relation to this viewpoint. According to him, structure has a dual nature as both the ‘medium and the outcome of the social practices they recursively organize’ (Giddens, 1984, p. 25). For him, structure
not only shapes social practices but also, in turn, is reproduced and transformed by these practices. While emphasizing the notion of the duality of structures, Giddens (1984) argues that the process of structuration always leaves margin for social transformation as structures are influenced by the complex interaction of social actors who are constantly negotiating and struggling in order to advance their interests. Danermark et al. (2002), however, argue that Giddens’ (1984) structuration theory:

implies that agent and structure constitute one another in such a way that the one cannot be separated from the other; they can be conceptualized only in relation to each other. The structures are instantiated by the actions of the agents and beyond that they only have a ‘virtual’ existence; when they are not employed in social practices they only exist as ‘memory traces’ in people.

(pp. 179–80).

In comparison to Giddens’ (1984) structuration theory emphasizing the notion of the duality of structure, Archer (1995) argues that the assumption of duality effectively conflates structure and agency (see also Vandenberghe, 2005). Similarly, Parker (2000, p. 73) argues that social structures have emergent characteristics, i.e. they are the ‘outcomes of agency which “emerge” or pass a developmental threshold, beyond which they exercise their own causal powers, independently of the agency which produced them’. In contrast to the Giddens’ (1984) assumption that society exists because of the people here present, Archer (1995) argues that social structure pre-exists individuals. In this way, Archer’s (1995) argument implies that social structure can exist at a given time regardless of the agency of the social actors (King, 1999, 2007).

Archer (1982, 1995) emphasizes an analytical dualism between structure and agency. According to this viewpoint agency and structure can operate over different periods of time. In order to explain her viewpoint of the temporal interplay between agency and structure, she presents a morphogenetic process comprising a three–stage cycle (Archer, 1995). The first stage of structural
conditioning is based on the consequences of past action. This stage of structural conditioning has causal influence over the subsequent phase of social interaction. Although social interaction may be structurally conditioned, it is not structurally determined because of the exercise of agency by the actors. This social interaction leads to structural elaboration which may possibly modify the previous structural properties and introduce new ones. Archer (1995) further argues that structural elaboration is generally an unintended outcome, resulting from conflict and negotiation between individuals and groups, and may result in consequences that nobody had anticipated.

The morphogenetic approach offers a rich theoretical explanation of the internal working of the agency–structure relationship. However, some researchers – notably King (1999, 2007) – have acutely criticized Archer’s (1995) viewpoint. According to him, the assumption of structure, as an ontologically prior or autonomous realm, independent at some point from individual knowledge or activity, emerges as a metaphysical concept. Consequently, such ‘notion of an objective social structure becomes unsustainable’ (King, 1999, p. 200). He further argues that Archer (1995) has failed to prove the priority and autonomy of social structure and, therefore, she ‘commits herself unknowingly to sociological metaphysics at crucial moments in her argument’ (King, 1999, p. 216).

Reed (1997) argues that the assumption of ontological dualism, as emphasized by Archer (1995), cannot be sustained as it represents a ‘highly static, mechanistic and deterministic ontology’ (p. 24). This is consistent with the viewpoint of Chia (1996) that ‘reality is in perpetual flux and transformation and hence unrepresentable through any static conceptual framework or paradigm of thought’ (p. 46). Considering the dynamic and messy nature of reality, Knights (1992) also argues that social analysis, therefore, generally focuses on a highly disordered, fragmented and contingent view of reality. Based on the arguments of these researchers, King’s (1999, p. 199) critique is highly persuasive that the concept of ontological dualism presented by Archer (1995) is ‘contradictory’.
Researchers (e.g. King 2010; Stones 2001; Varela 2007) including Archer (1996) herself, however, have argued that morphogenesis and structuration can be integrated because of the similarities between the two notions. Archer (1995), despite her rejection of Giddens’ (1984) mediation of structure and agency, nonetheless acknowledges his fundamental social ontology. King (2010), therefore, argues that it is not difficult to align structuration theory and morphogenetic social theory for two major reasons. First, for both Archer and Giddens, the social structure (irreducible to the individual) is changed and reproduced by conditioned individual action. Second, both theories of morphogenesis and structuration imply three moments of social reproduction: structural conditioning, social interaction and structural elaboration for Archer; and system, structure and structuration in the case of Giddens.

According to King (1999), the underlying similarities between Archer and Giddens became increasingly evident in the 1990s as Archer’s conceptualization came under the influence of Bhaskar. Archer (1995) emphasized a very high similarity between her own morphogenesis theory and Bhaskar’s critical realism (pp. 135–41, 157). Bhaskar (1993) in turn explicitly acknowledged a very close connection between his ‘Transformational Model of Social Activity’ and Giddens theory of structuration (p. 154). Therefore, as a result of Bhaskar’s recognition of Giddens’ structuration theory, the conceptualizations of three major British social theorists can be considered to have broad family resemblance as ‘by aligning herself with Bhaskar, she [Archer] also unwittingly signaled a rapprochement with Giddens’ (King, 2010, p. 255).

2C.1 Integrating parts A & B of the literature review

The above discussion of the literature review comprised two major parts (A & B). The first part (A) highlighted the underplayed implications of power in relation to the psychological contract. The second part (B) focused on the critical evaluation of the different views of power before presenting the conceptualization of power selected for the current study. Integrating these two
parts together, the psychological contract may be considered as the ongoing, dynamic and complex exchange between employees and the different agents of the organization. While power is embedded into the ongoing, dynamic and complex relational interdependencies between employees and the different representatives of the organization. As noted, the employment relationship is principally influenced by the power dynamics between employees and the organizational agents. However, the psychological contract literature largely underplays the implications of these power dynamics. Based on this line of argument, the primary aim of the current study is to investigate the implications of these power dynamics in relation to the psychological contract. In other words, the complex relational interdependencies (power relations) that influence the ongoing, dynamic and complex exchange (psychological contract) between employees and the organizational representatives are investigated in this research.

2C.2 Chapter summary

This chapter presented a detailed critical review of the relevant literature for the current study. The chapter was organized into two parts. The first part (A) focused on the critical evaluation of the psychological contract literature. The discussion in this part commenced with highlighting the issues regarding the assumptions underlying the notion of the psychological contract. In the next section, the discussion focused on the divergence in the different definitions of the psychological contract. The discussion highlighted different key terms (e.g. expectations, aspirations, obligations, beliefs, promises, perceptions, implicit contracts etc.) emphasized by the researchers in order to conceptualize the notion of the psychological contract. However, it was argued that, among these different conceptualizations based on a variety of key terms, a common element of ‘expectations’ could be partially traced in almost all definitions of the psychological contract.

The discussion then focused on the issue of the conceptualization of the psychological contract either as a mental schema or an exchange model. It was argued that the psychological contract should be seen as an exchange model.
This is because the notion of the psychological contract is fundamentally conceptualized as an exchange agreement or a contract between two actors (i.e. employee and employer). Therefore, in order to ascertain the viewpoint of both exchange actors, the concept needs to be explored from the bilateral perspective of social exchange. The missing implications of social exchange theory in the relevant literature were also highlighted. It was argued that, even though the psychological contract literature generally acknowledges the notion of social exchange, nonetheless it has largely ignored its primary features of interdependence and power asymmetry in exchange relationships.

The discussion then focused on the three constituent elements (i.e. mutuality, reciprocity and agency) of the psychological contract. Concerning mutuality, the discussion began by highlighting the use of rhetorical language with a managerialist orientation. It was argued that the assumption of mutuality largely ignores the issue of power asymmetry in employment relationships. The researcher emphasized the importance of exploring the notion of the psychological contract from a pluralist rather than a unitarist viewpoint. The discussion emphasized that it is very challenging to bring about mutuality (not only implicitly but also explicitly) because of the potential inconsistency of the messages communicated by different agents of the organization.

Finally, the discussion focused on the limitations of the four drivers of mutuality posited by Rousseau (2001). Because of the highly explicit orientation of the first two drivers (i.e. shared information and objective accuracy in perceptions), it was argued that it is very challenging to maintain the implicit nature of the psychological contract. Similarly, the researcher highlighted the limitations of the last two drivers (having the power to demand things and having the power to consent to or reject the terms of the contract), as only a small category of employees (e.g. managerial, professional, knowledge or technical workers) has sufficient bargaining power to actively demand things, or consent to or reject the terms of the contract.

On reciprocity, the discussion highlighted the incompatibility of Gouldner’s (1960) notion of reciprocity with the psychological contract literature. The
linguistic issues associated with the use of the term ‘reciprocity’ were elaborated on. The discussion also emphasized the issue of power asymmetry in employment relationships. Consistent with its dictionary meanings and the conceptualization of Gouldner (1960), the notion of reciprocity projects employees in a position with comparable bargaining power to their employers. Therefore, the assumption of reciprocity has limited relevance in the domain of the psychological contract. This is because the notion of power symmetry is generally not valid for the larger category of lower level employees.

On agency, the discussion began with the choice of the bilateral rather than the unilateral approach to the notion of the psychological contract. The researcher emphasized that the psychological contract cannot logically be considered as a contract if it is conceptualized unilaterally as an individual employee’s mental schema. It was argued that the unilateral mental schema approach, focusing only on the employee’s perspective, inevitably leads to the issue of biased or subjective mutuality. The issue of whether the psychological contract is established between employees and the organization or among employees and the different agents of the organization was also elaborated on. The discussion then focused on the notion of the representation of the organization through its different agents (e.g. supervisors, immediate managers, senior managers etc.) and the development of breach perceptions among employees as a result of the diverse representation of the organization. Finally, the ignored implications of the notion of power asymmetry in the domain of agency were elaborated on.

The discussion in the first part (A) of the literature review mainly focused on the critical analysis of the psychological contract literature. However, it was argued that, despite all these critical issues, the concept should not be abandoned. Similarly, other researchers, despite all their critiques, recognize the increasing popularity of the concept (e.g. Conway and Briner, 2009; Cullinane and Dundon, 2006; Guest et al., 2010; Shore et al., 2012). Finally, the discussion focused on the issue of the relevance and applicability of the psychological contract literature for the current study.
The second part (B) of the literature review focused mainly on the concept of power as in the first part (A), the notion of power was generally discussed from the perspective of its underplayed implications in the psychological contract theory. The discussion began with a critical evaluation of the dimensional views of power of Dahl (1957), Bachrach and Baratz (1962) and Lukes (1974), highlighting the overlapping nature of Lukes’ (1974) three-dimensional notion of power with Dahl’s (1957) one-dimensional and Bacharach and Baratz’s (1962) two-dimensional view.

The discussion then considered Lukes’ (1974) re-conceptualization of power from three major perspectives (i.e. power as a capacity, negative view of power and the location of power). It focused on the Hindess critique of Lukes’ view of power. The conceptualization of power by Foucault (1977) and Emerson (1972a, b) were also analyzed. Based on a detailed discussion of all these notions of power, the researcher presented the conceptualization of power chosen for the current study. Finally, the last section of part B highlighted the issue of the relationship between structure and agency.
Chapter 3

Methodology

3.1 Introduction

The previous chapter critically evaluated the conceptual underpinnings of the notion of the psychological contract. The discussion highlighted the issue of the missing implications of the concept of power in the psychological contract literature. This chapter discusses the methodological details of the research. The current study follows a critical realist research philosophy. The discussion highlights why critical realism, as opposed to positivism or interpretivism, is considered as a suitable choice for the current study. After the discussion of the research philosophy, the next section focuses on the research strategy. Based on a detailed discussion of the relevance and suitability of different research strategies, a case study strategy is finally selected for the current research.

Before moving to the details of the data collection, the discussion also highlights the particular context of the current study i.e., the call centre industry, followed by a perspective on Pakistan. For the purpose of data collection, 43 semi-structured interviews were conducted. Semi-structured interviews allow the researcher to remain focused on the major research issues while also facilitating the management and further exploration any unanticipated responses from the research participants. The discussion then proceeds to describe the sampling procedure used in the current study in order to locate the research participants. The next section illustrates the ethical issues related to the research. The discussion then highlights the different strategies followed in order to try to minimize any bias in the research findings. Finally, the discussion illustrates the details of the analysis template used in the study.
3.2 Research philosophy

Research philosophy discusses the development of knowledge and the different ways in which people view their world (Bryman, 2008). Hughes (1994) argues that it is the philosophy that helps us gain a better understanding of ‘human intellectual affairs’ (p. 43). Hatch and Cunliffe (2006) further posit that different research philosophies assist a researcher to study the research problem in a variety of ways. According to Saunders et al. (2009), one particular research philosophy should not be categorized as superior to others as the choice of philosophy will largely depend upon the ‘research question(s) you are seeking to answer’ (p. 109). In this context, Gill and Johnson (2010) highlight the importance of the researcher’s judgment regarding the choice of a particular research philosophy.

According to Blaikie (2000), a researcher, based on his/her own orientation of knowledge or reality, may have an affinity with a particular research philosophy. However, James and Vinnicombe (2002) caution that the philosophy selected by the researcher must be capable of addressing the key research problem. If the research philosophy is not coherent with the research problem, it will raise serious questions about the findings of the research. Denzin and Lincoln (2003) further emphasize that these issues have more currency in the field of social sciences, as their humanistic features induce an additional level of complexity which is less likely to be encountered in the natural sciences.

Easterby-Smith et al. (2008) highlight that a clear research philosophy at the start of any research activity will enable the researcher to make an appropriate evaluation of the different research methodologies on the basis of their compatibility with the overall research objectives. In addition, an unambiguous philosophical viewpoint will also shape the research strategy in terms of what type of data is to be collected for research, where to collect it from and how to analyze the collected data (Easterby-Smith et al., 2008). Consistent with the viewpoint of these researchers, the following section is based on a detailed
discussion of different research philosophies. The discussion begins with a critical overview of positivism and interpretivism. Based on this critical evaluation, the next section discusses the concept of critical realism, the research philosophy opted for in the current study.

3.2.1 Positivism

Positivism considers the social world as an objective reality which exists independently of human interpretations. Based on an empiricist epistemology, positivism argues that a researcher can objectively examine a particular social phenomenon and can precisely represent it on the basis of scientific theories and concepts (Blaikie, 2009). The positivist research philosophy underpinned by ‘faith in the power of reason and rationality’ (Filmer et al., 1998, p. 25), assumes that social science research methods are similar to those of the natural sciences. This assumption is based on viewing knowledge of social reality in a similar way to knowledge of observable events in closed systems that can be verified through scientific principles.

The historical roots of this perspective are in the notion of enlightenment, when theological descriptions of the natural world were rejected and subsequently replaced with descriptions based on observable facts and laws of nature (Filmer et al., 1998; Henn et al., 2009). In this context, Comte (1853) argues that ‘true’ knowledge should be based on empirical observation and needs to be free from any influence of metaphysical preconceptions (e.g. mind or spirit) that cannot be investigated through the methods of science. Largely driven by this approach, positivism, predominantly used in the natural sciences, focuses on testing hypotheses in order to accept or reject a new or existing postulation.

In addition, positivism seeks objective findings that can be generalized to other similar situations (Hatch and Cunliffe, 2006; Saunders et al., 2009). According to Slife and Williams (1995), in order to draw out these objective findings, the researcher needs to be free from any personal and social influences. The basic
argument of positivism, therefore, is that knowledge should be based on an objective reality that is measurable and discernible; any other knowledge which does not meet these criteria should be rejected (Comte, 1853). This emphasis of the positivists is influenced by their motivation to disqualify any subjective or speculative viewpoints from the domain of knowledge, which may not be empirically supported.

In terms of the five major assumptions (i.e. ontology, epistemology, axiology, methodology and human nature), positivism is based on realist ontological assumptions emphasizing that the social world exists independent of human consciousness or understanding of it (Burrell and Morgan, 1979). In terms of epistemology, positivism aims to explain and predict the social world by searching for regularities and causal relationships (Burrell and Morgan, 1979). From an axiological perspective, positivism purports to be value-free research i.e. the research needs to be free from any influences of the researcher’s values. In terms of methodology, positivism emphasizes the nomothetic approach. This approach is generally based on large samples and principally involves hypothesis testing through employing standardized research methods such as surveys. Finally, from the perspective of human nature, positivism is based on determinism i.e. the belief that human actions are determined by the environment and the structures in which they operate.

3.2.2 Interpretivism

For critics, positivism’s major emphasis on empirical regularities is unable to capture and reflect the complexities of the social world. In comparison to positivism, interpretivism focuses on the subjective aspects of the social world and the drawbacks of taking the complexities of the social world for granted (Schwandt, 2003). In other words, rather than focusing on causal explanations and empirical regularities, interpretivism emphasizes a contextual understanding of the social world. Generally linked with the work of Max Weber, interpretivism underlines the notion of Verstehen (i.e. the empathetic understanding of human behaviour) rather than Erklären (i.e. mere
explanation) which focuses only on the issue of causality, as evident in the
domain of the natural sciences (Crotty, 1998, p. 67).

The major difference in the viewpoints of positivism and interpretivism is,
therefore, based on their different assumptions about the social world.
Positivists argue that reality exists objectively and independently of the
perceptions of human beings, while interpretivists assert that reality is
subjective and comprises the perceptions of individuals. These subjective
perceptions necessitate an in depth understanding of the different contextual
factors which underpin an individual’s interpretation of the social world
(Denzin and Lincoln, 2003). According to Hughes (1994), the realities of the
social world do not exist in a vacuum; rather, they depend upon their different
contexts and, therefore, many versions or interpretations of the same
phenomenon are possible.

Furthermore, interpretivist researchers ‘seek insight rather than statistical
analysis. They doubt whether social “facts” exist and question whether a
“scientific” approach can be used when dealing with human beings’ (Bell,
1999, p. 8, quotation marks in original). Gall et al. (1999) exemplify the
interpretivist research philosophy with an interesting analogy. For them ‘any
social phenomenon, such as a high school football game, does not have any
independent existence apart from its participants, rather, it will have different
meanings for the individuals who participate in the phenomenon’ (Gall et al,
1999, p. 289). The viewpoint of Gall et al. (1999) echoes the emphasis of
Blumer (1966) that individuals subjectively interpret and respond to the
symbolic meanings of the society in which they interact. Based on this
assumption, interpretivism principally focuses on the meanings people
associate with their world. Interpretivists, therefore, deny the assumption of
any objective knowledge that exists apart from the subjective human
interpretation.

In terms of ontology, interpretivism is based on nominalist ontological
assumptions, conceptualizing the social world in a way very different from
realism (Burrell and Morgan, 1979). Nominalism argues that the social world
cannot be separated from the perceptions of the human beings. In terms of epistemology, interpretivism rejects the notion of creating objective knowledge through observing behaviour. Rather, knowledge about any particular phenomenon can only be understood from the perspective of the individuals experiencing that phenomenon (Burrell and Morgan, 1979). From an axiological perspective, interpretivism is based on value-laden research, i.e. the research cannot be free from the influences of the researcher’s values. In terms of methodology, interpretivism emphasizes the ideographic approach. This approach is largely based on the detailed contextual observation of a particular phenomenon, rather than hypothesis testing. Finally, in the context of human nature, interpretivism is based on the assumption of voluntarism, i.e. considering human actions as largely autonomous and possessing free will.

3.2.3 Critical realism

Critical realism is a philosophical perspective that is conceptualized between the two extremes of positivism and interpretivism (Bankins, 2011; Houston, 2001; McEvoy and Richards, 2003; Mingers, 2006). Danermark et al. (2002, p. 202) argue that, although critical realism is a third way between these two radical views, ‘it is not a conflation of, or a compromise between, these perspectives; it represents a standpoint in its own right’. Critical realism argues that, even though there exists an external world independent of our conceptions, nevertheless we gain the knowledge of this world based on our cognitions and perceptions. In this sense, critical realism is ontologically realist and epistemologically relativist, negating any possibility of the development of absolute truth. For the critical realists, the ultimate objective of any research study is not to develop generalizable laws (positivism) or to determine the lived experience, or the perceptions and interpretations of the social actors, regarding a particular phenomenon (interpretivism). Rather, critical realism focuses on the deeper levels of understanding and explanation of the research problem under investigation.

Critical realists argue that theoretical progress is achieved on the basis of the intransitive dimension of reality. This intransitive dimension of reality is ‘the
realist element in critical realism [which] assumes that an external reality exists, independently of our conceptions of it’ (Danermark et al., 2002, p. 200). The intransitive dimension serves as a point of reference, on the basis of which the researchers can develop and subsequently test their theories (Bhaskar, 1978). However, critical realists also argue that it is not possible to be completely aware of reality, as our understanding of the external world is based on our theoretical knowledge, which is fallible. Sayer (2004) nevertheless argues that, although our knowledge may not be considered as the ultimate truth as it is ‘always mediated by and conceptualized within available discourses, we can still get a kind of feedback from the world [which is] accessible to us’ (p. 6).

From a critical realist viewpoint, there are two major issues with positivistic approaches. First, they focus exclusively on observable events in terms of cause and effect relationships (Olsen, 2002). Second, positivism tends to investigate social relationships in isolation. With a similar approach to natural sciences, there is a tendency to treat the social relationships in a closed system as though they are independent of any external influences and without any consideration of the context in which they operate (Bankins, 2011; Collier, 1994). In contrast, critical realism conceptualizes the real world as a multi-level open system. Rather than following a pre-determined order in which the outcomes are predictable, unpredictable outcomes may emerge from the complex interaction between phenomena located at different levels of reality (discussed in detail in the next section). Critical realists also raise concerns about the issue of the ontic fallacy in the domain of positivism. The ontic fallacy (reducing epistemology to ontology) results in the ontologization of knowledge in such a way that it becomes de-contextualized and a-historical (Meyer, 2007).

Critical realism recognizes the importance of interpretivism because of its emphasis on human perception, discourse and motivation (Bhaskar, 1989). However, critical realism also raises issues about the approach of the interpretivists, who focus exclusively on these human actions without any
consideration of the restraints imposed by social structures (Granovetter, 1985). Williams (2003) highlights the significance of these structures as they may enable or constrain the actions of individuals. In the context of interpretivism (totally relying on the research participants’ descriptions), critical realism acknowledges the possibility that the descriptions from the research participants may be partial or even misguided (Potter and Lopez, 2001).

In addition, ‘interpretivists deny the possibility of knowing what is real ... They can only provide their own interpretation. What is not clear in the interpretivist approach is by what standards one interpretation is judged to be better than another’ (Easton, 2010, p. 118). Finally, critical realists also raise concerns about the epistemic fallacy in the domain of interpretivism. The epistemic fallacy (reducing ontology to epistemology) results in the epistemization of being so that reality is reduced to our knowledge of it (Meyer, 2007). In other words, statements about being are reduced to the statements about knowledge.

3.2.3.1 Some critiques of critical realism

It is important to mention that critical realism is also subject to criticism from both positivists and interpretivists. Positivists criticize on the basis of the possible ‘danger of bias’ resulting from the acknowledged influence of the values stemming from the critical realists’ emphasis on human emancipation in the research endeavour (Hammersley, 2009, p. 7). Critical realists, however, respond by arguing that values underpin all research endeavours, whether they are acknowledged or not. In this context, critical realists further emphasize the role of the researcher’s creative reasoning in order to understand and explain the research problem in a novel way.

On the other hand, interpretivists challenge critical realist philosophy in terms of how the notion of a multi-layered ontology can be argued with any certainty as, according to critical realists, our knowledge about reality is provisional and
contestable (DeForge and Shaw, 2012). Critical realists, however, respond by emphasizing that the deeper layers of ontology are real because their effects (in the empirical domain) are real. Therefore it is incumbent on researchers to explore them as comprehensively as possible, while acknowledging that they are generative rather than definitive mechanisms. Finally, critical realism is criticized because of the risk of overstating the role of structure at the expense of agency because of the emphasis that social structures shape as well as constrain the opportunities for agency. Reed (2008, p. 72), however, argues that ‘this implicit risk can be counteracted if the dynamic and creative tension between them [structure and agency] is kept at the very centre of our organizational research and analysis as critical realists’.

3.2.3.2 Critical realist ontology and epistemology

From an ontological perspective, critical realism views the world independent of human conceptions. However, critical realism also recognizes that knowledge about this world is shaped by human perceptions and cognitions. Based on this assumption, Reed (2005) argues that critical realism prioritizes ontology over epistemology because of the view that the way the world exists (ontology) will significantly influence or shape the different ways in which we try to understand and explain it (epistemology). Similarly, Potter and Lopez (2005) note that critical realism (in comparison to positivism and interpretivism) presents a very detailed and in depth view of the ontological issues, as the observable events and our experiences of them (producing our knowledge of reality i.e. epistemology) are unable to exhaust the constitution of (social) reality (Reed, 2008).

This underlying assumption of critical realism is crucial from the perspective of the psychological contract, as if humans (in this case particularly employees and the agents representing the organization) have been able to determine reality exhaustively or comprehensively on the basis of their knowledge of it, there would be very limited possibility of contract breach as every aspect associated with the employment relationship would have been identified and subsequently discussed. In other words, as emphasized by critical realism, it is
human inability to exhaustively and accurately determine reality (which exists independent of our conceptions) that results in the development of different, rather inconsistent, psychological contracts (by employees and organizational representatives) ultimately leading to the perceptions of contract breach.

As noted, events and our experiences of them are unable to provide an exhaustive knowledge of reality. This is because events and experiences are generated by underlying mechanisms that ‘are not directly accessible to sense experience or reducible to events and activities’ (Reed, 2008, p. 70). The assumption of these underlying mechanisms brings us to the notion of stratified social ontology in critical realism. As explained by Bhaskar (1978, p. 56), three ontological domains (i.e. the empirical, the actual and the real) can be identified in the context of stratified social ontology.

The empirical domain comprises what we experience either directly or indirectly. The actual domain is where all events occur whether we experience them or not. The third, deeper domain (i.e. the real domain) comprises the underlying structures or mechanisms which produce events in the world. It is pertinent to mention that the term ‘mechanism’ may imply a deterministic cause and effect relationship. The researcher, however, as argued by Danermark et al. (2002) uses this term ‘metaphorically’ (p. 20) in order to minimize any confusion resulting from the wider use of this term in critical realist discussions.

According to Reed (2008), these underlying mechanisms, which generate events in the actual domain, ‘possess inherent powers or tendencies that may or may not be mobilized’ (p. 70). It is, however, important to highlight that causality in critical realism should not be regarded as leading to a regular succession of events. As emphasized by Sayer (2000), the assumption regarding causality involving regularities or repeated occurrences is misguided as ‘what causes something to happen has nothing to do with the number of times we have observed it happening’ (p. 14). Similarly, Reed (2008)
maintains that, rather than explaining regularities, causality is more concerned with the identification of causal mechanisms and discovering how they work.

The critical realist ontology highlights the underlying generative mechanisms (the real) as the source of change in the actually occurring events (the actual) and the different ways in which these events are perceived in terms of everyday experience (the empirical). In this way, critical realism is an anti-reductionist social ontology, as it argues that none of these ‘levels of being’ can be reduced to the other (Reed, 2008, p. 69). Moreover, it is also an anti-determinist social ontology, as it contends that the distinctive objects, entities or phenomena positioned at any one of these levels cannot be derived or programmed from those located at any other level (Reed, 2008).

This relates critical realist social ontology to the notion of emergence. According to Sayer (2000), emergence is the complex interaction between objects or entities positioned at different levels of reality which results in innovative or emergent phenomena that cannot be derived or programmed from objects or entities positioned at any one particular level. It is this complex interaction between objects or entities located at different levels of reality and the emergent phenomena that it generates which enables critical realism, with its distinctive focus in terms of conceptualizing how the social world operates, why it operates in the way it does and what its consequences are for the people inhabiting that social world (Reed, 2008).

From the epistemological perspective, Sayer (2004) argues that our data or facts are always theory-laden. This is because we do not experience the events directly, as claimed in empiricist research. Rather, all our data about any event is based on different theories developed by us. According to Bhaskar (2013), these are the transitive objects of science (i.e. theories) which connect science with the external world (i.e. the intransitive dimension of reality) that exists independent of our conceptions of it. Theories are considered as transitive because they are based on our knowledge, which is fallible. According to Danermark et al. (2002), “theories in science can only be regarded as the best
truth about reality we have for the moment. It is no ultimate knowledge’ (p. 23). New scientific investigations may highlight that prior knowledge was false or partial, and therefore the current theories can always be replaced with new theories.

3.2.3.3 Abduction

The assumption of stratified social ontology (in which the complex interaction between phenomena located at different levels of reality results in the generation of emergent phenomena in unpredictable ways) characterizes critical realism with a mode of inference other than induction or deduction (Collins, 1985; Habermas, 1974). Generally referred to as abduction, this mode of inference focuses on the theoretical re-description or re-contextualization of the problem under investigation (Kapitan, 1992). In other words, a researcher with an abductive orientation attempts to re-describe structures and relations in a new context of ideas. Abduction, therefore, aims at different theoretical explanations and interpretations that ‘can and should be presented, compared and possibly integrated with one another’ (Danermark et al., 2002, p. 110).

According to Habermas (1978), abduction differs from deduction as it highlights how something might or possibly be, while deduction emphasizes how something must or definitely be. In research based on deductive logic, a particular notion is proved or disproved. However, the findings beyond the initial theoretical frame may largely remain unanalyzed (Mingers, 2004). In comparison, abduction focuses on discerning relations that are not otherwise obvious or evident (Curry et al., 2009). Furthermore, abduction differs from induction as, rather than starting with a blank mind, ‘we start from the rule describing a general pattern’ (Danermark et al., 2002). Peirce emphasizes that induction ‘infers from one set of facts another similar set of facts, whereas [abduction] infers from facts of one kind to facts of another’ (Peirce, 1986, in Jensen 1995, p. 150). Similarly, Collins (1985) posits that abduction is neither logically rigorous like deduction, nor is it a purely empirical generalization like induction.
Based on these underlying features of re-description and re-contextualization, the abductive mode of inference is considered as highly suitable for the current study. This is because the current study does not focus on proving/disproving something (deduction) nor does it set aside the already existing theory (induction). Rather, the current study, acknowledging the relevant theory, re-contextualizes the phenomenon of the psychological contract in relation to the notion of power. The abductive mode of inference is, therefore, very helpful in order to discover the relations and connections in this re-contextualization of the phenomenon of the psychological contract. According to Danermark et al. (2002), neither inductive nor deductive logic can inform such discoveries, as deductive inference is analytical and ‘says nothing new about reality’ while induction focuses on general inference as ‘a generalization of properties already given in particular, observed data’ (p. 89).

It is, however, pertinent to mention that discovery does not imply finding new events that nobody has considered before. Rather, ‘what is discovered is connections and relations … by which we can understand and explain already known occurrences in a novel way’ (Danermark et al., 2002, p. 91). According to Jensen (1995), this novelty is mainly based on the imagination and creative reasoning of the researcher. Fleetwood and Ackroyd (2004), however, posit that, even though new and innovative, the ideas based on abductive inference are, nevertheless, fallible. Habermas (1974), therefore, argues that abductive logic does not provide ultimate truths, not even in combination with deduction and induction.

3.2.3.4 Retroduction

According to Danermark et al. (2002), retroduction helps us to recognize the characteristics of the general structures from which we begin in abduction. For them, retroduction is a thought process through which researchers can visualize structures and connections not directly observable in the empirical reality. According to Olsen and Morgan (2005), in retroduction “events are
studied with respect to what may have, must have or could have caused them. In short it means asking why events have happened in the way they did’ (p. 25). Echoing the viewpoint of Olsen and Morgan (2005), McEvoy and Richards (2006) argue that retroduction, therefore, helps researchers both in terms of understanding and of explaining a particular phenomenon.

In retroduction, counterfactual thinking or reasoning plays a significant role. According to Danermark et al (2002), ‘in counterfactual thinking we use our stored experience and knowledge of social reality, as well as our ability to abstract and to think about what is not, but what might be. [for example] Could one imagine X without...?’ (p. 101). In other words, the counterfactual thinking encourages the researchers to shift their focus from ‘what happens to be associated with what’ towards ‘could these associations have been otherwise?’ (Reed, 2008, p. 71). Sayer (2000), while discussing retroduction, also argues that this counterfactual thinking is critical in order to identify the internal aspects of phenomena and the relations between them.

In association with counterfactual thinking, Danermark et al. (2002) further discuss the notion of transfactual (transcendental) argumentation. For them, transfactual argumentation helps us to go beyond what is empirically observable, i.e. the transfactual conditions. These transfactual conditions help the researcher to identify the basic prerequisites for a phenomenon to exist. For example, ‘if we call this phenomenon X, we may formulate our question thus: What properties must exist for X to exist and to be what X is? Or, to put it more briefly: What makes X possible?’ (Danermark et al., 2002, p. 97). From the perspective of the current study, this transfactual argumentation appears to be very helpful. For example, the current study, as one area of its investigation, attempts to identify the basic prerequisites for the phenomenon of mutuality to exist. In other words, what makes mutuality possible in employment relationships?

3.2.3.5 Intensive research design
Critical realism is more aligned with intensive rather than extensive research design (Blaikie, 2000; Sayer, 2000). Causal explanation in critical realism, rather than looking for statistical generalizations, is more concerned with the internal causal powers of the mechanisms and ‘the complex ways in which these internal powers and relations interact and combine with other mechanisms to generate specific outcomes’ (Reed, 2008, p. 71). According to Clark (2000), while extensive research designs are focused on highlighting empirical regularities, the intensive research designs are more concerned with what makes some things rather than others happen in a certain context. The feature of intensive research design in critical realism is very pertinent as the current study, rather than looking for regularities in the phenomena of mutuality, reciprocity or agency, is more concerned with what makes these phenomena exist in certain contexts.

3.2.3.6 Transformational model of social action

Underpinning the key elements of critical realism highlighted above is Bhaskar’s (1989) transformational model of social action (see also Archer, 2003). As this model is generally discussed in the context of the agency–structure debate, it is pertinent to first highlight the approach of critical realism towards this issue. According to Layder (1994), critical realism develops a distinctive line of argument on the agency–structure issue, which is based on the central question of ‘how creativity and constraint are related through social activity – how can we explain their co-existence?’ (p. 4). Reed (2008) argues that the answers to this question are pivotal in terms of mapping out the conceptual and philosophical ground on which we develop our theories explaining the issues of social/organizational reproduction and transformation.

According to Emirbayer and Mische (1998), in this context critical realism develops an approach which they refer to as the double constitution of structure and agency. Explaining this notion, they argue that both the creative and the constraining dimensions of structure and agency need to be simultaneously incorporated into the analytical framework in critical realism. According to them, ‘it is the constitution of such orientations within particular
structural contexts that gives form to effort and allows actors to assume greater or lesser degrees of transformative leverage in relation to the structuring contexts of action’ (Emirbayer and Mische, 1998, p. 1004).

Endorsing the notion of double constitution of agency and structure, Reed (2008) argues that Emirbayer and Mische’s (1998) assumption regarding the issue of agency and structure ‘is consistent with Bhaskar’s ‘transformative model of social action’ (TMSA) insofar as they both argue that agency and structure need to be ontologically and analytically separated if we are to understand how they interact and combine with each other’ (p. 72, quotation marks in original). The TMSA proposes that the causal powers of existing structures are always mediated through human agency (Bhaskar, 1998). Reed (2008) further posits that while social structures pre-exist and constrain the social action that consequently transforms and reshapes them, they are also the outcomes of the agentic interventions of previous generations of individual actors and corporate agents that originally produced them.

While explaining the underlying conceptualization of TMSA, Bhaskar (1989) argues that the socio-historical contexts in which human agents operate are already structured in different ways before they enter them. This pre-structuring process will in turn generate pressures for elaboration, reproduction and transformation that will impinge on human agents differentially located within such social structures (Bhaskar, 1989). It is from these pressures that the individual and/or corporate agents ‘creatively respond to their existing conditions and strive to improve their “lot” by whatever means are available to them in that particular place and at that particular time’ (Reed, 2008, p. 71).

This creative response to the existing structural conditions and the pressure for change from these agents will in turn structure the socio-historical contexts that are inherited by the upcoming generations of human agents. Therefore, the TMSA focuses on the ways in which social structures are established, reproduced and transformed. This emphasizes that, within a socio-historical context, human agents will be dealing with a pre-existing social structure. This will be subject to elaboration, reproduction and transformation based on the
creative social actions of human agents in order to change the context and the conditions under which they are operating.

The above section constitutes a detailed discussion of the issues related to the research philosophy. In addition to the comparison with positivism and interpretivism, the discussion highlighted the suitability of the underlying assumptions of critical realism for the current study. The following section focuses on the research strategy selected for the current study.

3.3 Research Strategy

A research strategy is largely ‘determined by the kind of question that the research study hopes to answer’ (Frederick and Lori-Ann, 2006, p. 148). Based on the researcher’s philosophical assumptions and the key research question, a research strategy provides guidelines on how to collect the data and how to analyze it (Marshall and Rossman, 1999). Though different research strategies may be considered for any research (Yin, 2003), the choice depends upon the research objectives, research questions and the available time and resources (Bryman, 2008). Saunders et al. (2009), concurring with the argument of Bryman (2008), therefore argue that ‘no research strategy is inherently superior or inferior to any other. Consequently, what is most important is not the label that is attached to a particular strategy, but whether it will enable you to answer your particular research question(s) and meet your objectives’ (p.141). The following discussion provides a critical review of the different research strategies in order to opt for a research strategy suitable for the purpose of the current research.

Firmly rooted in natural sciences, an experiment strategy is generally employed to investigate the causal relationships between dependent and independent variables (Easterby-Smith et al., 2008). The experiment strategy comprises a control group (i.e. the group with no systematic or planned intervention) and an experiment group (i.e. the group with a systematic intervention). After conducting the experiment on both groups, typically in a laboratory-based environment, the results are analyzed in order to empirically
explain the relationship between the dependent and the independent variable (Saunders et al., 2009). Considering its positivistic, laboratory-based and intervention-oriented nature, the experiment strategy may not be appropriate as a suitable research strategy for this study.

Survey, another research strategy, is largely used to answer the where, who, how many or how much questions (Bryman, 2008). With a deductive orientation, surveys are generally employed to collect data from large samples in a relatively economical manner (Saunders et al., 2009). Largely quantitative in nature, survey data is used for the purpose of statistical analysis and generalization (Marshall and Rossman, 1999). The survey strategy, despite its capability of collecting large volumes of data in an economical manner, is, however, not a suitable choice for this research. The current research requires a research strategy capable of managing the un-anticipated responses of the research participants. This necessitates a research strategy which allows the respondents to express their beliefs and perceptions in an unrestricted and unpredictable manner. Surveys, on the other hand, restrict the respondents to certain pre-determined options or responses, inhibiting the emergence of any unpredictable data.

Ethnography, an important research strategy, is generally employed to study societal patterns in order to discover the internal world of any particular community (Hochschild, 1979). The roots of ethnography can be traced to the discipline of anthropology in the work of Malinowski (1922). With an inductive orientation, researchers gain a deeper understanding of the participants’ world through their extensive presence and active participation as a member of the community (Arnould and Wallendorf, 1994; Elliott and Elliott, 2003). Though ethnography provides the researcher with significant opportunities to investigate a phenomenon, it is, however, not deemed a suitable research strategy in the discipline of business because of the issue of gaining access to the research participants (Saunders et al., 2009).
Grounded theory is another research strategy proposed by Glaser and Strauss (1967). According to Collis and Hussey (2003), in grounded theory a phenomenon is explored without any pre-existing theory. The early researchers of grounded theory i.e. Glaser and Strauss (1967) suggest that in order to explore a phenomenon, the researcher needs to abandon any influences from existing theories. In comparison, other researchers emphasize the importance of existing theory as a basis for new emerging theory and also for the purpose of creative analysis (e.g. Eisenhardt, 1989; Miles and Huberman, 1994; Yin, 1994). Grounded theory, like the research strategies discussed above, may not be considered suitable for this research as it critically ignores any previous theoretical and empirical findings regarding a phenomenon, while the current study seeks to incorporate the prior theoretical and empirical work in the domain of the psychological contract. Moreover, according to Suddaby (2006, p. 640) grounded theory is ‘messy’ as it is not only time consuming but also requires ‘considerable experience, hard work, creativity and occasionally, a healthy dose of good luck.’

Theory development is a core activity in organizational behaviour (Easterby-Smith et al., 2008). There are, however, challenges involved in this process when ‘current perspectives seem inadequate because they have little empirical substantiation, or they conflict with each other or common sense’ (Eisenhardt, 1989, p. 548). Lynham (2002) suggests employing case studies in these situations as they do not rely extensively on past theory and empirical evidence. Table 3.3 summarizes the major steps in conducting a case study. A case study is ‘a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context’ (Robson, 2002, p. 178).
### Table 3.1 Process of Theory Development in Case Study Research

<table>
<thead>
<tr>
<th>Step</th>
<th>Activity</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting started</td>
<td>Definition of research question</td>
<td>Focuses efforts</td>
</tr>
<tr>
<td></td>
<td>Possibly a priori constructs</td>
<td>Provides better grounding of construct measures</td>
</tr>
<tr>
<td></td>
<td>Neither theory nor hypotheses</td>
<td>Retains theoretical flexibility</td>
</tr>
<tr>
<td>Selecting cases</td>
<td>Specified population</td>
<td>Constrains extraneous variation and sharpens external validity</td>
</tr>
<tr>
<td></td>
<td>Theoretical, not random sampling</td>
<td>Focuses efforts on theoretically useful cases</td>
</tr>
<tr>
<td>Crafting instruments and protocols</td>
<td>Multiple data collection methods Qualitative and quantitative data combined Multiple investigators</td>
<td>Strengthens grounding of theory by triangulation of evidence Synergistic view of evidence Fosters divergent perspectives and strengthens grounding</td>
</tr>
<tr>
<td>Entering the field</td>
<td>Overlap of data collection and analysis including field notes Flexible and opportunistic data collection methods</td>
<td>Speeds analyses and reveals helpful adjustments to data collection Allows investigators to take advantage of emergent themes and unique case features</td>
</tr>
<tr>
<td>Analyzing data</td>
<td>Within-case analysis Cross-case pattern search using divergent techniques</td>
<td>Gains familiarity with data and preliminary theory generation Forces investigators to look beyond initial impressions and see evidence through multiple lenses</td>
</tr>
<tr>
<td>Enfolding Literature</td>
<td>Comparison with conflicting literature Comparison with similar literature</td>
<td>Builds internal validity, raises theoretical level, and sharpens construct definitions Sharpens generalizability, improves construct definition, and raises theoretical level</td>
</tr>
<tr>
<td>Reaching closure</td>
<td>Theoretical saturation when possible</td>
<td>Ends process when marginal improvement becomes small</td>
</tr>
</tbody>
</table>

Source: Adapted from Eisenhardt (1989, p. 533)

For Stake (1994) case studies are not a methodological choice; rather, they help in a clear demarcation of the focus and boundaries of the research. A case study strategy is important for the current research, as it helps in gaining an in-depth perspective of the research problem (Robson, 2002). This key feature of case studies is consistent with the basic underlying assumption of critical realism, emphasizing an in-depth analysis of the research problem (Potter and Lopez, 2001). Furthermore, case studies allow the development of ‘converging lines of enquiry’, as they support the use of multiple sources of evidence (Yin, 2003, p. 98). This results in increased credibility for the findings of the study as they are supported by multiple sources of data.

Saunders et al. (2009) mention that case studies support theory development on the basis of an intensive rather than extensive degree of examination. This
feature of case studies is further aligned with critical realism, which focuses on the intensive rather than the extensive research design (Blaikie, 2000; Reed, 2008). Moreover, case studies, in addition to theory development, also excel in theory refinement on the basis of ‘the juxtaposition of contradictory or paradoxical evidence’ (Eisenhardt, 1989, p. 546). The conceptual refinement through empirically supported contradictory evidence is significant as it obliges researchers to seek more innovative, framebreaking and challenging, rather than reconciling, descriptions of the research problem (Eisenhardt, 1989). This feature of case studies echoes the notion of counterfactual thinking in critical realism. As mentioned by Reed (2008), counterfactual (rather than associational) thinking or reasoning encourages the researchers to shift their focus from ‘what happens to be associated with what’ towards ‘could these associations have been otherwise?’ (p. 71).

The current research adopted a multiple case study strategy (Yin, 2003), as three organizations operating in the call centre industry were selected. The relevant research is dominated by studies based on multiple cases as their results are considered more robust in comparison with the findings of studies based on a single case (Eisenhardt, 1989; Saunders et al., 2009; Stake, 2000). As the choice of a research strategy is critically important in any study (Saunders et al., 2009) the researcher further scrutinized the decision of choosing a case study strategy on the basis of the different criteria given by Sarantakos (2005) in Table 3.2.

<table>
<thead>
<tr>
<th>Table 3.2 Criteria for selecting a Case Study strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Case study feature</strong></td>
</tr>
<tr>
<td>Studies the phenomenon in its holistic form.</td>
</tr>
<tr>
<td>Assumes research participants as experts in their individual domains.</td>
</tr>
<tr>
<td>Challenges, further explains and proceeds towards a more agreeable conceptualization of a notion. Research is conducted on the</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

99
basis of different units. contracts of employees with an assumption of their individual contracts as distinct from those of others.

Source: Adapted from Sarantakos (2005)

The limitations of case studies, however, need to be considered. From a qualitative perspective, the findings of case studies are only ‘generalizable to theoretical propositions and not to populations or universes’ (Yin, 1994, p. 10). As statistical generalization is not an objective of the current study, Mitchell (1983) and Yin (2003), in the context of case studies, posit that, rather than generalization, research needs to be more concerned about the generation of a robust theory from its findings, a key objective of the current research. Furthermore, the case study findings of the current research, even though they may not serve the purpose of statistical generalization, nevertheless are amenable for the purpose of analytical generalization, i.e. the findings from the case study may be employed to represent or illustrate the theory (Yin, 2003). Eisenhardt (1989) argues that the findings of research based on a case study strategy largely result in the generation of a theory that ‘describes a very idiosyncratic phenomenon’ (p. 547). The concern of Eisenhardt (1989) may represent a limitation in other studies but for the current study, this serves as an advantage rather than a limitation due to the highly idiosyncratic nature of psychological contracts.

Another criticism of case studies is the generation of high volumes of data (Yin, 2003) resulting in a massive document ‘which is overly complex’ (Eisenhardt, 1989, p. 547). This may result in relatively rich findings, which are, however, lacking the simplicity to make them easily understandable. Kelle (1997), nonetheless, argues that with contemporary development in the data processing capabilities of computers, the problem of management of data can be easily handled. The development of computer software packages such as nVivo and Atlas.ti, support researchers to easily manage huge volumes of data. There are also concerns about the lack of guiding principles for implementing a case study strategy. Stake (1995), however, argue that it is unusual to expect standardized guiding principles as established in the pure sciences. It is, rather,
the nature of the research problem to guide the protocols of the case study strategy for data collection and data analysis. Saunders et al. (2009, p. 147) also discuss the apparently ‘unscientific feel’ of case studies but also mention that ‘a well-constructed case study strategy’ may help the researcher to overcome this limitation. On the basis of the suggestions of Saunders et al. (2009) and the guidelines provided by Yin (2003), the current study employs multiple sources of evidence and engages key informants when reviewing the findings in order to ensure validity and rigour.

The above discussion focused on the methodological details of the current study from the perspectives of research philosophy and research strategy. The next section explains the context of the current study, i.e. the call centres, followed by a description of the data collection methods, the sampling frame, the ethical issues and the data analysis procedure.

3.4 The case of call centres

The development of call centres has introduced critical changes in the services industry (Hastings, 2011; Russell, 2008). Beginning in the 1990s, the call centre industry has experienced exponential growth (Hannif et al., 2008; Thompson et al., 2004). According to Lewig and Dollard (2003), call centres have a tremendous worldwide growth rate of 40 percent. Taylor and Bain (1999) explain it as the Taylorization [i.e. scientific management] of white-collar employees with an ‘assembly line in the head’ (p. 101). Jackall (1978) argues that employees in the services industry often work under the strong influence of management. Similarly, other researchers posit that the use of excessive surveillance and control along with a powerful bureaucratic style of management generally leads to increased stress levels among call centre employees (Batt and Moynihan, 2002; Deery and Kinnie, 2002; Hastings, 2011).

Holman (2002) argues that excessive monitoring and control create a feeling of powerlessness among call centre employees. While referring to the Taylorisitic style of management in call centres, Zapf et al. (2003) posit that
this perception of powerlessness ultimately results in employees’ low trust in management. The deteriorated employee well-being, due to this low trust in management, is found to be significantly associated with employees’ psychological contracts (Hannif et al., 2008; Guest et al., 1996). Consistent with this view, Cross et al. (2008) argue that the psychological contracts of call centre employees are generally transactional rather than relational due to their low trust in management.

McKeown (2005) indicates the relatively high stress levels among call centre employees due to their perceptions of low power or control in the employment relationship. Broek (2002) argues that teams are formed in call centres with the purpose of establishing and further enhancing the normative control of management by promoting competition among the group members. Russell (2008), in agreement with Broek (2002), mentions that ‘call-centre work is not dependent upon integrated work teams for the fulfillment of assignments’ (p. 198). It can be inferred from the viewpoint of these researchers that an individualistic orientation to the employment relationship is encouraged by management in call centres with the underlying objective of keeping the balance of power in favour of the organization.

The literature refers to this management approach as working in ‘teams without team-work’ (Broek, 2002, p. 197). This view is supported by other researchers who call for improved union arrangements for a better representation of call centre employees (Russell, 2008; Taylor and Bain, 2006). Call centre positions, therefore, are a distinct representation of the lower level clerical jobs of the past (Glucksmann, 2004) performed in circumstances of ‘asymmetries of power’ (Harvey and Randles, 2002, p. 11) under the strict control of management, with limited union arrangements rendering almost negligible powers to employees (Van den Broek, 2008).

However, as argued by Beirne et al. (2004), ‘yet prisoners rebel and riot, workers resist and react, and they do so in reflective, even purposeful ways’ (p. 101). Similarly, other researchers posit that, despite rigorous bureaucratic controls in call centres, employees resist and make efforts against the
disciplinary practices and dominant discourses (e.g. Hastings, 2011; Rajan-Rankin and Tomlinson, 2013; Russell, 2008). The argument of these researchers gains currency due to three key rationales. First, it negates the assumption of call centre workers as ‘passive subjects’, who are reduced to the employment structures characterized by the techno-bureaucratic controls and who serve the interests of the organization without any resistance and independent sense-making (Hastings, 2011; Taylor and Bain, 2000, p. 7). Second, this view is consistent with the notion of power that is embedded into the complex and dynamic relational interdependencies between employees and employers.

Third, this view provides support in overcoming the prevailing theoretical preoccupation with monitoring and surveillance issues in call centre research. This theoretical preoccupation, emphasizing ‘internalized policing and control’ through monitoring and surveillance mechanisms, has marginalized or excluded other important issues related to employee resistance and workplace struggles (Beirne et al., 2004, p. 101). This argument is supported by Hastings (2011), who noted that, despite strict techno-bureaucratic controls in call centres, employees resist and react to the management’s efforts to ensure workers’ complete subordination. Therefore this research, rather than assuming call centre workers as passive subjects, adopts an approach in which they are considered to be actively involved in workplace struggles to influence their interdependent employment relationships with employers.

3.5 A perspective on Pakistan

As the current study is based on the call centre industry in Pakistan, it is pertinent to highlight the position of employees in relation to union arrangements within a Pakistani context. Malik et al. (2011, p. 191) point towards the limited role of trade unions in Pakistan by mentioning that ‘only 0.6% of total workers are organized in trade unions’. For them, this is mainly the result of the continuous government interventions to curb the influence of trade unions. In 1952, the Pakistan Essential Services Act (PESA) was implemented, which gave the government the right to restrict the activities of
any trade union in any industry (Candland, 2007). Later on, in 1955, the first labour policy was announced by the government regarding the role of trade unions. However, this labour policy was largely vague and ineffective, as no proper legislation was formulated by the then government (Somavia, 2008).

In 1958, martial law was imposed by General Ayub Khan and the first labour policy was abolished. In 1959, a second labour policy was announced by the military regime of General Ayub Khan. This labour policy also restricted the role of trade unions by allowing the government to intervene directly in the resolution of labour disputes (Malik et al., 2011). These restrictions were abolished by the later democratic government of Zulfiqar Ali Bhutto, who considerably supported the role of trade unions in the country (Bawa and Hashmi, 2010). However, in 1977, General Zia imposed martial law again and strictly banned any trade union activity in Pakistan. These bans were partially lifted by the later democratic governments of Benazir Bhutto and Nawaz Sharif. In 1999, the government of Nawaz Sharif was overturned and martial law was again imposed by General Pervez Musharraf. From the beginning of his regime, General Musharraf ‘implemented several strict laws such as the Industrial Relations Ordinance, 2002, the Removal from Service (Special Powers) Ordinance, 2000 and other anti-labour laws to limit activities of unions’ (Malik et al., 2011, p. 188).

The later democratic government of Gillani announced it would amend the Industrial Relations Ordinance Act (2002) in order to lift the ban on the activities of trade unions. However, no appropriate legislation has been passed to sanction the activities of trade unions (Shah, 2010). According to Irfan (2008), because of these continuous interventions by the military regimes and the democratic governments, the role of trade unions in Pakistan has largely remained ineffective. Irfan’s (2008) viewpoint echoes the argument of Rehman (2003) that, as a result of the perceived ineffectiveness of the trade unions in Pakistan, employees generally tend to avoid actively participating in their activities. For them, in addition to the perceived low benefits of becoming a trade union member, there is also the likely result of victimization from the employer (Rehman, 2003).
Similar to other industries, the call centre industry in not an exception. Working under the government regulatory body of Pakistan Telecommunication Authority (PTA), most of the industry comprises private sector organizations (Akhtar, 2009). As a result of ineffective government regulations and the strict policies of private sector organizations, the role of trade unions in this industry is even more limited. In addition to these two factors, Rehman (2003) attributes the limited role of trade unions to the lack of required skills among their leadership. Malik et al. (2011), while endorsing the viewpoint of Rehman (2003), posit that, despite constant growth for the last two decades, the employment conditions in this industry are not very different from those in other industries. For him, in a similar way to other industries, this is largely the result of the authoritarian policies of the privately owned organizations that discourage any activity of the trade unions.

3.6 **Rationale for data collection in Pakistan**

The decision to collect the data in Pakistan was based on several considerations. The first issue was that a clear majority of call centre research, published in peer reviewed journals, is based on the context of western countries, despite the fact that most of the companies operating in these countries are off-shoring their major call centre operations to non-western countries e.g. India, the Caribbean, the Philippines, Malaysia etc. (ACA Research, 2003). The issues related to linguistics (e.g. accents, dialects, fluency, colloquialisms etc.) and culture (e.g. popular TV soaps, favourite sports, holidays, rituals etc.) are considered highly relevant in a call centre environment (Taylor and Bain, 2005). My origins will be significantly helpful in the data collection and interpretation process because of my native acquaintance with the language and culture of the call centre workers interviewed in the current study. Polit and Hungler (1991) argue that the prior knowledge of the researcher regarding the issue under investigation may improve the quality of the research. Consistent with this viewpoint, my background in the call centre industry in Pakistan will be significantly helpful in the current study. In addition, my background call centre experience in
Pakistan will support the current study in terms of gaining access to the companies and respondents at the different stages of the research.

3.7 Specific contact organizations in Pakistan

In terms of the specific contact organizations, the current study is based on the call centres of the three major companies (pseudonyms A, B and C) in Pakistan. According to the Pakistan Telecommunication Authority (PTA, 2012), these organizations which have been established for 19 (A), 10 (B) and 6 (C) years, collectively capture approximately more than 80% of the cellular customer market in Pakistan. With an employee strength of about 400 (A), 180 (B) and 205 (C) front end customer service representatives, working in three shifts each of eight hours a day and with operations in all the major cities of Pakistan (e.g. Lahore, Karachi, Islamabad, Quetta, Peshawar, Multan, Faisalabad etc.), these companies provide a rich source of data based on their variety of established departments (e.g. customer services, corporate and retail sales, technical support, operations, human resources, quality enhancement, commercial, administration etc.). In addition to these features, the selection of these organizations for the current study was also based on my personal contacts, providing considerable support in terms of negotiating access to the research participants.

3.8 A perspective on Indian call centres

Before moving to the details of data collection, it is pertinent to highlight the call centre insights from India. The perspective on Indian call centres is imperative as India has emerged as ‘the most significant “destination”’ for the migration of call centre services from the US, UK and Australia (Taylor and Bain, 2008, p. 132, quotation marks in original). Similar to Pakistan, the influence of trade unions in the Indian call centre industry is very limited. Taylor and Bain (2008) maintain that ‘despite strong traditions in telecoms and banking, there is only embryonic union presence’ in Indian call centres. Comparing this to the UK, they posit that ‘UK unions, can be encouraged that, although facing real threats to members’ jobs and pressures to make
concessions to employers, since relocation is not inevitable and labour not automatically sustainable, their position is stronger than commonly understood’ (Taylor and Bain, 2008, p. 149).

Peetz (2002) attribute the modest presence of trade unions in Indian call centres mainly to the ineffective policies of successive Indian governments, industry opposition and the anti-union strategies of the employers. According to Noronha and d’Cruz (2006), employers emphasize the ideological message that apparently resonates with employees’ aspirations that unionization will lead to job insecurity and will damage industry growth by undermining the confidence of the clients to offshore. Examples exist of companies attempting to minimize any influence of trade unions by dismissing employees who voice their concerns regarding employee representation (Taylor and Bain, 2008). Similarly, Ramesh (2005) reports companies ‘nipping out any sprouts of organization in the bud’ by forcing their agents to quit ‘who are vocal against management decisions’ (p. 17). This tendency among employers is evident in the interview response of Kiran Karnik, president NASSCOM (India’s National Association of Software and Service Companies) that in the industry ‘the grievances of the workers are addressed promptly and the wages are good so there is no need for unions…’ (http://www.rediff.com/money/2005/oct/17bpo.htm).

However, despite these anti-union strategies, arguments that organizations have captured the minds and hearts of their employees are immensely exaggerated (Noronha and d’Cruz, 2006). Research highlights the dissonance experienced by employees due to these employers’ practices (Batt et al., 2006). Consequently, ‘significant numbers do leave call centres … for more stimulating employment, or to continue academic study’ (Taylor and Bain, 2008, p. 146). However for others - who continue working with call centres due to lacking employment opportunities with other potential employers - negative psychological consequences have been reported. Deb (2004) argues that the distinctive issues associated with the particular nature of work in Indian call centres, further aggravate the stressful work experience of employees.
One of these issues is the ‘synchronization of work times with overseas customers’ hours’ resulting in evening and night working which employees report ‘as the most disliked aspect of their job’ (Taylor and Bain, 2008, p. 146). In addition, understaffing, long shifts of 9-10 hours and the change of shifts at very short notice contribute as other major factors (Deb, 2004). The strictly monitored breaks, and the fact that employees in some companies have to wave coloured flags when they need to visit the toilet, further highlight the highly demanding work experience in Indian call centres (Datta, 2004). Another issue is the restrictions imposed by employers on the free movement of employees (NASSCOM, 2005a). In order to secure employment in other organizations, most employees need a relieving or leaving certificate which their employers may withhold (Ramesh, 2005). In short, there is a ‘profound democratic deficit’ in Indian call centre industry and this represents a powerful case on ‘ethical, moral and democratic grounds for employee representation’ (Taylor and Bain, 2008, p. 148).

3.9 Data collection – Interviews

A number of different data collection choices are discussed in the literature (Bryman, 2008; Easterby-Smith et al., 2008; Marshall and Rossman, 1999; Robson, 2002; Tashakkori and Teddlie, 2003). Saunders et al. (2009) posit that the choice may vary from the single data collection method to multiple methods (i.e. combining both qualitative and quantitative data collection methods in one study). Bryman (2008) argues that, although the use of a combination of different methods may enhance the quality of the research findings, the ultimate choice (to use either quantitative or qualitative methods or a combination of both) will largely depend upon the research objectives.

The current study employs semi-structured interviews for the purpose of data collection for several reasons. Semi-structured interviews provide respondents with the freedom to express their responses in an unrestricted manner, while simultaneously allowing the researcher to manage any unanticipated dimensions of the research problem emerging from the interviewees’
responses. This key characteristic is consistent with the research philosophy of the current study, i.e. critical realism. As emphasized by Curry et al. (2009), critical realism, rather than prohibiting any unanticipated issues or dimensions from emerging (e.g. as in positivistic research) allows unpredicted outcomes to emerge from the research process.

As discussed earlier, psychological contracts are largely based on the highly subjective perceptions of employees (Conway and Briner, 2009; Shore et al., 2012). In this context, interviewing appears as a considerably useful data collection method. Managing the highly subjective nature of psychological contracts, interviews may provide significant opportunities to the respondents to express their subjective perceptions, beliefs and emotions in freedom (Webb, 1995). This key characteristic of interviews is compatible with the critical realist research philosophy. Critical realism, even though acknowledging the existence of an external independent reality, also argues that this reality is not observer independent i.e. the understanding of this external reality is largely influenced by our subjective perceptions and cognitions (Danermark et al., 2002). Consistent with the critical realist research philosophy, interviews are considered as significantly helpful in investigating the subjective perceptions of the research participants regarding their psychological contracts.

In addition, semi-structured interviews are considered as relevant for the current study because of the complex nature of the research questions. This complexity demands flexibility in the logic, order and wording of the questions as the interview proceeds and the interviewees express their beliefs and perceptions in an idiosyncratic manner. Jankowicz (2005) and Easterby-Smith et al. (2008) also suggest employing interviews in such cases where the nature of the research questions is complex and the responses are unpredictable. Moreover, Berent (1966) and Hedges (1985) argue that interviews provide comprehensive and preferential information as a result of the unusual feeling of empowerment in conjunction with anonymity they provide, motivating the interviewees to answer the interview questions from their own rather than the interviewer’s perspective.
There are, however, some complexities associated with the use of interviews. Saunders et al. (2009) suggest that the issue of reliability may emerge in semi-structured interviews as a result of their lack of standardization. According to Easterby-Smith et al. (2008) and Silverman (2007), reliability ensures that other researchers will draw similar conclusions, while following the same research procedures. In response to this apparent weakness of the interviewing method, the researcher, nonetheless, argues that ensuring reliability in the findings is not an objective of the current study. This is because of the fact that the psychological contracts of employees (even working in similar circumstances) are often different, not only because they change over time, but also because of their highly idiosyncratic, complex and dynamic nature (Conway and Briner, 2009).

According to Marshall and Rossman (1999), researchers employing such non-standardized qualitative methods need to assume this lack of reliability as a strength rather than a weakness of these methods, resulting from their capability of providing a contextual rather than a positivistic description of the research problem. Previously, more than 90% of empirical investigations of psychological contracts employed quantitative data collection methods (e.g. questionnaires), primarily ensuring reliability (Conway and Briner, 2009). The immense divergence in their different conceptualizations, however, points towards the issue of the incompatibility of these data collection methods with the nature of the phenomenon. The researcher, consistent with the argument of Conway and Briner (2009), focuses on qualitative data collection methods in order to investigate the phenomenon of the psychological contract.

Sorrell and Redmond (1995) raise the concern that interviews place the researcher in the position of a data collection instrument and this may possibly lead to interviewer bias while conducting interviews. This may be due to non-verbal behaviour, leading questions or the comments of the interviewer, which may give clues to the interviewee to modify their responses. Easterby-Smith et al. (2008) argue that the influence of interviewer bias may also extend to the stage of data analysis, if the assumptions of the interviewer are strong enough.
to influence the analysis and interpretation of data from his or her own perspective rather than the perspective of the interviewee.

This caution of Easterby-Smith et al. (2008) has intuitive resonance and, if ignored, may be detrimental to any research findings resulting in ‘superficial exchange of information’ (p. 144). As far as the risk of bias at the interviewing stage is concerned, I managed these issues by drawing on my previous experience of conducting interviews for my MBA and MSc dissertations. The skills acquired in the MSc advanced course designed specifically for the conduct of qualitative interviews were also helpful for this purpose. Based on the recommendations of Easterby-Smith et al. (2008), I also probed with open ended questions.

Finally, McClelland (1965) mentions that there are conditions when the statements of respondents may not be completely trustworthy because of their intentions of portraying themselves in a more socially acceptable manner. Mangham (1986) explains that respondents may tell half-truths either on the basis of concealed motives or because sometimes people are themselves not completely aware of their own motives. Easterby-Smith et al. (2008, p. 146) suggest employing the technique of ‘laddering’ in such cases by asking the ‘why type questions’. This helps the researcher to gain an accurate account of the phenomenon, as a result of the revelation of ‘the individual’s value base’ (Easterby-Smith et al., 2008, p. 146). It is pertinent to highlight that this feature of interviews (acknowledging the possibility of biased or even misguided responses from the research participants) is compatible with the underlying assumptions of critical realism. In comparison to interpretivism (relying extensively on the respondents’ descriptions), critical realism acknowledges that the responses from the research participants may be biased or even misguided (Potter and Lopez, 2001).

In addition to interviews, focus groups, also known as ‘focus group interviews’ (Saunders et al. 2009, p. 347) emerged as another important choice during the evaluation of different methods for data collection. Carson et al. (2001) define a focus group as a group interview, exploring a particular issue on the basis of
an interactive discussion among different research participants. Focus groups, despite their capability of generating more information as compared to individual interviews in the same time (Holloway and Wheeler, 2002), are, however, not suitable for the current research. This is because psychological contracts are largely based on highly idiosyncratic beliefs and perceptions pertinent to a particular individual (Guest, 2004a). In contrast, focus groups are principally employed to gain multiple and diverse opinions regarding a phenomenon from a variety of individuals (Saunders et al. 2009).

I argue that employing focus groups in the current research would have resulted in contaminating rather than enriching the data. In addition, there are some other issues which restrict focus groups as an appropriate choice for this research. As mentioned by Fern (1982), although, focus groups generate more information from interviews in equivalent time, the quality of information per respondent is relatively inferior as compared to interviews. Furthermore, Bryman (2008) mentions that the researcher probably has less control over the proceedings of focus groups as compared to interviews. Considering the complex nature of the investigation, it would already be difficult to manage the flow of discussion even in individual interviews; employing focus groups in such a case would be more challenging. Finally Madriz (2000) mentions that, in focus groups, participants may not be comfortable expressing their personal views regarding an issue in the presence of others. This may result in fabricated and probably more culturally accepted rather than the truthful responses, hindering the emergence of information portraying the genuine picture on the research problem (Morgan, 2002).

3.9.1 Details of interviewees and interviewing process

For the current study, 43 semi-structured interviews were conducted during the data collection process. The detailed profile of the interviewees (anonymised) is presented in table 3.3. Of the 43 interviewees, 37 respondents were non-managerial level employees (13 from company A, 13 from company B and 11 from company C), while 6 participants belonged to the managerial category (2 from each company A, B and C). The interviews lasted between 35 and 80
minutes, depending on the time availability of the interviewee and any emerging themes that could potentially add richness to the findings of the study and therefore required additional probing. All the interviews were conducted in the offices of the participating organizations.
### Table 3.3 Profile of research participants

<table>
<thead>
<tr>
<th>Company’s pseudonym</th>
<th>Participant’s Pseudonym</th>
<th>Job title</th>
<th>Age</th>
<th>Gender</th>
<th>Education level</th>
<th>Full-time / Part-time</th>
<th>Time employed with the current company</th>
<th>No. of previous jobs</th>
<th>Total years of experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Participant 1</td>
<td>Sales officer</td>
<td>23</td>
<td>Male</td>
<td>Undergraduate degree</td>
<td>Full-time</td>
<td>2 years</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>A</td>
<td>Participant 2</td>
<td>Customer services officer</td>
<td>26</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>1 year</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>A</td>
<td>Participant 3</td>
<td>Sales officer</td>
<td>23</td>
<td>Female</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>1 year</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>A</td>
<td>Participant 4</td>
<td>Sales officer</td>
<td>27</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>2 years</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>A</td>
<td>Participant 5</td>
<td>Customer services officer</td>
<td>24</td>
<td>Female</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>1 year</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>A</td>
<td>Participant 6</td>
<td>Customer services officer</td>
<td>25</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>3 years</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>A</td>
<td>Participant 7</td>
<td>Customer services officer</td>
<td>26</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Part-time</td>
<td>2 years</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>A</td>
<td>Participant 8</td>
<td>Customer services officer</td>
<td>26</td>
<td>Female</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>3 years</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>A</td>
<td>Participant 9</td>
<td>Customer services officer</td>
<td>28</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>4 years</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>A</td>
<td>Participant 10</td>
<td>Regional sales manager</td>
<td>39</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>7 years</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>A</td>
<td>Participant 11</td>
<td>Shift supervisor</td>
<td>31</td>
<td>Male</td>
<td>Undergraduate degree</td>
<td>Full-time</td>
<td>5 years</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>A</td>
<td>Participant 12</td>
<td>IT maintenance officer</td>
<td>27</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>3 years</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>A</td>
<td>Participant 13</td>
<td>Customer services officer</td>
<td>26</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>2 years</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>A</td>
<td>Participant 14</td>
<td>Customer services officer</td>
<td>28</td>
<td>Male</td>
<td>Undergraduate degree</td>
<td>Part-time</td>
<td>2 years</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>A</td>
<td>Participant 15</td>
<td>Asst. manager corporate sales</td>
<td>29</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>4 years</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>B</td>
<td>Participant 16</td>
<td>Sales executive</td>
<td>26</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>2 years</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>B</td>
<td>Participant 17</td>
<td>Customer care executive</td>
<td>28</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>3 years</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>B</td>
<td>Participant 18</td>
<td>Sales executive</td>
<td>25</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>2 years</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>B</td>
<td>Participant 19</td>
<td>Customer care executive</td>
<td>27</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>3 years</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>B</td>
<td>Participant 20</td>
<td>Customer care executive</td>
<td>24</td>
<td>Female</td>
<td>Undergraduate degree</td>
<td>Full-time</td>
<td>1 years</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Company's pseudonym</td>
<td>Participant's Pseudonym</td>
<td>Job title</td>
<td>Age</td>
<td>Gender</td>
<td>Education level</td>
<td>Full-time / Part-time</td>
<td>Time employed with the current company</td>
<td>No. of previous jobs</td>
<td>Total years of experience</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------------</td>
<td>------------------------------------</td>
<td>------</td>
<td>--------</td>
<td>-----------------------</td>
<td>------------------------</td>
<td>-----------------------------------------</td>
<td>----------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>B</td>
<td>Participant 21</td>
<td>Sales executive</td>
<td>28</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>1 year</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>B</td>
<td>Participant 22</td>
<td>Customer care executive</td>
<td>25</td>
<td>Female</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>2 years</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>B</td>
<td>Participant 23</td>
<td>Customer care executive</td>
<td>27</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>3 years</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>B</td>
<td>Participant 24</td>
<td>IT executive</td>
<td>24</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>1 year</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>B</td>
<td>Participant 25</td>
<td>Senior human resource manager</td>
<td>41</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>8 years</td>
<td>3</td>
<td>17</td>
</tr>
<tr>
<td>B</td>
<td>Participant 26</td>
<td>Customer care executive</td>
<td>31</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>4 years</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>B</td>
<td>Participant 27</td>
<td>Customer care executive</td>
<td>27</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>2 years</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>B</td>
<td>Participant 28</td>
<td>Customer care executive</td>
<td>30</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Part-time</td>
<td>3 years</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>B</td>
<td>Participant 29</td>
<td>Customer care executive</td>
<td>25</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>2 years</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>B</td>
<td>Participant 30</td>
<td>Team leader</td>
<td>31</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>4 years</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>C</td>
<td>Participant 31</td>
<td>Client services advisor</td>
<td>25</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Part-time</td>
<td>2 years</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>C</td>
<td>Participant 32</td>
<td>Sales advisor</td>
<td>25</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Part-time</td>
<td>1 year</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>C</td>
<td>Participant 33</td>
<td>Client services advisor</td>
<td>28</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>3 years</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>C</td>
<td>Participant 34</td>
<td>Sales advisor</td>
<td>24</td>
<td>Male</td>
<td>Undergraduate degree</td>
<td>Full-time</td>
<td>2 years</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>C</td>
<td>Participant 35</td>
<td>Senior sales manager</td>
<td>44</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>6 years</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>C</td>
<td>Participant 36</td>
<td>Client services advisor</td>
<td>27</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>2 years</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>C</td>
<td>Participant 37</td>
<td>Client services advisor</td>
<td>24</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Part-time</td>
<td>2 years</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>C</td>
<td>Participant 38</td>
<td>Senior officer technical support</td>
<td>29</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>2 years</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>C</td>
<td>Participant 39</td>
<td>Client services advisor</td>
<td>26</td>
<td>Female</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>2 years</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>C</td>
<td>Participant 40</td>
<td>Operations manager</td>
<td>36</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>4 years</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Company’s pseudonym</td>
<td>Participant’s Pseudonym</td>
<td>Job title</td>
<td>Age</td>
<td>Gender</td>
<td>Education level</td>
<td>Full-time / Part-time</td>
<td>Time employed with the current company</td>
<td>No. of previous jobs</td>
<td>Total years of experience</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------------</td>
<td>----------------------------</td>
<td>-----</td>
<td>--------</td>
<td>-------------------------</td>
<td>-----------------------</td>
<td>------------------------------------------</td>
<td>----------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>C</td>
<td>Participant 41</td>
<td>Client services advisor (probation)</td>
<td>24</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Full-time</td>
<td>6 months</td>
<td>0</td>
<td>6 months</td>
</tr>
<tr>
<td>C</td>
<td>Participant 42</td>
<td>Client services advisor</td>
<td>25</td>
<td>Female</td>
<td>Undergraduate degree</td>
<td>Full-time</td>
<td>1 year</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>C</td>
<td>Participant 43</td>
<td>Sales advisor</td>
<td>24</td>
<td>Male</td>
<td>Postgraduate degree</td>
<td>Part-time</td>
<td>1 year</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
In addition, some of the interviewees were contacted after the interview (through email or telephone) in order to confirm their viewpoint in the case of any confusion or to gain additional information regarding a theme that emerged during the process of data analysis. A copy of the plain language statement, which mentioned the associated details of the interview (e.g. anonymity, confidentiality, the voluntary nature of participation, contact details for further information etc.), was sent to each respondent along with the invitation to participate in the study. The interview date, time and venue were decided in advance. Only those participants who agreed to the audio recording of the interview were interviewed.

As an additional precautionary measure, the purpose of the study and the participants’ role in it were again read to every interviewee at the time of the interview. Before the interview commenced, all participants were reassured that their anonymity and confidentiality will be carefully maintained (Kvale, 1996). Pseudonyms rather than the actual name of the research participants were used for this purpose. The language of the interview was informal and any technical jargon was avoided (Davey, 2008). I also paid significant attention to ensuring that no question was vague, had a double meaning or was leading. In order to minimize any research bias, open-ended questions were posed in a probing rather than in a prompting manner (Flick, 2002). This allowed the data to emerge on its own without any guiding influence (Arksey and Knight, 1999).

As recommended by Rubin and Rubin (1995), the interviewees were given the opportunity to express their opinions and beliefs without any influence. I worked to ensure, however, that the topic of discussion centred on the research problem. Nonetheless, any unanticipated responses that could add further insight to the findings were encouraged and probed further (Glaser and Strauss, 1967). The audio recorded interviews were later fully transcribed. Kvale (1996) suggests that ‘transcribing the interviews from an oral to a written mode structures the interview conversations in a form amenable for closer analysis’ (pp. 168-169). The transcription was verbatim in format except for repeated or unclear words. This form of verbatim transcription, in addition to adding to validity, also helps
the reader to focus on the actual content without any distraction (Potter and Wetherell, 1987).

3.10 Sampling procedure

Research sampling has largely been divided into two broad categories i.e. probability sampling (basic random sampling, cluster sampling, systematic sampling and stratified random sampling) and non-probability sampling (quota sampling, accidental sampling and purposive sampling). Because of the highly qualitative and idiosyncratic nature of psychological contracts and taking into account the guidelines of Hycner (1985) that the procedural details of data collection should be based on the nature of the research problem, the current study employs the purposive sampling procedure. Powell (1997) explains the rationale of purposive sampling as, ‘at times, it may seem preferable to select a sample based entirely on one’s knowledge of the population and the objectives of the research’ (p. 69).

Although purposive sampling is helpful in qualitative studies, there are limitations to this method. Like other qualitative sampling techniques, purposive sampling does not explicitly specify the size of the sample of research participants. This can be seen as a weakness of the qualitative sampling, as in quantitative sampling there is an explicit discussion of the sample size needed in order to make an appropriate representation of the whole population (Marshall and Rossman, 1999). A deeper investigation of the dynamics of qualitative sampling as set out by researchers (e.g. Gerson and Horwitz, 2002; Hussey and Hussey, 1997; Jankowicz, 2005; Miles and Huberman, 1994; Powell, 1997; Welman and Kruger, 2001), however, explains the issue of the lack of an explicit discussion of sample size.

Unlike quantitative studies, the findings of a qualitative study are not meant for the purpose of generalization to the larger population. Rather, a qualitative study explores an issue which is largely unique in its nature due to its associated context. On this basis, the sample size in a qualitative study cannot be ideally
determined. This raises another question of when to finish data collection in a qualitative study, as there is no clear guideline for determining the size of the sample. The current research, therefore, followed the guidelines of Guba and Lincoln (1985), who identified four criteria for when a researcher should finish data collection.

1. Saturation of categories: the researcher is getting no additional data from the respondents to develop new emerging categories.

2. Emergence of regularities: the researcher finds visible patterns or strong consistencies in the data, enabling the identification of the clear emergence of regularities.

3. Exhaustion of resources: the researcher assumes that the available data sources (e.g. key informants, gate keepers, documents) are exhausted and no information can be further gained from them.

4. Overextension: new information is still available but is not relevant to the core research objective and makes little contribution to the development of any other relevant categories.

Following these guidelines, semi-structured interviews were conducted with a sample of 43 research participants. The sample consisted of two groups of managerial and non-managerial respondents. There were 6 and 37 research participants in the managerial and non-managerial groups respectively. Interviewing these two groups allowed me to overcome the one-sided approach by incorporating the viewpoints of both managerial and non-managerial respondents. Diversity was sought within each group to avoid any possible bias because of the homogenous nature of the groups. In order to gain initial access to potential participants, I used personal contacts I had acquired on the basis of my previous career in the call centre industry. A snowballing strategy was then used in order to contact the other potential participants recommended by the respondents initially interviewed.
3.11 Ensuring rigour in research

Saunders et al. (2009) emphasize the importance of rigour in any research. Validity, reliability and generalizability are largely discussed in the literature as the key indicators of rigour in any research. According to Bryman (2008), although these three terms are those predominantly used by researchers and practitioners, in qualitative research the notions of validity, reliability and generalizability should instead be referred to as dependability, transferability and confirmability. This is because of the key differences in the underlying philosophical assumptions, research approaches, research designs, data collection and analysis procedures between qualitative and quantitative research. The following section discusses the degree of rigour in the current research on the basis of these measures.

The validity of the research has been the focal point of the discussion of the differences between quantitative and qualitative research. According to Creswell (2003) validity means the accuracy of the findings in a piece of qualitative research. Validity is, therefore, different from objectivity, as it means the capability of the research findings to represent an accurate picture of the research problem under investigation (Hussey and Hussey, 1997). Guba and Lincoln (1998) emphasize that there are two stages in any research process that have consequential effects on validity: first, the stage of the selection of the research method for the data collection and second, the interpretation of the research findings. The current research paid significant attention to the argument of Guba and Lincoln (1998). First, the research method for this research was selected on the basis of the nature of the research problem. Second, the interpretation of the findings was based on the consideration of whether the interpretation was capable of providing a robust account of the research problem under investigation.

Reliability has been conceptualized differently in quantitative and qualitative research. In qualitative research, the application of reliability is a complex issue as investigating human behaviour is not similar to investigating non-human issues. For Easterby-Smith et al. (2008), rather than the question of whether the findings of one study are similar to the findings of another study, the real issue in
qualitative research is whether the findings are consistent with the data collected. Guba and Lincoln (1985), therefore, recommend using the term consistency rather than reliability in qualitative research. Schwandt (2001), however, argues that, although reliability is not so much emphasized in the qualitative area as it is in the quantitative domain, yet a certain degree of reliability is important as it endorses the authenticity of any research.

Bryman (2008), while discussing the issue of reliability, emphasizes the need for a meticulous approach, maintaining accuracy in the recording and precision in the interpretation and presentation of data. Following the guidelines of Bryman (2008) and Saunders et al. (2009), the interviews were carefully recorded, transcribed with accuracy and later analyzed in a precise manner. Moreover, member checking, a technique recommended by researchers, in order to enhance the level of consistency, was utilized in the current study by asking research participants whether, the transcription of the data collected from them was correct and also whether, the interpretations and conclusions made on the basis of their data appeared rational to them (e.g. Glesne, 1999; Merriam, 1998). Maintaining an audit trail, which is another technique suggested by researchers, was practised through careful record keeping and a detailed explanation of the procedures used to analyze data (e.g. Guba and Lincoln, 1985; Schwandt, 2001). All the procedures were periodically reviewed by supervisors, colleagues and other doctoral committee members, a process referred to as external audit by Glesne (1999) and as peer review by Merriam (1998).

Generalizability refers to the degree to which the findings of any research can be applied to other similar situations beyond those investigated in the study (Saunders et al., 2009). Unlike quantitative research which places greater emphasis on the generalization of research findings, in a qualitative study the findings may not necessarily be appropriate for the purpose of generalization as the primary objective of a qualitative study is to develop an in-depth understanding rather than ‘finding out what is generally true of many’ (Merriam, 1995, p. 57). Qualitative researchers are, therefore, not strongly concerned with speculation about how their results may be applied to other similar settings; rather
they are more concerned with the nature of their findings in relation to their particular context and from different perspectives. The current study is primarily qualitative in its orientation and is concerned with a context-rich rather than a generalizable explanation of the research problem.

3.12 Ethical considerations

In any research, the researchers have responsibilities not only towards the truthfulness of their findings but also towards the research participants (Saunders et al., 2009). The researcher needs to consider any harmful consequences the research process might have on their subjects, as data collection particularly in the social sciences may bring social, psychological or even physical harm to the research participants (Lipson, 1994). According to Guba and Lincoln (1989), ethical concerns in any research process are concerned with four aspects relating to the research participants:

1. Protecting the research participants against any possible harm.
2. Obtaining fully informed consent from the participants before their participation.
3. Considering the anonymity and confidentiality of the subjects.
4. Avoiding any attempt to collect data from participants in a deceptive manner.

Individual in-depth interviews are the principal data collection method in the current research and in this regard need to be carefully conducted as they may cause psychological disturbance to the participants (Morrow and Smith, 1995). Gerrard (1995) refers to this unpleasant psychological state of the research participants, resulting from the interviewing process, as research abuse. The data collection for this research was preceded by gaining ethical approval from the college of social sciences. In addition, I paid significant attention to protecting participants against any harm by ensuring their anonymity and confidentiality (Kvale, 1996). All the information from the participants was stored in a personal computer in password protected files. Pseudonyms were used while making any
attributions to the subjects (Bryman, 2008). Before conducting any interview, informed consent was sought from all research participants. In this regard, an informed consent form, developed on the basis of Bailey’s (1996) recommendations, was emailed to all the participants. The informed consent form detailed:

- The overall purpose of the research activity (without the key research question).
- The procedures involved in the data collection process.
- The voluntary nature of participation for the subjects.
- The interviewee’s right to end the interview without any reason at any time.
- The measures taken to protect the anonymity and confidentiality of the subjects.

Only those participants, who agreed to the audio recording of the interview, were included in the research. These measures prevented any intentional or unintentional deception on the research participants. According to Bailey (1996), deception is generally counter-productive and may impede the quality of the findings, while truthfulness reduces any suspicion and encourages honest responses from the subjects. Bailey (1996), however, suggests that not mentioning the key research question in the informed consent form should not be considered as deception. As an additional precautionary measure, all participants were again read the informed consent form just before the commencement of the interview and their permission to audio record the interview was sought. In addition, the data collection process started only after formal approval by the college of social sciences’ research ethics committee.

3.13 Strategies for data analysis

Critical realism acknowledges the impossibility of gaining complete objectivity during the research process (Anastas, 2004). Guillemin and Gillam (2004), however, argue that there is a need to minimize the subjective influences of the
researcher stemming from his/her ideas, expectations and interests in relation to the research. Acknowledging these concerns, different strategies were used during the process of data analysis in order to minimize any biases in the findings. The first strategy, as recommended by Bourgeois and Eisenhardt (1988), is to highlight the similarities and differences between the different individual respondents within the same group. According to Easterby-Smith et al. (2008), this helps researchers to break any overly-simplistic frames presenting a biased, superficial or uni-dimensional explanation of the research problem.

In addition to highlighting similarities, I looked for differences among the research participants. For example, some of the customer services representatives, in comparison with the majority of their coworkers, assumed that the employers tended to promote relational contracts. Rather than forcing similarity in the diverging viewpoints of the respondents, I looked for the underlying reasons promoting these differences in the perceptions of the research participants. This approach to data analysis helped me to investigate an issue from a variety of dimensions, based on the perspectives of different research participants.

The second strategy, based on the guidelines of Eisenhardt (1989), is to look beyond individual similarities and differences and focus on the intergroup level. This may help the researcher to acknowledge and further explore dimensions other than those that are suggested by the existing literature or the research problem or that are anticipated by the researcher (Bourgeois and Eisenhardt, 1988). Based on this viewpoint, the current study paid attention not only to the similarities but also to the differences arising at group level. For example, as emphasized in the relevant literature, it was anticipated that employees would tend to reciprocate the employers’ inducements on parity basis. The data collection and subsequent analysis, however, later modified this preconception by highlighting that (other than employees belonging to the small group which had scarce skills and critically important knowledge for their organization) the majority group of employees, because of their perceptions of the power asymmetry in the employment relationship, were not able to reciprocate the employers’ inducements on parity basis.
A third strategy, as suggested by Gersick (1988) is to divide the data on the basis of the data source. This tactic supports the researcher in acknowledging a variety of contrasting insights into the data that can only be available from different sources of data. According to Eisenhardt (1989), ‘when a pattern from one data source is corroborated by the evidence from another, the finding is stronger and better grounded’ (p. 541). Bourgeois and Eisenhardt (1988) further argue that the differences in the evidence from the different data sources may prompt the researcher to gain a deeper and more multi-dimensional understanding of the research problem, as these conflicts may be a symptom of bias in the analysis of the problem. To respond to this concern and as recommended by Gersick (1988), the current research, in addition to looking for similarities and differences at the individual and the group level within the same organization, also looked for contrasting evidence at the level of the different sources of data (i.e. at the inter-organizational level) in order to prevent any ‘spurious or random pattern, or biased thinking in the analysis’ (Eisenhardt, 1989, p. 541).

Another strategy to promote validity and reliability is to present the findings drawn from the interviews back to the research participants. Researchers argue that different analysts may develop different themes from the same data based on their past experiences (e.g. Bryman, 2008; Kvale, 1996). Bodgan and Biklen (2007), therefore, suggest that the impact of this inconsistency can be reduced by presenting the research findings back to the research participants in order to ensure that they consider the findings to be accurate, pertinent and a truthful representation of the phenomenon they are experiencing. Following the guidelines of these researchers, the emergent themes were presented to the research participants in the form of interview summaries in plain language. Any suggested modification or inconsistency highlighted by the interviewees was discussed with them and incorporated into the findings. The emerging themes were also discussed in the departmental thesis committee review meetings and with the research supervisors.
Finally in order to promote the validity and the reliability of research findings, three of my colleagues (three fellow faculty members of the department of management of my university in my home country) acted as independent assessors during the data analysis process. Each of these three independent assessors autonomously analyzed one of the three major areas of investigation in the current study (i.e. mutuality, reciprocity and agency). Later, a comparison was made between the codes I had developed and the codes developed by the three independent assessors in their corresponding areas (i.e. mutuality, reciprocity and agency). Any disagreement or variation in the conceptualization and formulation of these codes were discussed and reconciled as necessary.

3.14 Template analysis

The above section highlighted the different strategies I followed in order to minimize any bias during the process of data analysis. The following discussion highlights the operational details in terms of the data analysis techniques I adopted. The analysis of the data was based on the technique of template analysis. King (2004) posits that template analysis supports qualitative research, as ‘it is a more flexible technique with fewer specified procedures, permitting researchers to tailor it to match their own requirement’ (p. 257). The technique of template analysis has been used in a number of qualitative studies based on the critical realist research philosophy and case study approach (e.g. Au, 2007; Biedenbach and Müller, 2012; Carter, 2012).

In particular, in the domain of the psychological contract, researchers following a critical realist research philosophy have used the technique of template analysis for the analysis of their study findings (e.g. Kenny and Briner, 2013; McDowall and Saunders, 2010). According to Chell (1998), the initial template comprises the researcher’s preconceived codes developed on the basis of the research question and the review of the literature. Parzefall and Coyle-Shapiro (2011), in their study of psychological contract breach, further explain that these initial codes should be ‘organized hierarchically, with groups of similar codes grouped together to produce more general, higher order codes’ (p. 16).
Gibbs (2007) argues that the researcher will need to amend the list of these codes ‘during analysis as new ideas and new ways of categorizing are detected in the text’ (p. 45). Therefore, the key feature of template analysis is its amenability to constant revision as the analysis process continues. Following the guidelines of these researchers, the initial template was constantly modified by adding or deleting codes as the analysis of the textual data proceeded. When I observed a relevant issue that did not exist in or did not match any of the pre-existing codes, a new code was inserted in the template, providing additional detail to the overall analysis (King, 2004).

Millward and Cropley (2003) argue that the robustness of the findings of any research study is largely influenced by the coding scheme developed for the purpose of data analysis. I attempted to develop a comprehensive coding scheme based on both the relevant empirical evidence and the emergent data. The coding was carried out at three levels.

3.14.1 Level 1 – Substantive coding

Stern (1980) refers to the first level of coding as substantive codes because they add substance to the data largely on the basis of the key words used by the research participants. At this stage, I scanned the interview transcripts in order to develop a better understanding of the emerging themes (Wainwright, 1994). Glaser (1978) explains this process as developing an awareness of the theoretical possibilities in the collected data i.e. developing theoretical sensitivity. Wainwright (1994) argues that this helps the researcher to avoid missing any other plausible interpretations of the data. An open coding system was adopted at this stage. The open coding system is characterized by scrutinizing the data on a line by line basis and identifying any unanticipated themes in the data (Streubert and Carpenter, 1995; Stern, 1980) and unpicking the complex concepts that may underpin these themes.
3.14.2 Level 2 – Theoretical coding

At this stage, the codes developed at level 1 were grouped together to formulate different categories. Through constant comparative analysis of the data, the level 1 codes were assigned to different categories or clusters (Stern, 1980). The assigning of these codes to different categories was carried out after comparing each level 1 code to every other code (Streubert and Carpenter, 1995). Later, each formulated category was compared to every other category in order to ensure that these categories were mutually exclusive. Glaser (1978) refers to this process as theoretical coding and, according to Beck (1996), these theoretical codes determine how the level 1 substantive codes are related to each other. The constant comparison method helped the researcher to check and recheck the consistency of the key themes emerging throughout the data. This also strengthened the validity of the findings i.e. whether the emerging themes were accurate in terms of providing a truthful and pertinent representation of the research problem (Smith, 2007). Other researchers also emphasize the importance of a constant comparison method in order to promote the reliability and the validity of the research findings (e.g. Wainwright, 1994; Strauss and Corbin, 1990).

3.14.3 Level 3 – Producing core categories

Finally, I developed level 3 codes in order to produce the core categories by linking the data together. Following the guidelines of other researchers (e.g. Holloway and Wheeler, 1996; Hutchinson, 1986), the development of these codes was largely based on questions such as: what is the key focus of the study? What is the major concern/problem that is being faced by the research participants? What mechanisms are adopted by the research participants in order to manage that issue/problem? According to Hutchinson (1986), core categories assist in the development of a pattern that provides support in linking the variety of data together. Holloway and Wheeler (1996) argue that the core categories assist in explaining the variation in the data with implications for theory development. The core categories are usually determined near the end of the research (Holloway and Wheeler, 1996) and it may take longer to define their precise nature (Strauss,
As the themes started emerging, additional data was collected for the purpose of theory development on the basis of these core categories. This process also helped to achieve saturation of the data.

3.15 Chapter summary

This chapter discussed the methodological details of the current study. A critical realist research philosophy was chosen. The discussion highlighted in detail why critical realism, in comparison to positivism or interpretivism, is more suitable for the current study. The next section critically analyzed different research strategies. After considering of the advantages and disadvantages of each, the case study strategy was finally selected for the current research. As discussed in detail, the decision to select the case study strategy was primarily based on the key research objective i.e. theory development. I opted for the qualitative research method and semi-structure interviews for the purpose of data collection. For Patton (1990), when a notion requires conceptual refinement, qualitative data collection methods are significantly helpful. The semi-structured nature of the interviews allowed me to remain focused on the key issues of the research while simultaneously managing and further exploring any unanticipated responses from the interviewees that could provide additional insights to the findings of the study.

As the study aimed to explore the idiosyncratic views of the research participants regarding their own employment relationships, great attention was paid to ethical issues in order to avoid any unpleasant consequences from the research activity for them. In addition to gaining ethical approval from the college of social sciences, I gave all participants a detailed explanation of the objective of the research activity and the significance of their role in it. All the participants were assured of their anonymity and confidentiality at the time of interview. The discussion then highlighted the different strategies I followed in order to minimize any bias in the research findings. Finally, the discussion focused on the details of the template analysis, a technique used in the current study for the purpose of data analysis.
Chapter 4

FINDINGS
Chapter 4

Findings

4.1 Introduction

This chapter presents the findings of the current study concerning the notions of mutuality, reciprocity and agency. The first section of the chapter focuses on issues related to the assumption of mutuality in the psychological contract literature. Undermining the assumption of implicit mutuality, the results highlight the notion of indeterminacy between employees and the employer. The findings also illustrate the employers’ tendency to guide employees’ perceptions of mutuality according to the objectives of the organization. The results further point towards different issues (e.g. employees’ concerns regarding training, and job flexibility) that encourage employees’ perceptions of a biased mutuality in their employment relationships. Consequently, employees make efforts to promote their employability prospects through enhancing their knowledge and skills. This enhanced employability ultimately supports employees by strengthening their bargaining power as, in addition to reducing their dependence on the current employer, it also increases the employer’s dependence on them. The final part focuses on the divergence in the perceptions of mutuality of employees and managers.
4.2 Mutuality

4.2.1 Indeterminacy in employment relations

In the context of mutuality, indeterminacy emerged as an important theme. Among employees, a number of factors (e.g. management’s reluctance to share information, different shift timings and busy working routines) strengthened the development of perceptions of indeterminacy rather than a consensus-based mutuality. A representative statement, illustrating the existence of indeterminacy as opposed to the frequently assumed notion of mutuality in the psychological contract literature, was:

Talking about each and every thing and then agreeing with him [manager] is very difficult. It is not possible. When we begin our shift, we have to attend to the customer calls non-stop. There is hardly a proper lunch break till the end of the shift ... We hardly have any special time to discuss our issues with the management and this is the daily routine.

(participant 6)

Theoretically, there is a noticeable emphasis on the notion of an implicit mutuality in the psychological contract literature. However, in actual employment conditions, employees have to face a series of difficulties while promoting mutuality even on an explicit basis. This is because, in addition to the reason of laborious working hours mentioned above, there are a number of other factors which promote indeterminacy between employees and their employers. According to another respondent:

The main issue is the difficulty in understanding properly ... Sometimes I have to rely mainly on the second hand information I get from my colleagues who are working in the shift before me, because I may not be able to talk face to face with my boss and sometimes this creates some
confusion between me and him ... the boss says something and when it reaches me through other persons, it has changed a little bit.

(participant 29)

Irrespective of employees’ perceptions of, whether or not management is adequately addressing their concerns, this represents one of the factors (in this case, tension between work volume and finding time to discuss issues with management) that inhibit employees’ perceptions of mutuality by promoting indeterminacy in the employment relationships.

In addition to the above mentioned factors associated with the operational issues of the organization, management practices appeared to play a significant role in promoting employees’ perceptions of indeterminacy rather than mutuality. This issue was manifest in one of the responses as:

I am not sure when I will be permanent member of staff. I am still working on a temporary contract. I joined this company six months ago on probation and I was told that I would be on probation for three months. After that, they would make me one of the permanent staff, depending on my work ... it has been more than six months. My probation period finished 3 months ago but they have still not confirmed my position ... This is very frustrating and, honestly speaking, I cannot do my work properly.

(participant 41)

Prevalent among the other research participants, the notion of indeterminacy (based on employees’ assumptions regarding the organization not fulfilling its promises) appeared to be a major source of restraining their perceptions of mutuality in the employment relationship.
4.2.2 Implications of explicit communication

The psychological contract literature, under the influence of Rousseau (2011), emphasizes the notion of mutuality, which is based on the assumption of implicitness. The findings of the current study, in contrast to the predominant emphasis in the relevant literature, however, empirically highlight the importance of clear, explicit and timely communication as a key mechanism to promote mutuality. As mentioned by one respondent:

I try to find out what the manager is actually looking for ... I need to clearly tell my seniors about my requirements also. I run my computer shop in the evening as a part-time business. The most important thing for me is to be free from my job at that time so that I may give proper time to my business. I told my boss this in the beginning ... I believe if anyone needs to convey something to the organization, he needs to tell his manager very openly. How can the boss understand my problems if he is not told about it?

(participant 14)

This interview response highlights the significance of explicit communication as employees’ expectations may not only vary from one individual to another but may also be hidden or not necessarily clearly stated.

The responses of the other research participants similarly highlighted the importance of explicit communication in order to convey their expectations, rather than relying on the employer implicitly understanding their expectations. The response from an interviewee further illustrates this notion:

It is important that we tell the management what we need ... they [managers] do nothing even when we remind them several times. If we keep silent and look to them to do what we want without us telling them, it will give them a good excuse not to do it because most of the time they are not interested.
Other than the issue of explicit communication, this comment further illustrates that employees consider not only their organization but also themselves as responsible for promoting mutuality in the employment relationship.

In addition, the assumption of considering mutuality on an implicit basis leads to conflict with another organizational behaviour construct i.e. leadership. The psychological contract literature typically refers to the construct of leadership in the context of the relationship between employees and organizational agents. However, in contrast to the assumption of implicitness in the psychological contract literature, effective communication is emphasized in the leadership literature as a means of reducing any ambiguity in the relationship. The findings of this study also highlight the importance of effective communication in the context of reducing ambiguity in employment relationships. According to a research participant:

Discussion with the department manager is very helpful as this is the best forum, sorry person, to discuss in detail the different issues concerned with the job … My manager is a very capable person. He has recently entered this company but is doing very well. He is leading this department far better, as he listens to our problems, although all of our problems are not solved yet.

The significance of explicit communication with immediate managers was evident in the response of another research participant:

The boss is the most appropriate person to talk about the expectations the organization has of its employees … In call centres, we work on different projects and the nature of the service we are providing can change very quickly … today I am working in corporate sales, the next
day I can be transferred to customer services or the complaints section. For these reasons, it is very important that the manager is the right person in the organization to ask about the details of the product, the sales targets of the company.

(participant 22)

This issue of reducing ambiguity on the basis of explicit communication further relates to the notion of agency in the psychological contract literature (i.e. the role of explicit communication with organizational agents in order to comprehend the expectations of the organization) and will be discussed in greater detail in the later agency section.

4.2.3 Employer-oriented mutuality

Even if we ignore the notion of implicitness, another issue that emerged was the tendency among employers to promote mutuality based on their own interests, while ignoring their responsibilities towards employees. The following response from an interviewee provides a representative picture of this situation: ‘... generally the agenda of most of the meetings is how to promote a new upcoming product ... how we can increase customer loyalty, how we can attract other customers to our company ...’ (participant 23).

Similarly, the responses of other research participants implied that organizational communication, apparently to promote mutuality, primarily focused on encouraging employees’ contributions to achieve efficiency in the organization’s operations. According to another participant:

We have everything set out in our contract, the amount of pay and the bonuses, the annual increments and the minimum performance criteria ... If somebody wants or thinks that he deserves more or extra reward for his performance, he may have a meeting with the manager to discuss this, but normally this practice is very rare because everybody
knows that it would make no difference to them. Instead they would become prominent to their managers in a negative way.

(participant 27)

Similarly, the other research participants, due to their perceptions of power asymmetry or disproportionate interdependence in the employment relationship, tended to avoid actively negotiating the terms of their contract with the employer. As representatively evident in the above response, this tendency was further based on the anticipation of an unwelcoming response from the employer.

Based on this pattern, it can be argued that, in the context of mutuality, the employers are principally focused on employees’ contributions as a means of increasing organizational efficiency, while they ignore the equally important issue of promoting mutuality in terms of their responsibilities towards the employees. Under the major influence of the employers, who generally have an egocentric view of the employment relationship, these practices serve as a systematic hindrance to fostering employees’ perceptions of mutuality. The management philosophy of restricting or even discouraging employees’ participation in the organization’s decision-making processes may be considered as a prime factor in this context.

The employer’s tendency to restrict or discourage employees’ participation in the organization’s decision-making process (ultimately hindering the development of employees’ perceptions of mutuality) was evident in the response of a research participant:

Usually there are some guidelines. Mostly there are instructions given to us by the department manager, which all of us have to follow. We may discuss it with the manager, but most of the time the instruction is full and final and is decided by the senior managers and we already know about it ... There is less chance of changing it ... Sometimes there are, we have meetings with management and they say it very clearly that this meeting is to listen to our [employees’] issues but me and my other
colleagues have experienced that most of the time this is a formality and, as with most of the times when there are some issues raised by us, they are not taken up seriously by the management ... After every six months or so there is a meeting like that but we just attend it as a formality because we know that nothing is going to happen.

(participant 13)

4.2.4 The issue of employability

In addition to the concern of promoting mutuality largely from the employers’ perspective, the issue of rhetoric surfaces in the psychological contract literature. In this context, there is an assumption that organizations, in order to promote perceptions of mutuality and as compensation for not being able to provide job security as a reward for employee loyalty, tend to enhance their employability prospects by investing in employees’ training and development. In contrast to this assumption, the findings of this research highlight that organizations, rather than from the perspective of mutual gain, typically invest in employee training for their own benefits.

According to one respondent:

Most of the time, the training which we get from the company is basically on the new products the company is going to introduce in the future ... We are told how to bring in new customers by demonstrating, by highlighting new features, how to show our prices as better in comparison with those of the other companies ... There is some other staff training but it is very minor, kind of symbolic. The actual training is done at the time of the launch of a new product and it is compulsory for us to attend those training sessions so that we have the proper knowledge of the system requirements, specifications and the prices of the product.

(participant 11)
This observation echoes the viewpoint of other respondents that the training provided by the employers, rather than promoting employees’ employability prospects, is largely aimed at achieving organizational profit. A representative response from one of the research participants highlights this issue as:

The company is less concerned about maintaining our skills, which we need to keep updated for our own personal growth. Some of us need diplomas and certificates. We told the company collectively that we wanted to do this. It is helpful to us and, if we take the training for the company, we will get a discount in the training fee as we will be sponsored by the company, but I think that this is not a priority for our company. It is not beneficial for them. They are more concerned with the demands of the market, but from their point of view only.

(participant 33)

For other research participants, this practice on one hand reduced the risk of staff turnover for the employers and on the other hand (due to the lack of marketable skills and training) increased the risk of layoffs for the employees. This scenario ultimately resulted in a situation of dual disadvantage for the employees. In addition to reducing their employability with other potential employers, it increased their dependence on the current employer. From the perspective of power, the respondents, therefore, sought marketable skills and training as it supported them in their relational interdependence with the organization in a twofold manner. First, due to their increased employability based on marketable skills and training, it strengthened their bargaining power through reducing their dependence on the current employer. Second, these acquired skills and training further added to their bargaining power through increasing the employer’s dependence on them.

There is another assumption that contemporary employees prefer the feature of employability over job security (Singh, 1998). The findings of the current study, however, indicated that modern employees strive for enhanced employability, not
as an alternative but as an additional feature to job security. According to a research participant:

I would definitely like a permanent and a safe job but on the other hand I would also like to keep my options open ... Just as my company has the right to keep the best employees, I also should have the opportunity to join the company which offers me the best package ... I will not go for a company in which the salary is high but there is no job security and on the other hand I will also not go for any company in which the job is safe but there is no growth in terms of career and learning. Every employee who wants to grow will look for both options in his employment.

(participant 18)

The attraction of employability as an additional rather than an alternative feature to job security, however, increased employees’ expectations in terms of good career advancement prospects in addition to job security. This notion was evident in another response:

I want to maintain a good living standard for me and my family and for this I need to ... move to a higher position with more salary and with more market exposure ... I have good call centre experience from this company and if I get a very good job offer from another company, I will definitely switch ... If my company wants they, my present company, may stop me by offering me the same package ... Moving to the other company will include a better overall package and it will also give me a different experience in a different working environment with different knowledge ... I will also look at the reputation of the company, how they treat their employees and also if it [the job] is secure or not.

(participant 39)

Another relevant theme highlighted that, although employees were concerned with employability in addition to job security, this trend was largely instigated by
the employment practices of the employers. Leaving aside the issue that modern employers face challenges in providing job security (due to either external market factors or for internal organizational reasons), job insecurity motivated employees to reduce their dependence on the employer by promoting their employability prospects. The response of an interviewee echoed this viewpoint:

I have a good hands-on experience in different areas of different call centres. If by chance there is any downsizing – although the position of this company is very strong, nobody can ever be sure, as it happened recently in the IT industry in Pakistan and in other parts of the world as well – in that case, I am in a relatively safe position to find a reasonable job after a struggle because I can fit in to a variety of departments.

(participant 21)

The concern among employees regarding employment uncertainty was evident in the response of another research participant:

The employment history of my previous company was not very good. There were some very serious problems with their management. I was under constant stress, because they fired one guy from my department and a few more from other departments without giving them any notice … I was under pressure that one day my company might call me and simply say they do not need me anymore or say good-bye as they had done to some other employees … The guy fired from my department was a friend of mine and I can still remember his face showing how tense he was … This was really frightening and I decided to leave that company as soon as possible … I managed to get a chance in this company. The salary in this company is almost the same but at least I can work here with peace of mind without any stress.

(participant 14)
4.2.5 The issue of flexible employment contracts

There is a general assumption that the employers, in order to promote employees’ perceptions of mutuality, offer employment contracts with flexible working days, hours, working locations. The researcher, however, argues that, even though the feature of flexibility appears as more beneficial from the employees’ perspective, contemporary organizations have largely opted for the notion of flexibility to primarily serve their own objectives of increasing efficiency and reducing operational costs.

The observation of the researcher is echoed in the illustrative response of an interviewee as:

The company claims to provide us with variable working hours according to our own choice but, as a matter of fact, our influence in deciding the number of hours is really much less than theirs ... The company says that this depends on the requirements of the different projects they are covering and is not within their control. They cannot manage us according to our own choices ... They do not understand that, like them, everyone has their own preferences, which they make very little effort to understand.

(participant 9)

This perception was evident in the response of another research participant:

Sometimes, I am asked to do shifts which I cannot cover properly due to my other commitments and sometimes I want some extra hours and I am told that it is not possible because we [management] have to manage the other staff as well .... Last month, I had some family commitments and I was not able to come. I asked my manager to give me some relief, but he said that I have to do a minimum number of hours each week. One of my colleagues was even willing to cover my shifts. I had already talked to him and he said, I can easily do it for you ...

On the surface there are loose working hours for us but the final
decision is still within the hands of the management. I cannot tell them that I am free at this time and give me shifts this time. I have the option to choose only from the range of hours which they have decided and which may not always suit me.

(participant 19)

The above research theme indicates that the notion of flexibility is generally projected as an attractive feature, with employees having the liberty to choose from a specified range of alternatives. However, it is important to acknowledge that this range of alternatives is ultimately determined by the employers and may not necessarily be consistent with employees’ preferences. As noted in the above responses, employees typically regard their influence on flexible practices as relatively limited. For them, this lack of influence largely stems from the disproportionate interdependence or power asymmetry in the employment relationship, restraining them from actively negotiating different terms of a contract with the employer. Consequently, these perceptions of power asymmetry have implications not only at the perceptual level (i.e. perceptions of biased mutuality associated with issues such as flexibility, employability etc.) but also at the behavioural level in terms of employees’ behavioural responses towards the organization (discussed in detail in the next section on reciprocity).

The notion of the limited influence employees perceive that they have on flexibility is evident in the response of another research participant:

During that [orientation] time, we were told that the company has positions in the different departments and we would be moved to other departments of our choice based on our initial performance ... I was looking to join the corporate sales department ... I formally made a request to the HR department, but they moved me to retail sales without any reason ... After my hiring, another person who was hired after me was moved to corporate sales and when I asked about this with HR, the manager told me that he had the more relevant credentials.
This response further highlights that unlike the general assumption, flexibility in employment is not generally designed from the employee perspective as organizations tend to make use of this feature according to their own requirements.

4.2.6 Promoting employees’ perceptions of mutuality

Rousseau (2001) emphasizes that employees’ perceptions of mutuality can be fostered by providing them with the opportunity to accept or reject the terms of the contract without restrictions. This assertion is supported by the findings of the current study, as according to one respondent:

Obviously it will increase employees’ level of confidence if they can openly discuss the contract details with the employer ... If these things can be discussed freely with the company, it will definitely give a sense that the company considers its employees. It will also show how much the company is serious about treating us fairly and giving us a fair salary.

(participant 28)

Although a number of responses from the research participants supported this viewpoint that the opportunity to actively discuss the terms of the contract is helpful in promoting their perceptions of mutuality, nonetheless only a very limited number of respondents considered themselves to be working in such a liberal environment. Based on this observation, it can be argued that, even though Rousseau’s postulation has theoretical validity, however, it has limited relevance from a practical perspective. This is because employees (with the exception of managerial, professional, technical or knowledge workers) generally do not consider themselves to be in a position to accept or reject the terms of the contract without restrictions, due to their perceptions of power asymmetry in the employment relationship. One of the respondents explained this scenario as:
The company I am working for has a very friendly environment, but I also need to know that there are some limits. If I ask, start questioning each and every thing, it will create problems for me … some of us worked on the last Eid [Muslim festival] … We were paid only 50 per cent extra over the routine wage rate. It was really below our expectations … We were not very happy with this but we couldn’t force the company to pay us extra as it was decided by higher management and for them this is better than the market is paying.

(participant 16)

4.2.7 Divergent mutuality perceptions for managers and employees

From the perspective of mutuality, visible differences between the perceptions of managerial and non-managerial employees were observed. For the lower level customer contact employees, the perceptions of mutuality were generally low as indicated by one participant:

Apparently the management of the company says that they are ready to listen and take up our issues ... but everybody knows that the reality is different from it, from what they say ... There are heads of main departments, that’s sales and marketing, operations, human resource, administration and others and whatever they decide in their meetings, that is unchangeable. That is moved forward to us as a company decision and we have to accept it ... I do not say that these decisions are totally wrong, unacceptable or unfair but still there are so many things which could be discussed with us.

(participant 9)

In contrast, for employees working at the managerial levels of the organization, the perceptions of mutuality were relatively high. As according to a human resource manager of one organization:
We want to keep our workers motivated as they are the main assets of this company ... The company is investing in them on their recruitment, their training and tries to provide them with a good and relaxed working environment. These costs are not directly visible to the employees. They consider only the amount of salary given to them as the expenses of the company but the other expenses like taxes, property rent, insurance, which are invisible to the employees, are still there ... We know that all the demands of each and every employee cannot be fulfilled. We have our own limitations but still we try our best to keep a balance ... There are regular meetings with the employees in which they freely discuss their concerns with us and if any of their issues is genuine we not only listen to it but also take appropriate action on it.

(participant 25)

Similarly, the viewpoint of the other managerial respondents was that, even though they make serious efforts, it was nevertheless not possible for them to meet the expectations of every individual employee. In contrast, the employees perceived this as an excuse to justify the lack of effort and the non-seriousness of management to meet the needs of the workforce.

While further probing the underlying reasons for the differences in the perceptions of mutuality between managerial and non-managerial employees, the implications of the previously discussed issue of timely and explicit communication in promoting mutuality re-emerged. The employees at the bottom of the organizational hierarchy did not perceive themselves to have sufficient bargaining power to negotiate access to the information sources, and this created a constant state of indeterminacy for them. For one research participant:

An important issue is the company ... never bothered to provide us with enough information on the projects which they are going to start in the future. If they gave us some clear information in advance, we might be in a better position to prepare ourselves for the projects and do better because our annual appraisals basically depend on it ... When the
project is finally taken, then we are told about it at the last moment. At that time, we are busy with our existing assignments and at the same time we also have to undertake training for the new products and this creates problems for us most of the time.

(participant 23)

The response from another research participant presented a similar scenario from a different perspective as:

There are temporary staff hired for that project, but they are not aware of whether they are going to continue in the company once the project is over or will be removed by the company ... The company always tells them that they will be retained, just to keep these temporary employees motivated, but this doesn’t happen every time. The company makes a very simple excuse at the end that unfortunately the project has gone out of their hands and they are not in a position to manage the temporary staff now ... There is lack of clarity and they do not know what is going to happen to them in the future.

(participant 13)

This finding again demonstrates the significance of information-sharing through clear and explicit communication. It also highlights the uncertainty in the employment scenarios of non-managerial employees. The employees belonging to this category, because of their limited bargaining power, generally had poor access to different information sources. Consequently, the uncertainty associated with this poor access to information resulted in the development of weak perceptions of mutuality in the psychological contracts of these employees.

4.2.8 Summary of mutuality findings

This section presented the research findings concerning the notion of mutuality. Undermining the assumption of mutuality, the existence of indeterminacy (due to
the lack of appropriate communication between employees and the employer) emerged as an important theme. In addition, the results highlighted the employers’ tendency to guide employees’ perceptions of mutuality according to the objectives of the organization. The research findings further illustrated different issues (e.g. employees’ concern regarding training and job flexibility) that promote perceptions of biased mutuality in employees’ psychological contracts. Consequently, employees attempted to enhance their employability prospects on the basis of their knowledge and skills. According to the respondents, these efforts supported them in strengthening their bargaining power as, in addition to reducing their dependence on the employer, it also increased the employer’s dependence on them. The final section focused on the issue of divergence in the perceptions of mutuality of employees and managers.

4.3 Reciprocity

4.3.1 Introduction

This section presents the research findings concerning the assumption of reciprocity in the psychological contract literature. The results indicate the prevalence of the perceptions of unbalanced employer reciprocity among the research participants. The study findings also highlight the general tendency among employees to perceive their psychological contracts as having been established on a non-reciprocal basis. The results further reveal that these perceptions largely stem from employees’ assumptions of power asymmetry or disproportionate interdependence in the employment relationship, inhibiting them from responding to the employer’s inducements on a reciprocal basis.

In order to deal with the issue of a perceived inability to respond to the employer’s inducements on a reciprocal basis, the employees therefore opt for other possible alternatives (e.g. the development of negative attitudinal reciprocity, the withdrawal of positive discretionary behaviours etc.) The study findings further highlight that, even though employees tend to attribute the
employer reciprocity largely to their managers/supervisors, nonetheless they generally avoid balancing any perceived discrepancy with them. According to the respondents, this could result in further undesirable consequences for them. In such conditions, however, the respondents have a tendency to displace their negative reciprocity to the other junior members or the customers of the organization.

4.3.2 Prevalence of perceptions of unbalanced employer reciprocity

The research findings identified three categories of employees on the basis of their perceptions of the employer reciprocity. These perceptions of reciprocity were largely based on a comparison between the organizational rewards and the expectations of the respondents. The three categories of employees were, first, with a perception of high or balanced reciprocity, second, with a perception of low or unbalanced reciprocity and third, with a perception of no reciprocity (i.e. employees who perceived their organization as reciprocating to a negligible extent). According to employees in the third category, the employer did respond to their contributions. However, the extent of this reciprocation was considerably lower in comparison to their expectations, which were based on their perceived contributions to the organization. Among these three categories, a noticeable majority of the research participants belonged to the second group (i.e. employees with a perception of low or unbalanced reciprocity). Employees belonging to the first category (i.e. employees with a perception of high or balanced reciprocity) were relatively limited in number and there were only two research participants who belonged to the third group (i.e. employees with perceptions of negligible employer reciprocity).

Regarding the second group comprising employees with perceptions of unbalanced employer reciprocity, the majority of the respondents were in the non-managerial category. Although the employer reciprocated the efforts of these research participants to some extent, the level of this reciprocation was relatively low in comparison to their contributions. One research participant described this scenario:
We are appreciated for our efforts by them [the employer], but there are some issues that still need more attention ... there is a little bit of under-appreciation in terms of the financial rewards. More could be done to make the employees feel better ... the package the employees are getting in this organization is still good as compared to the package in other organization, but again I would say that, companies prosper due to the efforts of their employees and they need to take care of employees' prosperity as well.

(participant 27)

The notion of unbalanced employer reciprocity was evident in the response of another research participant:

This company has a very good financial position and it can afford to give us more than average annual increments. This would improve our morale and make us more happy to work for them ... nobody has enough time to take up these matters and talk to the managers on behalf of others, even others are also, they would be at his back; everyone thinks, why put my own job at risk for the benefit of others.

(participant 13)

In addition to perceived unbalanced employer reciprocity, this response further representatively illustrates the issue that employees generally tend to avoid actively negotiating their issues with the employer. As is evident in the above response, this tendency is largely based on employees’ anticipation of undesirable consequences from the employer.

The majority of the research participants in the first group of respondents with relatively high perceptions of employer reciprocity were individuals working in a managerial capacity. According to one respondent from this group:
[These companies] have to give a handsome package in order to retain the best employees; otherwise, if anyone has good experience, any other organization will hire him ... In one sense these organizations have to give their employees a suitable reward for their efforts, otherwise they cannot compete in the market, and it is the same with this organization

(participant 10)

From the perspective of power or relational interdependence in employment relationships, the above response illustratively highlights that (due to their high employability) employees with specialist knowledge and skills are less dependent on their employers. Rather, the employers are more dependent in the employment relationship because of the skills and knowledge of these employees which are critical for the operations of the organization. The employers, therefore, have to provide attractive remuneration packages in order to retain these employees. This ultimately enhances the perceptions of reciprocity among this category of employees.

As mentioned above, the tendency to develop high perceptions of employer reciprocity is largely associated with superior organizational rewards. According to this category of respondents, these rewards were largely the result of their high-value services to the organization. Even though these employees valued the intrinsic rewards as well, the high perceptions of employer reciprocity among this category of respondents were largely based on the extrinsic rewards received from the organization. This notion is evident in the response of a corporate sales manager:

Every employee in this organization is getting a salary exactly according to his contributions and all this depends on their educational background, their professional experience, their personal contacts in the market with other companies, the amount of business they can bring to this organization ... Since I joined, I increased revenue by more than 60
per cent and I do not have to say anything as my performance speaks for itself and therefore they give me a good overall package.

(participant 35)

This research finding regarding the high/low perceptions of employer reciprocity in managerial/non-managerial employees is also consistent with the previous observation of the strong/weak perceptions of mutuality in managerial/non-managerial employees. As mentioned above, the individuals in managerial positions (unlike non-managerial employees) generally receive superior organizational rewards due to the high bargaining power stemming from the critical value of the services they provide to their organization. This ultimately has a positive influence, not only on perceptions of reciprocity but also on assumptions of mutuality, in the psychological contracts of this category of employees.

Regarding the third group, comprising only two respondents with negligible perceptions of employer reciprocity, there is no discussion of relationships which lack reciprocity in the psychological contract literature. However, the writings of Gouldner (1960) manifestly acknowledge their presence as he posits that, despite their rare occurrence, relationships may exist with little or almost no reciprocity. In this context, when further probed by the researcher, the major reason these two respondents gave for continuing the employment with their current employer (despite their perceptions of negligible employer reciprocity) was the unavailability of suitable employment alternatives in the job market. In other words, these two respondents perceived their bargaining power to be very limited because of their disproportionately high dependence on their employer.

4.3.3 Employees’ perceived inability to reciprocate

Another theme concerning reciprocity was the prevailing tendency among employees to view their psychological contracts to be established on a non-reciprocal basis. According to the majority of respondents, these perceptions largely stemmed from their assumptions of power asymmetry or disproportionate
interdependence in the employment relationship. For the research participants, the employers can easily find their replacement in terms of individuals with similar skills and knowledge, they are providing to the organization. However, for them, it is not easy to obtain a better or similar job because of the excess of individuals with those skills and knowledge. This view ultimately encouraged the perceptions of power asymmetry among employees, hindering them from viewing their psychological contracts as being established on the basis of reciprocity.

The prevailing assumption of power asymmetry or disproportionate interdependence among employees in their employment relationship was manifest in the response of a research participant:

> There are too many graduates and even Masters degree holders with very high grades. They are looking for jobs ... I have to be very careful in my job. The market situation for jobs is very tight and I cannot take a careless approach. If the job is not very good or the working hours are not very friendly, the staff has to abide by them. If someone complains too much about the salary or other things, they [the employer] may simply say, you know the market situation. This is the best the company can do for you. If you still think you deserve more, the market is open for you and if you can find a better opportunity in the market, please go for it.

(participant 33)

These perceptions of disproportionate interdependence in the employment relationship ultimately resulted in the reluctance of employees to respond to the employer’s inducements on a reciprocal basis. This notion was evident in the research finding highlighting the high tendency among the respondents to maintain their level of contribution, despite their perception of a lack of inducements from the organization. According to one interviewee:

> It happens nowhere that the employees start reacting to organizational things on the basis of whatever they think is right. The thing is, I am
their employee; they are not my employee. I am working for them; they are not working for me. Whatever diplomatic words may be used for it, this is a boss and subordinate relationship ... Most of them [organizations] in Lahore [city name], are Seth [sole proprietor owned, autocratic] companies in which there is a one-man show, who is all in all because he [the owner] has invested in the business and he is the only one to take decisions.

(participant 9)

This response illustrates the general perceived inability among employees to respond to the employer’s inducements on a reciprocal basis. As already discussed, this perceived inability was largely based on their assumptions of power asymmetry or disproportionate interdependence in the employment relationship.

The notion of the perceived inability of employees to respond to the employer’s inducements on a reciprocal basis was manifest in the response of another research participant:

Sometimes when the company doesn’t give a good response to my efforts, I cannot just go to the boss’s office and start complaining ... The only thing, that can be done is to try to convince or talk to the manager in a friendly way or if they do not listen then the better thing is to struggle harder in the career and look for other options.

(participant 16)

In a similar way to the other research participants, this interview response further highlights that, rather than necessarily responding in a passive manner, employees may also opt for different coping mechanisms (discussed in the later section) in order to deal with the issue of the employer’s unbalanced reciprocity.
4.3.4 Influences of employees’ internal motives

The research findings further revealed that it is not only the perceptions of power asymmetry or disproportionate interdependence in the employment relationship but also the pursuit of internal motives which inhibit employees from responding to employers’ inducements on a reciprocal basis. The researcher observed that, in pursuit of their own benefits, the respondents generally tended to avoid negative reciprocity as it will hurt their interests by projecting a pessimistic reflection of their performance. An illustrative response from a respondent explained this prevailing tendency among the research participants:

Disagreements can come between the employees and the company ... it doesn’t make any sense to make an abrupt move to take one’s frustration in a stupid way. This will affect one’s own image within the company and, let’s say, the boss may become more hostile, a promotion which is due may be postponed or, in the worst case, the organization may fire the employee with an excuse of bad or poor conduct ... This is what I have learnt from my professional experience: that whatever happens, a man needs to control his feelings and emotions.

(participant 37)

The tendency among employees to avoid negative reciprocity, for their own reasons was evident in the response of another interviewee:

My increment was due but I did not get it. As a matter of fact I got it very late ... The staff hired after us was getting the salary higher than us because at their time of hiring the company revised the pay scale of sales advisors from 20000 per month to 24000 per month but we were hired at 20000. Our annual increment was also not given to us ... That was totally wrong but we couldn’t do anything ... we waited for a while and raised the issue. We were told that they had this issue already under discussion and they are working on it already ... Later on the issue was resolved.
The responses from the other research participants highlighted similar patterns, as employees, even in unfavourable employment conditions, tended to avoid responding to the employer’s inducements on a reciprocal basis. In addition to their perceptions of power asymmetry or disproportionate interdependence, this tendency largely stemmed from employees’ pursuit of their personal interests associated with the employment relationship.

4.3.5 Development of negative attitudinal reciprocity

As mentioned above, in addition to the perceptions of power asymmetry or disproportionate interdependence, employees did not reciprocate negatively for their own internal motives associated with the employment relationship. However, there were situations when employees (despite their perceived considerable efforts in comparison with the organizational inducements) were still not successful in achieving their objectives associated with the employment relationship. This failure in achieving the desired objectives consequently strengthened the perceptions of an unbalanced employer reciprocity among employees. Although a limited impact of these perceptions could be observed in employee behaviour due to the minimum performance requirements explicitly detailed in their formal employment contracts, this presumption strongly affected their attitude towards the organization. As a result, employees – although they had limited opportunity to reciprocate negatively on behavioural dimensions – developed a negative attitudinal reciprocity towards their organization.

This negative attitudinal reciprocity was manifest in the response of a research participant:

They [business owners] make good money from the workers’ efforts but, when it comes to benefits for the workers, all of a sudden there jump out a number of issues ... I believed in these reasons for some time because at that time I had no idea of what was going on, but now I can see how big the volume of business is; the company is earning a lot of
profits from its business but they spend very little on us and say they are reinvesting in the company ... it will not be going into my pocket. I am not interested at all in the reinvestment in the company because it is not going to serve me or benefit me even a little bit.

(participant 36)

The notion of developing a negative attitude towards the organization due to employees’ perceptions of unbalanced employer reciprocity was evident in the response of another research participant:

I am as much attached to this company as this company is attached to me ... The supervisors are very strict in terms of the work. They keep a close check on a daily basis on it but when I need something from them, they send me to HR. They say that this is not their area ... HR has no power. They say, you need to make your application for holidays or a loan or anything else, it should be signed by your manager and then we will process it. It is a kind of a deadlock ... The salary is not at all justifiable in comparison with the work. It comes into my bank account very late, almost at the end of the next month. For my work ... they do not tolerate even a small mistake. I am required to be extremely punctual and honest and loyal to my work ... They [other people] are not very happy with the attitude of the company but the company really does not mind. Their position is already very strong.

(participant 18)

In addition to the issue of the development of negative attitudinal reciprocity, the above response also highlights the implications of employees’ perceptions of power asymmetry in their employment relationships. Similar to the case of other respondents, these perceptions of power asymmetry generally prevent the progression of employees’ negative attitudinal reciprocity from entering into the behavioural domain. As noted in the previous findings, this tendency (of
developing negative reciprocity only on an attitudinal basis) largely stems from employees’ anticipation of undesirable consequences from the employer.

4.3.6 Withdrawal of positive discretionary behaviors

In addition to developing negative attitudinal reciprocity towards the organization, employees opted for withdrawing positive discretionary behaviours in response to their perceptions of unbalanced employer reciprocity. The psychological contract literature is generally based on the assumption that employees reciprocate negatively to the perceptions of breach. Extending this viewpoint, the findings of the current study highlight that employees are at liberty to exercise negative reciprocity without restriction only on an attitudinal basis. However, in the behavioural domain, employees (due to their perceptions of power asymmetry in the employment relationships) generally tend to withhold only those behaviours which go beyond the requirements of their formal job description (i.e. organizational citizenship or positive discretionary behaviours).

The withdrawal of positive discretionary behaviours did not assist employees completely in coping with the issue of unbalanced employer reciprocity. However, it provided them with some relief by developing their perceptions of being able to reciprocate negatively to the employer to at least some extent. One of the research participants expressed this issue as:

They [new-comers] are looking for some senior person to help them. It is very difficult to grab everything in the orientation period in the first two weeks. We as seniors of the department can help them a lot … In the beginning, I used to help and guide these new-comers very enthusiastically, although it was not a part of my duties. Now I do not do it because it is not my responsibility … Why should I spend my time and energy on these things when I do not get, my company never gave me, any positive response for all these things, for all my efforts.

(participant 9)
Another respondent expressed the issue of withdrawing positive discretionary behaviours in response to the perceptions of unbalanced employer reciprocity from a different perspective:

There are different packages for pre-paid and post-paid. They are emailed to us one or two months in advance ... We may tell the customers before the package is advertised in newspapers or in the TV, because the package is finalized and we already have the information about it ... We may not tell them [customers] until we get formal notification from the management to tell the customers about it. If we want, we can do it easily without any problem and the company won’t mind; instead they will be happy as we know very well, but why [should we do it]? There is no appreciation for it and, if something goes wrong, then the employee is in trouble so it is better to remain silent ... I just do the work which is required from me. Why should I try to become overly smart? They are not concerned about the issues, about the problems I am facing.

(participant 26)

4.3.7 Additional efforts to promote reconciliation

In addition to developing negative attitudinal reciprocity and withdrawing positive discretionary behaviours, making additional efforts to promote reconciliation appeared as another alternative selected by employees to deal with the issue of unbalanced employer reciprocity. According to one research participant:

We have raised the issue a number of times that we need more staff in the support team because there is only one man for each shift. He can work on only one system at a time. We sometimes receive more complaints at the same time especially at the peak time during the evening shifts, but for our company the IT staff do nothing ... [according to the company] they [the IT staff] do not need any extra staff but this is not correct ... many times it happens that I have to stay late after my
shift timings. I do this because there are some complaints pending. I have to work with my colleague in the next shift. Sometimes they also come early on my request when I need an extra man ... Our company doesn’t pay us anything extra for these extra hours. We have to do it because, they have a perception that the IT staff are being paid without doing any work but as I said the situation is not like that.

(participant 12)

The research findings further revealed that employees in this situation made these additional efforts to promote reconciliation, largely from a self-interest rather than a mutual-interest perspective. This notion was manifest in the response of another research participant:

He [manager] believes that I am doing politics against him. I talk to other people in a negative way about him. He is often very harsh, very humiliating to me in front of other people ... I want to know who tells him things like this. I never did that ... I am only trying to save my job because I need to survive. Why would I create problems for myself? I have tried to clear up this image of me. I talked to the manager and I am doing extra work, but still he has some misunderstandings.

(participant 19)

From the perspective of organizational agents, employees in similar situations attempted to strengthen their exchange relationships primarily with the managers. The employees focused on the managers because of their perceptions that these organizational representatives were the key exchange agents, who were capable of maximizing the returns in their psychological contracts established with the organization.
4.3.8 Ignoring the discrepancy

In addition to extended efforts to promote reconciliation, doing nothing and forgiving were two other alternatives chosen by employees to deal with the issue of unbalanced employer reciprocity. The first alternative, to do nothing or to ignore the discrepancy, was largely opted for either when the discrepancy was of a minor nature or when, despite all efforts, employees were not successful in promoting reconciliation with the employer. One of the research participants expressed this situation:

The new manager has not had experience of these pieces of equipment ... the issue is that this organization doesn’t promote its existing staff to higher ranks who have the knowledge and experience of their equipment and who can work for them at a lower cost. They will hire someone from outside who not only charges them more as compared to their own staff but also takes more time to understand their system ... I tried to give some suggestions to my manager because I have worked on this equipment for the last two years. He did not welcome my help at all ... We have delays and interruptions in the service ... The senior management in head office is very angry but this situation is beyond my control. I cannot bypass my boss. I cannot talk to the regional technical manager and tell him that these are the real problems as my boss, who already doesn’t like me, would not like that at all ... I cannot go on for long in this way as the problems are constantly coming and, as a senior team member, I am also responsible for providing the service without any interruption ... The only option in this case is to just wait. I hope the senior management will come to understand this situation themselves.

(participant 38)

4.3.9 Forgiving the harm-doer

The notion of forgiveness surfaced as another alternative pursued by employees to manage the issue of unbalanced employer reciprocity. Used by a very limited number of research participants, the notion of forgiveness did not appear
individually as a stand-alone phenomenon, as employees generally opted for forgiveness in association with their efforts for more reconciliation. One of the three research participants who discussed the notion of forgiveness expressed his viewpoint:

Last week, my colleague who makes fortnightly and monthly sales graphs couldn’t come due to some reason. He called the manager and the manager told him to ask me to make the graphs for this week, but he forgot to tell me … the next day the graphs were not given to the manager as I was supposed to have made them but I got no message from him. The manager became very annoyed … I told him that I received no message from my colleague. He was not satisfied with this and said that it showed my poor communication with other staff members … I couldn’t do anything in that situation. My colleague did not do it on purpose. He apologized to me later on as he had had some emergency … I think, in such situations, one can only ignore or forgive the person. The graphs were very important and he [manager] had to discuss them with the GM sales but in the morning he had nothing.

(participant 33)

In a similar way, the researcher noted in the case of the other two research participants that employees (due to their perceptions of power asymmetry) generally opt for forgiveness in order to avoid further undesirable consequences, particularly when the wrongdoer has a higher status in the organization.

4.3.10 Exercising deviant behaviour

The exercise of deviant behaviour was also observed among the research participants in response to their perceptions of unbalanced employer reciprocity. Although this was not completely helpful as employees practised the deviant behaviour in an apparently unnoticeable manner, it provided them with a certain level of relief from their grievances with the organization. The employees did not
openly exercise the deviant behaviour as, according to them, it could potentially result in further undesirable consequences.

One of the research participants with the perceptions of unbalanced employer reciprocity explained this notion:

I know a colleague who left the company; in fact his contract was terminated. Most of us think that it was totally not his fault ... What he used to do was he became angry or argue with the customers. Sometimes hang up the phone ... a customer talked about this issue to them [quality control staff]. They take this issue very seriously ... They listened to the conversation. The company maintains logs of all the voice recordings for 10 days. It was clear that his behaviour was wrong with the customer and he was immediately fired from the company ... instead of learning something from it, the company became more strict ... The employees had thought that the company would look into the matter so this increased employee anger. They know other ways to take out their anger without being caught and without putting themselves into danger. This is not good for the employees and not good for the company.

(participant 36)

The notion of deviant behaviour was evident in the response of another research participant:

What others [employees] normally do in this case is they make wasteful use of the printer. They will waste printer paper by printing documents which are not required, which are basically unnecessary just in order to increase the expenses of the company and waste its resources ... They will spend more time in the lunch-breaks. Some will not help the customers as much as they can. The customer will not know about this but definitely will not be happy with the quality of the service.
From the perspective of power, the above responses highlight that as a result of their perceptions of power asymmetry, employees generally tend to exercise deviant behaviour in a covert manner, mainly to avoid undesirable consequences from the organization.

4.3.11 Attributing employer reciprocity to managers

The above discussion highlighted different alternatives followed by employees in response to their perceived inability to respond to unbalanced employer reciprocity. As previously mentioned, this perceived inability largely stemmed from employees’ perceptions of power asymmetry and the anticipation of undesirable consequences from the organization. Another theme which emerged in the findings of the study is the high tendency among employees to attribute employer reciprocity largely to their immediate managers or supervisors. Irrespective of the perceptions of reciprocity being balanced or unbalanced, a visible majority of the research participants ascribed the reciprocal practices of the employers to their immediate managers or supervisors. For one research participant:

I report for everything to him [manager] ... they [the employers] do not know me ... whatever good or bad happens to me in this organization, it is decided by my boss ... I listen to him because I need to know about my actual work for the company. It will give me a clear idea of the things on the basis of which my performance will be judged ... a worker has to know what he is supposed to do. He will also expect something from the organization on behalf of the same person.

(participant 6)

The notion of attributing employer reciprocity to immediate managers or supervisors was evident in the response of another research participant:
I cannot talk to the HR manager about the things related to me ... The way it works in this organization is that, at the end of the year the performance evaluation form which is the basis for getting annual increments or any other thing, this form is completed by the department manager. Based on this form, he makes recommendations to the personnel department ... Anything which is decided by him [manager] is followed by them [personnel department].

(participant 29)

4.3.12 Avoiding balancing acts with the managers

Relevant to the above finding (i.e. employees considering their managers responsible for both balanced or unbalanced organizational reciprocity), another pertinent theme was that employees tended to avoid balancing any discrepancy with their managers. According to the research participants, paying back to the managers on a parity basis could result in further undesirable consequences due to the highly probable backlash from the managers. The employees in this case, however, displaced their reciprocation to other more vulnerable members of the organization (e.g. junior coworkers, apprentices etc.)

One of the research participants explained this scenario:

If the service link is down, the customers start calling and complaining. Sometimes they even call in the middle of the night on the managers’ personal cell numbers ... we are in trouble as he calls us very unhappy and says ... What are you doing or why they are calling me at this time? If I have to attend the customers’ call at this time at my number then why is the company paying you? ... No matter how much we tell him that this problem is from the technical side, he will say that’s why you are in customer services, to handle the customers when the service is down or there is any other problem ... There is extreme tension at that time. We cannot say anything to the manager and the customer is also
not willing to listen to anything ... At that time the only thing we can do
is to take our frustration out on the tea boy or on junior colleagues or by
pressing the technical staff to solve the problem quickly ... When this
takes too long and the customers keep on calling again and again and
use very bad language, the only option is to make the telephone line
engaged.

(participant 37)

Another respondent explained the rationale for displacing their aggression onto
the other members of the organization rather than their manager:

In Pakistan do you think that the employee can go against his boss? I do
not have any bad relationships with my boss but let’s say there is
something between me and him, then definitely I cannot do anything.
The reason is very clear. He is more powerful than me and this power is
given to him by the organization.

(participant 31)

From the perspective of power, the above responses highlight the issue that
employees tend to avoid balancing any discrepancy with their managers. This
viewpoint stems from the general perception of the research participants that the
managers are ‘more powerful’ (participant 31) in the employment relationship and
attempting to balance any discrepancy with the managers could possibly result in
further undesirable consequences for them.

4.3.13 Lower tendency to develop perceptions of unbalanced
employer reciprocity among managers

The findings of the research further revealed a lower tendency to develop the
perceptions of unbalanced employer reciprocity among managerial, as compared
to non-managerial, employees. For the managerial staff, the perceptions of
employer balanced reciprocity were stronger due to the extrinsic as well as the
intrinsic rewards they received from the employer. According to the managerial respondents, they deserved these rewards and benefits because of the high value of the services they were providing to the organization. For them, these high value services were largely dependent on the skills and experience which they have gained after a long struggle. According to these managerial respondents, the organizational rewards were high as compared to non-managerial employees because their skills were the major source of profit for any organization and were therefore in high demand in the market. From the perspective of power, these managerial respondents (due to their services being in high demand) had considerable bargaining power to negotiate superior rewards from the organization. These superior rewards in turn strengthened the perceptions of high employer reciprocity among this category of respondents.

According to one managerial respondent:

I have good established links in the market ... I did not have these right from day one. It took me a long period of time to develop these links, which are now helping me during my work and these also contribute to the business goals of the organization.

(participant 10)

The perceptions of a sales manager were similar:

There is huge pressure on me throughout the month, particularly at the end of the month when the sales for the whole month are closing ... I have to manage them [franchises] in my region and make sure that all of them achieve their targets ... as a department head, the responsibility lies with me. In both cases, whether we achieve the monthly targets or not, the senior management will talk to me. They will question me, not my subordinates, as I am heading this department and this makes me responsible for all of its outcomes ... if it goes well, my team and I will be appreciated but if not then it will be only me who will be seen as responsible.
4.3.14 Higher tendency to develop perceptions of unbalanced employer reciprocity among lower level employees

In contrast, for the lower level employees, the perceptions of balanced employer reciprocity were relatively low. According to them, they had made significant contributions to the organization’s operations due to their critical role of direct contact with the customers. Despite this, the organization did not reward them in line with their efforts. One customer-contact employee expressed this perspective as:

They [customer services employees] are the face of any organization. It is they who all day long listen to the customers’ complaints ... We have to listen to them with patience and complete the call in a very polite way, no matter how much rubbish they talk ... My relationship with my family is affected due to the nature of this job ... sitting for more than 8 hours and constantly looking at the monitor screen, while wearing headphones and listening to customer complaints, is not an easy job ... they [managers] do not have to face this terrible situation daily ... their working environment and benefits are far better than ours.

(participant 27)

This prevalent view among the lower level employees was manifest in the response of a customer services officer:

At the end of the month, after having overtime and everything, I get around 28,000 or at the maximum I touch 30,000, which - comparing my work for the whole month - is not sufficient ... If I talk about the managers, ... they are paid 5 times more than the average customer
service officer. In some departments such as sales it is even more than 10 times which is really demotivating ... These people definitely have their own responsibilities but our hard work and difficulties must not be ignored.

(participant 13)

From the perspective of power, these lower level employees (in comparison with the managerial employees with critical skills and knowledge) generally had less bargaining power, as the services they were providing to their organization were readily available in the market. Consequently, these employees did not consider themselves to be in a position to negotiate organizational rewards according to their demands. This perceived inability to actively negotiate organizational rewards ultimately strengthened the perceptions of unbalanced employer reciprocity among this category of lower level employees.

4.3.15 Implications of perceptions of low job mobility

In addition to employees’ positions in the organizational hierarchy, the presumptions of job mobility (i.e. employment prospects in the external job market) further influenced employees’ perceptions of reciprocity. The findings of this research highlight that the presumptions of low job mobility strengthened employees’ perceptions of unbalanced employer reciprocity, ultimately leading to assumptions of breach. This generally resulted from frustration when employees who had a pessimistic perception of their psychological contracts were also not able to foresee other attractive employment prospects in the external job market. Due to the presumption of low job mobility, these employees perceived themselves as more dependent in the employment relationship. These perceptions of disproportionate interdependence in the employment relationship ultimately strengthened the assumptions of power asymmetry among these employees.
According to one customer service representative:

They [company] cannot afford me anymore. They can get the same work for almost half of the salary they are paying to me. I am very expensive for them now ... I never knew after 4 years I would get this reward from my company ... It is not easy for me to get a good job in this short time because of the present market situation.

(participant 26)

For another respondent:

There is a policy that for a department manager, they need a Masters degree, with almost 7 to 10 years of experience and the degree should be Electrical engineering or a Telecoms degree or preferably either of these two degrees with the addition of an MBA. I have done a BBA. I have a good knowledge of the products and customer services but I cannot be promoted higher than shift supervisor in this company due to my education ... The market is already very saturated. If I go for a job in some other company, the chances of getting a better job with more pay are really low.

(participant 11)

As is evident in the above responses, the perceptions of power asymmetry, stemming from the presumptions of low job mobility, largely prevented employees from actively negotiating organizational rewards according to their demands. This perceived inability to actively negotiate organizational rewards ultimately strengthened the perceptions of unbalanced employer reciprocity among these employees.
4.3.16 Summary of reciprocity findings

This section presented the research findings concerning the assumption of reciprocity in the psychological contract literature. The results highlighted the prevailing tendency among the research participants to develop the perceptions of unbalanced employer reciprocity. In comparison with managerial employees, this tendency was relatively high in the non-managerial employees due to their perceptions of the fewer rewards they received despite the critical value of the services, they assumed, they were providing to the organization. The research findings further revealed the inclination among employees to perceive that their psychological contracts were largely established on a non-reciprocal basis. They attributed these perceptions to their presumptions of power asymmetry or disproportionate interdependence in the employment relationship preventing them from responding to the employer’s inducements on a reciprocal basis.

In order to cope with the issue of their perceived inability to respond to the employer’s inducements on a reciprocal basis, however, the respondents opted for other possible alternatives (e.g. development of negative attitudinal reciprocity, withdrawal of positive discretionary behaviours etc.) The research findings further illustrated that, even though employees tended to attribute the employer reciprocity principally to their managers or supervisors, they generally avoided balancing any discrepancy with them. For the research participants, this could possibly result in further undesirable consequences as a result of a highly probable backlash from the managers. In such situations, employees demonstrated the tendency to displace their negative reciprocity to the more susceptible members of the organization or, in some cases, to the customers of the organization. Finally, the impressions of low job mobility were also observed to be significantly associated with employees’ perceptions of unbalanced employer reciprocity.
4.4 Agency

4.4.1 Introduction

This section illustrates the results of the current study concerning the notion of agency in the psychological contract literature. Based on the research findings, different classifications of organizational agents are discussed (e.g. primary agents, secondary agents, multiple agents, incumbent agents etc) The notion of the trustworthiness of organizational agents also emerges as a prominent theme. The results indicate that this trustworthiness is largely based on the agents' ability to explicitly communicate the organization’s expectations and the rewards/punishments associated with the fulfillment/non-fulfillment of these expectations.

The results of the study point towards another electronic agents’ typology on the basis of the non-human nature of the organizational agents. According to the respondents, these agents have a largely coercive influence on their psychological contracts. The results indicate that these perceptions of coercion mainly stem from employees’ presumptions of diminished trust in the employment relationship. The study findings also emphasize the significant role of line managers as the primary agents of the organization. Finally, the results focus on employees' attempts of making upward influence in order to achieve their objectives associated with the employment relationship.

4.4.2 Primary and secondary agents

The research findings highlighted a significant relationship between the notions of power and agency. The current research conceptualizes power to be embedded in the interdependent relationships between employees and organizational agents. Based on this conceptualization of power and the findings of the study, the researcher classifies the notion of agency into two major categories i.e. primary
and secondary agents. This classification is largely based on the practices of the different representatives of the organization (i.e. organizational agents) that influenced their interdependent relationships with employees on either a transactional (i.e. primary agents) and/or a relational (i.e. secondary agents) basis. In other words, the primary agents focused on monetary rewards (e.g. salary, bonus etc.), while the secondary agents emphasized non-monetary rewards (e.g. mentoring, employee recognition etc.) in order to influence employees. From the perspective of psychological contracts, the primary agents tended to promote the development of transactional contracts among employees. In contrast, the secondary agents influenced employees’ psychological contracts on a relational basis.

The results of the study illustrated the principal influence of the primary agents in employees’ psychological contracts. This influence largely stemmed from employees’ major concern about the material rewards associated with their employment relationship. The response of an interviewee clearly represents this notion:

He [manager] is basically the person, as a matter of fact the key person, for any person in an organization ... [because] he is the main person in charge of the most important issues, such as my pay, annual leave, medical, everything ... If any person is not in good standing with his boss, if he is not able to make a good relationship with the boss or the boss is not happy with him, then definitely that person is in trouble.

(participant 6)

The results of the study further highlighted the limited influence of secondary agents in comparison with primary agents of the organization. Despite this relatively limited influence, the respondents nevertheless idiosyncratically acknowledged the important role of secondary agents in their psychological contracts. The research participants recognized the significance of secondary agents due to their assumptions regarding these agents as an important source from which to understand the expectations of the organization. According to the
respondents, the role of secondary agents was important because of certain limitations in their ability to completely understand the organizational expectations from the primary agents of the organization.

This notion was illustratively evident in the response of a research participant:

As an individual, I may be informal and share some personal things with them [co-workers] or seek their opinion or advice on the important issues related to the company ... It is very difficult to go this way with the boss. There is always some distance, some level of formality between the boss and the other people. He will never behave like a friend or a buddy. He simply cannot, because he has to take work from his subordinates ... in their [colleagues] case, like I have a colleague Rashid in my department. He is senior to me, but other than that we are also very good friends ... he is only my senior but not my manager because I do not report to him but still I give considerable weight to his advice. First of all he is far more experienced than me and also I have high trust in him as a very sincere person.

(participant 17)

The above response is representative of the issue that employees, in order to understand the organization’s expectations, considered themselves dependent not only on the primary but also on the secondary agents of the organization. The role of secondary agents was significant due to different limitations in completely understanding the employer’s expectations from the primary agents of the organization.

4.4.3 Multiple agents

The analysis of the findings pointed towards another typology of multiple agents, in addition to the previously discussed classification of primary and secondary agents. This typology surfaced in relation to employees who were simultaneously
employed with multiple employers. The multiple agents’ typology was particularly evident in the case of organization C, which employed about 30 per cent of the customer services staff on a part-time basis. Due to the perceptions of being a peripheral workforce and having a relatively limited relationship with the employers, the psychological contracts of these employees were largely transactional in their orientation. For these employees, the tendency to develop transactional contracts with multiple employers, rather than resulting from the non-fulfillment of high expectations, largely stemmed from the moderate expectations originally limited to the transactional level. As these employees were simultaneously employed by more than one organization, this spread the risk for them as they were not completely dependent on any one employer for their employment.

In addition, because of their transactional nature, the psychological contracts of these employees were mainly influenced by the distinct primary agents representing their employers. With a significant emphasis on the monetary rewards, these employees largely focused on the primary agents in order to achieve the transactional objectives associated with their interdependent employment relationships. This ultimately resulted in a very limited possibility of any noticeable influence on these employees from the secondary agents of the organization. One of the research participants expressed this scenario:

Here [in call center], I have a good hello, hi with other people but I have not have a very strong relationship with other staff members because I come here only for two days [per week] ... I do not have much interaction with other people because on weekends there are different people and most of them are working part-time like me. It is the same with my other job [WAPDA] ... I spend approximately two hours each day if I work non-stop ... some of them [other data entry operators] are students. Some are doing a second job like me and some are running their own small business. Everyone is busy and wants to finish the work as soon as possible because this is just a part-time job.

(participant 28)
4.4.4 Incumbent agents

In addition to the primary-secondary and multiple agents’ typologies, the incumbent agent’s classification emerged as another scheme in the domain of agency. The incumbent agent’s typology was pertinent in the case of employees who were transferred from one department to another within the same organization. The researcher refers to this classification of organizational agents in the context of those research participants who modified their perceptions of primary agents on the basis of their assumptions about their current manager. Although the applicability of the incumbent agents’ typology is relatively limited, as a very small number of employees experienced this phenomenon, a consistent pattern emerged during the analysis of the data from these respondents.

For the research participants belonging to this category, the change in formal reporting authority within the same organization did not influence their perceptions of secondary agents. However, the change in the formal reporting authority of an employee from one manager to another altered the perceptions of the employee’s psychological contract through the replacement of the previous department manager as a former primary agent with the new department manager as a current primary agent of the organization. This notion of incumbent agent is evident in the response of one research participant:

I still have interaction sometimes with him [previous manager] but not that much because I am not working in that department now. I have contact on a daily basis and have meetings on almost a once a week basis with my new boss ... my personal links within this company are still the same. I have friends. I meet the same way with them as I used to do before ... most of them are from my previous department. We cannot see each other as frequently as in the past, but our relationship is still the same. There is no change in it.

(participant 21)
The above response also highlights the issue that employees consider themselves as more dependent on the current department manager in order to understand organization’s expectations, ultimately supporting them (employees) to achieve the objectives associated with their interdependent employment relationships.

4.4.5 Implications of trustworthiness

The trustworthiness of an individual also played an important role in developing the perceptions of the respondents regarding the agents of the organization. This trustworthiness of organizational agents was largely based on their capability to effectively communicate to employees the organization’s expectations and the resulting rewards/punishments associated with the fulfillment/non-fulfillment of these expectations. One of the research participants expressed this notion as:

I am recently promoted as a team leader ... the role of my manager is really helpful in this whole process ... he told us very basic things, for example how to plan different tasks. How to give priority for them, especially how to decide between the urgent task and the important task ... most of the time we have to do many things at once and all of them are important but we have to decide which one to do first and which one to do later on. These are the things which make the bosses unhappy or happy, if we do them according to their preferences, according to the way they want, and not the way we want. This is the mistake which people mostly make. They work very hard but they do not set the priorities of the things according to the requirements of their manager. This is the reason that even after all their hard work, their managers are still not happy with them. I always listened to the instructions of my manager very carefully. It is always a very reliable guide.

(participant 30)

The above response highlights the significance of individual trustworthiness in the process of agent determination. The notion of trustworthiness is vital as it
strengthens employees’ perceptions regarding their dependence on particular organizational members in order to achieve the objectives associated with their interdependent employment relationship.

4.4.6 The relational influence of primary agents

The results of the study further revealed the relational influence of those primary agents who played the additional role of secondary agents in employees’ psychological contracts. In this context, employees appeared to be highly receptive to those primary agents who also focused on relational (in addition to transactional) rewards.

This notion was evident in the response of a research participant:

I still remember, my experience of working there [previous organization] was a nightmare ... at that time, I had only theoretical knowledge from books. I needed some practical experience ... my seniors never helped me in getting that. Whenever they were installing something or doing something technical, they gave me some useless task and made me sit in the other room. They wasted my six months this way. I learnt nothing, just wasted my time ... The thing which I really like in him [current manager] is that he never hides anything ... The seniors in my last organization, when I was doing an internship, were afraid that if I had some technical knowledge, I would take their jobs and they would be fired by the company ... In this company, there is an environment which is very straight-forward ... the seniors are cooperative and share their knowledge with the juniors without any hesitation, and this they have learnt from the manager, who is like this ... I really appreciate all these things because the more someone has technical knowledge, the more he has market value.

(participant 24)
Similar to the viewpoint of other research participants, this response highlights a considerable increase in the influence of primary agents who, in addition to the mere distribution of transactional rewards, also encouraged the development of relational dimensions in employees’ psychological contracts through their additional role as secondary agents. This increased influence had implications from the perspective of interdependence of employee–employer’s objectives associated with the employment relationship. On one hand, it resulted in a healthy influence on employees’ psychological contracts due to the perceptions of adequate acknowledgement and commensuration of their contributions and, on the other hand, it had a positive effect on the organization’s operations due to increased employee motivation.

4.4.7 Criteria for perceived primary agents

The results of the study further highlighted the general criterion used by the respondents in order to recognize a particular organizational member as a primary agent of the organization. This criterion was largely based on two key assumptions. First, the organizational member had the capability to distribute or withhold organizational rewards. Second, that particular organizational member had an active tendency to use that capability. In most of the cases, employees assumed their senior managers, immediate managers or supervisors as the primary agents because they perceived them not only as capable of distributing or withholding organizational rewards but also observed an active tendency to use this capability among them.

Based on this rationale, for some research participants, the immediate supervisors rather than the senior department managers, served as the primary agents in their psychological contracts. This scenario was evident in one of the responses:

We do not report to the manager directly ... The manager, instead of talking to each of the front desk staff on a one to one basis, talks to the shift supervisors ... The shift supervisor has no formal powers, but for most of us he is a very important person because the manager, he knows only what the shift supervisors tell him about us during the
meeting ... his feedback is totally based on the reports which are given to him by the shift supervisors. That is the reason they are really important to me, although they have less power than the manager. On paper, they have no power but in reality they have the actual power because everything depends on what they report to the manager.

(participant 32)

This interview excerpt provides a pertinent representation of the theme that, for the primary agents, employees not only consider the capability of distributing or withholding organizational rewards but also the active tendency to use that capability.

4.4.8 Electronic agents and their coercive influence

The psychological contract literature is largely based on the conceptualization of organizational agents in the human context. Extending this notion of agency, the findings of the current research highlight the significant but ignored implications of non-human agents in employees’ psychological contracts. Referred to as the ‘dead labour’ by Beirne et al. (2004, p. 99) and electronic agents of the organization by the researcher, the research participants, although to a varying extent, acknowledged the influences of these agents, largely from a coercion perspective.

For one research participant:

These cameras are everywhere. Now we are sitting here [canteen] but there is no reason for the cameras in this place. It is very irritating. It looks like somebody is secretly looking ... where all the customer service staff sits, there may be some reason for the cameras in the main hall. That is understandable because the managers need to make sure the staff are working properly or not. They can monitor our computer systems from their own computers through the software ... They can check on us in so many ways: what time we swipe our card to check our
arrival time in the office, the time we leave the office, then there are telephone logs, there is recording of telephone calls, there are so many other things. The company has to check us, but in places like this there is no need of cameras. We come here in our free time and we want to be relaxed during this time but as you can see this one and this one right over our heads, it makes no sense ... The precision of these cameras is so high that they can see what someone is typing on his mobile phone.

(participant 33)

Similarly, for the other research participants, even though electronic surveillance was imperative to some degree for the efficient execution of organizational operations, the excessive and unnecessary use of these monitoring devices led to an unwelcome intervention in their privacy. This ultimately resulted in the development of employees’ perceptions of contract breach due to their assumptions of organizational spying. According to the respondents, the organization needs to carefully prescribe boundaries for the use of electronic surveillance equipment as otherwise it might imply the organization’s lack of trust in its employees.

The perception of coercion fuelled by the electronic agents of the organization was evident in the response of another interviewee:

There should be some consideration of employees’ privacy but our company really doesn’t take care of it ... They should not intervene in my privacy. It is not understandable why the company does that, because the CCTVs show very clearly [what we do] so why is the company so sceptical about us or what doubts do they have in their mind about us?

(participant 13)

For the other research participants as well, the affects of these electronic agents were generally coercive, resulting in perceptions of contract breach. However,
unlike the general tendency among employees to attribute coercion primarily to their managers, the respondents explained it as ‘... a company policy or an industry practice ...’ (participant 33) which was beyond the control of their managers.

Generally employees have a tendency to attribute perceptions of contract breach to different human agents (e.g. managers, supervisors, senior managers etc.) In the case of electronic agents, however, employees tended to attribute the surveillance-led breach to the overall organization rather than to these non-human agents. This ultimately had a negative influence on their psychological contracts established with the organization without a noticeable effect on their perceptions of exchange with other human agents of the organization. The psychological contract literature generally assumes that the perceptions of employees’ psychological contracts established with their organization are principally dependent on the organizational agents as the contract-makers. However, the case of electronic agents presents an atypical scenario in which employees develop a pessimistic perception of their psychological contract with the overall organization without attributing it to any particular human agent. Figure 4.1 presents a hierarchical arrangement of the different typologies discussed in relation to the notion of agency.

![Agency typologies](image)

**Figure 4.1: Agency typologies**

**Source:** Developed for the thesis
4.4.9 Perceptions of limited coercion from human agents

In comparison with the perceptions of coercion by the electronic agents of the organization, there was relatively limited evidence of the assumptions of explicit coercion by the human agents (i.e. any formal act of reprimand or reprisal by the organization) among the research participants. This is because employees themselves appeared to strive for better performance, not in order to avoid organizational coercion or punishment but to reap additional rewards from their employment relationship. Alternatively for them, coercion primarily implied not collecting proportionate rewards, rather than receiving any explicit punishment from their managers.

This viewpoint was evident in the response of a research participant:

Most of us put our efforts into making a good impression on the managers as a reliable person … I cannot see anybody in this organization who is careless or non-serious doing his job irresponsibly … There was a guy working over here. His behaviour was clearly not responsible … He was given several warnings in the beginning but nobody knows what was in his mind. He did not take those warnings seriously. After three months, when his probation period was over, the company said sorry to him and did not offer him a permanent job … I was very surprised by his attitude because I was struggling for a better salary and everything and that’s why I tried to do my best but he was doing exactly the opposite. Even after several warnings, he did not change his behaviour.

(participant 29)

From the perspective of power, this interview response also depicts the employers’ tendency to influence their interdependent relationships with employees on the basis of distributing or withholding organizational rewards.
through the primary agents of the organization. This observation further endorses the significant role of the primary agents, as employees generally consider themselves more dependent on these agents in order to achieve their transactional objectives associated with the employment relationship.

4.4.10 Line managers as primary agents

Relevant to the primary–secondary agents’ typology, another research finding which supported the significant role of line managers as the primary agents of the organization was their active and predominant participation not only in their own domains but also in the human resource functions of the organization. As a result of the influence of the line managers even in human resource decisions, the role of human resource managers, according to employees, was symbolic and relatively insignificant. Consequently employees considered their line managers as considerably more powerful than the human resource managers in influencing their interdependent employment relationships.

According to a research participant:

My major, I would say basic, connection with the company is through my boss ... I never saw any human resource staff attending these [departmental] meetings. This shows their working which is really very limited. If they do not work, it doesn’t make any big difference ... I do not get what they actually do because for each and every thing I have to talk to my manager. If it is overtime or any other thing, I have to talk to him ... the manager approves my holidays or the overtime and then I pass on this approval to the human resources department. They take a print of it and save the hardcopy in the files. This is what their job is ... If they issue any other formal letter to an employee again this is as per the instructions of the manager. Whatever the manager requires, they cannot change one comma in it.

(participant 29)
The notion of the significance of the line managers as the primary agents, partially strengthened by the limited role of the human resource managers, was evident in another response:

I had only one proper interaction with human resources when they called me for the written test for this job. The testing of the candidates was carried out by them. After that they gave the CVs of the shortlisted candidates who passed the test to the manager and [their role was] finished. That is their total role in my whole job ... I cannot see any of their role in my job or in the job of anyone else other than that.

(participant 14)

4.4.11 Employees’ upward influence

Regarding the notion of agency, the research findings further highlighted that not only the organizational agents but also the employees attempted to influence their interdependent employment relationships. For the organizational agents, the capability to distribute or withhold organizational rewards appeared to be a major source of influence. In contrast, employees attempted to influence the organizational agents largely on the basis of developing personal or informal relationships with them. This influence, in addition to helping employees achieve their largely transactional objectives, also supported them in further strengthening their connections with the organizational agents. Discussed in the relevant literature as a notion of upward influence (McAlister and Darling, 2005), the respondents generally demonstrated this tendency as an attempt to contribute to important organizational decisions and also to support their material objectives by harvesting additional rewards associated with the employment relationship.

This notion was evident in the response of a research participant:

The higher someone has got links in the company, the more his chances are of becoming permanent … Last month they made some permanent postings and I tried for these … I was not made permanent … The
problem is that I cannot do flattery. I focus on my work but the others are very good at buttering up their bosses ... some of my juniors, who joined the company after me, are working in the central region as permanent staff in senior posts to me. They are working with them [senior managers] at head office and they are listened to when the managers take any major decision.

(participant 9)

From the perspective of upward influence, the employees relied heavily on developing and promoting their knowledge and skills in order to develop their credibility in the organization. This credibility ultimately supported employees to achieve their transactional objectives associated with the employment relationship. The accomplishment of these transactional objectives was supported not only through increasing the dependence of the current employer due to their higher perceived credibility, but also through enhancing future employability prospects with the current and the other potential employers.

According to one research participant:

Everyone in the retail section wants to come into this [corporate] section because here we have to deal with a very limited number of customers as compared to the retail and also the customers are far better because they are from business ... Working in the corporate section provides good exposure in the market. It has good job prospects as compared to retail and it is very helpful in making good links with other companies ... I was promoted in this department, as my last working was satisfactory. I had a very good reputation with the manager, who is basically in charge of both the retail and the corporate sections. The manager knew that I could handle corporate clients and the pressure of this department ... I had good relations with him and I also showed him that I was interested to work in this department.

(participant 15)
This observation also echoes the previous research finding in the context of employability. As noted, the increased credibility acquired on the basis of expert knowledge and skills supported employees in their interdependent employment relationships in a twofold manner. On one hand, it reduced their dependence on the current employer through enhancing their employability prospects. While on the other hand, it increased the employer’s dependence on them. Alternatively, from the perspective of power in terms of relational interdependence, the increased credibility had dual implications as in addition to reducing employees’ dependence on the employer, it also increased the employer’s dependence on them.

4.4.12 Summary of agency findings

This section presented the study findings concerning the notion of agency in the psychological contract literature. The results highlighted the different classifications of the notion of agency (e.g. primary agents, secondary agents, multiple agents, incumbent agents etc.) The notion of agents’ trustworthiness in the context of explicit communication also emerged as an important theme. As already discussed, this trustworthiness was largely based on the agents’ ability to explicitly communicate the expectations of the organization and the rewards/punishments associated with the fulfillment/non-fulfillment of these expectations.

Augmenting the understanding of agency which is largely conceptualized from the human perspective, the research findings pointed towards the noticeable implications of the electronic agents of the organization. For the research participants, these agents principally had a coercive influence on their psychological contracts. The research findings highlighted that these perceptions of coercion were mainly associated with employees’ presumptions of diminished trust in the employment relationship. The results of the study also elaborated on the significant role of line managers, in comparison with human resource managers, in being considered to be the primary agents of the organization.
Finally, the results highlighted employees’ attempts of making upward influences in order to achieve their objectives associated with the employment relationship. In this respect, employees focused on developing their credibility through expert knowledge and skills. This credibility generally enhanced employees’ bargaining power in a twofold manner as, in addition to reducing their dependence on the employer, it also increased the employer’s dependence on them.

4.5 Chapter summary

This chapter elaborated on the findings of the current study concerning the assumptions of mutuality, reciprocity and agency in the psychological contract literature. Undermining the conceptualization of establishing mutuality on an implicit basis, the results highlighted the notion of indeterminacy between employees and the employer. The results also illustrated the employers’ tendency to influence employees’ perceptions of mutuality in favour of the organization. The research findings pointed towards different issues (e.g. employees’ concern regarding training, and job flexibility) that promote employees’ perceptions of biased mutuality in their employment relationships. Under the influence of perceptions of biased mutuality, employees therefore made efforts to enhance their employability prospects. In order to enhance their employability, employees generally focused on developing and promoting their knowledge and skills. From the perspective of power, this enhanced employability supported employees in a dual manner as, in addition to reducing their dependence on the employer, it also increased the employer’s dependence on them. The final section elaborated on the issue of divergence in the perceptions of mutuality between employees and managers.

In relation to reciprocity, the research findings highlighted the greater tendency among employees to develop perceptions of unbalanced employer reciprocity. In addition, and consistent with the previous research finding regarding the development of relatively low perceptions of mutuality in non-managerial employees, those research participants who had comparatively weak perceptions of reciprocity were largely non-managerial. Irrespective of the differences in the
assumptions of reciprocity among the managerial and the non-managerial employees, the respondents generally did not perceive their employment relationship as being established on a reciprocal basis. The results further highlighted that these perceptions were principally associated with employees’ presumptions of disproportionate interdependence or power asymmetry in the employment relationship, preventing them from responding to employer’s inducements on a reciprocal basis. Employees did not tend to reciprocate not only because of their perceptions of disproportionate interdependence, but also to achieve their personal objectives associated with the employment relationship.

Because of their perceived inability to respond to the employers’ inducements on a reciprocal basis, employees pursued other alternatives (e.g. developing negative attitudinal reciprocity, withdrawing positive discretionary behaviours etc.) Another major finding pointed towards the considerable tendency among employees to associate employers’ reciprocal practices mainly with their immediate managers or supervisors. The respondents, however, tended to avoid balancing any discrepancy with their managers or supervisors. According to the respondents, this could result in further undesirable consequences for them because of the prevailing power asymmetry between themselves and their managers. The respondents in such situations, however, opted to displace their negative reciprocity to the more vulnerable members of the organization and in some cases to the customers of the organization. Finally, the impressions of less job mobility were also observed to be significantly associated with employees’ perceptions of unbalanced employer reciprocity.

Concerning the notion of agency, the results of the study highlighted different classifications of organizational agents (e.g. primary agents, secondary agents, multiple agents, incumbent agents etc.) The issue of agents’ trustworthiness in the context of explicit communication also emerged as an important theme. The results illustrated that this trustworthiness was largely based on the agents’ ability to communicate explicitly the expectations of the organization and the rewards/punishments associated with the fulfillment/non-fulfillment of these expectations. Augmenting the understanding of the notion of agency which had
been conceptualized mainly from the perspective of human agents, the results pointed towards noteworthy implications in relation to the electronic agents of the organization. For the respondents, these agents had a largely coercive influence on their psychological contracts. The findings of the study illustrated that these perceptions of coercion principally stemmed from employees’ presumptions of diminished trust in the employment relationship.

The research findings further illustrated the significant role of line managers, who were considered as being the primary agents of the organization. Finally, the research findings elaborated on employees’ attempts of making upward influences in order to achieve their objectives associated with the employment relationship. From the perspective of making upward influence, employees mainly focused on developing their credibility through expert knowledge and skills. This credibility in turn enhanced employees’ bargaining power in a dual manner as, in addition to reducing their dependence on the employer, it further increased the employer’s dependence on them.
Chapter 5

DISCUSSION
Chapter 5

Discussion

5.1 Introduction

This chapter discusses the findings of the study in the context of the relevant literature. The first section of the chapter focuses on the assumption of mutuality in the psychological contract literature. The discussion begins by highlighting the issue of indeterminacy between employees and the employer as key to undermining the presumption of an implicit mutuality. In addition to the assumption of mutuality established on an implicit basis, the issue of biased mutuality in favour of the employer is highlighted. In this context, the discussion focuses on different issues (e.g. employability, job flexibility, training and career development) that promote employees’ perceptions of biased mutuality in their psychological contracts. Consequently, employees in order to manage their bargaining power in the employment relationship make efforts to decrease their dependence on the employer and increase the employer’s dependence on them. The limitations in Rousseau’s (2001) conceptualization for promoting employees’ perceptions of mutuality are then highlighted. The last part of the discussion focuses on the issue of divergence between the employees’ and the managers’ perceptions of mutuality.

5.2 Mutuality

5.2.1 Indeterminacy in employment relations

The psychological contract literature places significant emphasis on an assumption of mutuality which is largely implicit in nature (Dabos and Rousseau, 2004; Rousseau, 2011). In contrast, other researchers argue that in reality the assumption of mutuality does not play out to the extent that is theoretically assumed (e.g. Dulac et al., 2008; Guest et al., 2010; Jun Je et. al., 2012). Even
though these studies do not specifically gauge the notion of an implicit mutuality, their findings clearly indicate the absence of such mutuality, as otherwise the majority of their results (endorsing the existence of an implicit mutuality) would logically have pointed towards psychological contract fulfillment. Consistent with the argument of Rodrigues and Guest (2010, p. 1158), the researcher emphasizes ‘an evidence-based approach, reflecting the need for a stronger empirical basis on which to evaluate the claims’ (e.g. implicit mutuality in this case) underpinning the psychological contract theory.

Taking into account, the diverse social as well as economic dimensions, the indeterminate nature of complex employment relationships is generally recognized in the relevant literature (e.g. Atkinson et al., 2014; Hamilton, 2001; Kessler et al., 2013). Researchers argue that this indeterminacy begins at the start of the employment relationship in the form of the employment contract (e.g. Deakin and Njoya, 2008; Edwards, 1995; Hyman, 1975; Suazo et al., 2011). The argument of these researchers echoes the viewpoint of Baldamus (1961) that ‘the formal wage contract is never precise in stipulating how much effort is expected for a given wage (and vice versa).’ (p. 35). In relation to the psychological contract, Cullinane and Dundon (2006) also acknowledge the existence of the notion of indeterminacy by attributing it to the ‘indeterminate interactions between two parties: employer and employee’ (p. 115). Atkinson et al. (2014, p. 13) state that the disagreements resulting from this indeterminacy in employment relationships generally result in perceptions of the ‘breach of the psychological contract’.

The implications of the notion of indeterminacy, undermining the assumption of an implicit mutuality can be further seen in the concept of collective bargaining. Researchers argue that collective bargaining arrangements provide support to overcome indeterminacy, a phenomenon ultimately leading to disagreements in employment relationships (e.g. Kessler et al., 2013; Towers, 1997). Flanders (1970) emphasizes the significance of collective bargaining arrangements as an effective solution to promote mutuality and to reduce disagreements, by arguing that these arrangements ‘are needed in the first place to reduce uncertainty and
ambiguity in the relations between the parties’ (p. 205). According to Towers (1997), collective bargaining arrangements minimize uncertainty by ‘establishing both rights and obligations in a web of rules’ (p. 302).

However, despite all these suggested efficiencies, Hamilton (2001) argues that ‘the process of collective bargaining is indeterminate’ (p. 439). This is because, in spite of their explicit nature, ‘the outcomes of management–union negotiations are not predictable’ (Martin, 1992, p. 105). Similarly, Arrowsmith and Marginson (2011), from the perspective of different pay schemes for employees, state that collective bargaining arrangements have not been able to successfully promote mutuality in employment relationships. It appears therefore as very challenging to conceptualize mutuality, according to Rousseau’s (2011) view, not only on an implicit basis but also at the level of ‘objective accuracy’ (p. 197).

This argument is further supported by the inherent complexities in the conceptualization of the psychological contract. The collective bargaining arrangements are explicitly negotiated, established between two clear parties (i.e. employees and the organization), and are relatively objective and stable in nature (Fox, 1985; Hayter, 2011). Despite all these features, such arrangements are not completely capable of inducing mutuality and predicting the outcomes of the employment exchange (Hamilton, 2001; Martin, 1992). In contrast, psychological contracts are implicit, established between one clear (i.e. the employee) and another vague party (i.e. the employer comprising different agents), on a one-to-many basis (i.e. one employee and many vague agents of the organization), are also highly subjective and dynamic in nature as they are shaped by the daily interactions between employees and the different representatives of the organization (Conway and Briner, 2009; Guest et al., 2010; Herriot and Pemberton, 1997).

In spite of all these limitations, or at least complications, the psychological contract literature has generally acknowledged the notion of an implicit mutuality without any empirical scrutiny and based its empirical investigations on such an unrealistic assumption (see Conway and Briner, 2009; Guest, 1998; Guest et al.,
2010; Shore et al., 2012 for a few theoretical exceptions). The tendency to follow this assumption without having a considerable level of empirical support is reflected in the way that, since the pioneering work on the notion of the psychological contract by Argyris (1960), no specific study has attempted to investigate practically the notion of an implicit mutuality (Conway and Briner, 2009).

5.2.2 Implications of rhetoric

As is clear in the findings of the current study and as argued in the above discussion, the notion of an implicit mutuality does not appear to be highly relevant to practical employment conditions. Because of its radical disagreement with the prevalent psychological contract literature, the researcher’s argument logically raises the question of why the relevant research predominantly and consistently followed this tradition. A meta-analytic review of the relevant literature provides support to answer this question by attributing this tendency to rhetoric rather than a reality-based academic discussion. Schoeck (1986) argues that rhetoric has consequences in ‘most, if not all, of the spheres of human public activity’ (p. 25). Foss et al. (1991) posit that, with the background of mutuality, employment arrangements are a good example to use for the study of rhetoric.

Similar with other disciplines, rhetoric in organizational behaviour refers to the ‘under examination, either denoting emptiness or as a contrast with reality’ (Hamilton, 2001, p. 433). According to Friedman (1977), rhetoric is an ubiquitous feature as its influences can also be observed in the domains of performance management (Bowles and Coates, 1993; Pollitt, 2006), managerial attitudes (Mamman and Rees, 2004; Poole and Mansfield, 1992; Vallas, 2003), industrial relations (Clarke, 1996; Clarke and Patrickson, 2008), personnel management (Sisson, 1994), social partnerships (Ackers and Payne, 1998; Googins and Rochlin, 2000; Selsky and Parker, 2005) and employee mobility (Hallier, 2009). The domain of the psychological contract is not an exception (Cullinane and Dundon, 2006; Guest et. al., 2010). Hallier (2009) from the perspective of power asymmetry, particularly in case of the larger category of lower level employees,
argues that rhetoric in the domain of the psychological contract has limited ‘relevance to the practices of most organizations and the work reality encountered by the majority of workers’ (p. 847).

Furthermore, the relevant literature is overwhelmed with assumptions of increased individualism and the escalated sensitivity of contemporary employees to employability rather than job security (e.g. Arthur and Rousseau 1996; Briscoe et al., 2012; Grimshaw and Rubery, 2010; Rubery et al., 2010; Singh, 1998; Sullivan and Arthur, 2006). This research does not challenge the validity of these claims, but there are concerns about the pace at which such changes and their effects on contemporary employment arrangements are projected. Cullinane and Dundon (2006, p. 123), consistent with the later emphasis of Rodrigues and Guest (2010), argue that the psychological contract literature appears to acknowledge these claims ‘with very little scrutiny’ (p. 123). According to Thompson and McHugh (2002) these claims are a consequence of exaggeration and over-generalizability, stemming from the prevailing tendency among researchers to emphasize the changes in employment relations over the past few decades.

Hallier (2009) considers these claims as an effort to:

legitimize [the] so-called “new” psychological contract [which] differs
from the established concept propounded by Argyris (1960) and
MacNeil (1985), in that it refers to a managerialist version of the
employment relationship which is not only normative but also which
eschews many of the essential features of contracting, such as
mutuality, reciprocity, voluntariness.

(p. 852, quotation marks in original)

Watson (2004) maintains that the use of language, whether rhetorical or realistic, enables us to create realities. Extending the argument of Watson (2004), Cullinane and Dundon (2006) raise the issue that unfortunately the use of rhetorical language in the psychological contract literature has created ‘an orthodoxy’ that, rather than illuminating, further obscures the reality of the employment
relationship (p. 124). Supporting this viewpoint, Inkson and King (2011) argue that (with the exception of the smaller category of managerial, professional and knowledge workers who have significant powers in the employment relationship) the rhetoric of ‘new careers’ in the psychological contract literature has limited relevance to the larger category of ‘lower-level workers’ (p. 42).

The above discussion helped in answering the question of why the relevant research followed the ideology of an implicit mutuality, by attributing it to the notion of rhetoric. However, this in turn raises another question: what motivated the majority of the research to opt for this rhetorical tradition. Hamilton (2001, p. 435), consistent with the later endorsement of other researchers (e.g. Clarke and Patrickson, 2008; Colye-Shapiro and Shore, 2007; Cullinane and Dundon, 2006; Hallier, 2009; Inkson and King, 2011; Shore et al., 2012), explains this issue as, ‘since management is the dominant party within employment relationships, it is therefore perhaps unsurprising that it is management’s rhetoric that is typically referred to’. According to Kirkbride (1992), rhetoric is a device used by management to influence union relations and achieve other objectives, such as ‘legitimizing principles, signalling a group’s possession of and potential use of resources, masking a group’s relative power, and as a source of power in itself, in terms of a skilled orator being able to advance a case’ (p. 77). This argument is further extended by Thompson and McHugh (2002) to consultancy firms and researchers who, in collaboration with the dominant managerialist research agenda, have attempted to market their own ideological products.

Similarly from the perspective of rhetoric, Rodrigues and Guest (2010, p. 1157) raise concerns about the claims of other researchers (e.g. Arthur, 2008; Briscoe and Hall, 2006; Rousseau, 1995; Sullivan and Arthur, 2006) regarding the ‘collapse’ of the traditional employment relationship. The critique of Rodrigues and Guest (2010) echoes the concern of Sisson (1994) who, while discussing the issue of rhetoric and reality, responds to these claims as a soft-centered doublespeak by management in order to mask the hardships experienced by employees beginning from the same era of 1980s. He clearly equates terms like ‘flexibility’, ‘employability’, ‘customer first’ and ‘lean production’, promulgated
under the influence of the management-oriented research agenda, with ‘no employment security’, ‘management can do what it wants’, ‘market forces supreme’ and ‘mean production’ (Sisson, 1994, p. 15).

Similarly, Keenoy and Anthony (1992) maintain that the psychological contract literature tends ‘to transform, to inspire, to motivate, and above all, to create a new (unitarist) “reality” which is freely available to those who choose or are persuaded to believe’ (p. 235). Cullinane and Dundon (2006) agree with the concern of Keenoy and Anthony (1992), suggesting that ‘the so-called benefits and claims [regarding the new employment contract] are presented in such a reified state that they appear as natural laws [rather than as] the engendered products of powerful societal agents’ (p. 124). Consistent with the critique of other researchers (e.g. Arnold and Cohen, 2008; Feldman and Ng, 2007; Guest et. al., 2010; Hallier, 2009), Rodrigues and Guest (2010, p. 1158) therefore emphasize ‘a stronger empirical basis on which to evaluate the claims [regarding the emergence of the] new deal’.

5.2.3 Employer oriented rhetoric

The above discussion highlighted the issue of employer-oriented rhetoric in the domain of the psychological contract. The following section elaborates on the different dimensions of this rhetoric (e.g. employability, flexibility, training and career development opportunities) with implications from the perspective of power dynamics in the employment relationship.

5.2.3.1 The employability issue

From the perspective of employability, there is a general assumption that contemporary employers, in order to encourage employees’ perceptions of mutuality, support them in enhancing their employability prospects (Ellig, 1998; Sullivan and Arthur, 2006). According to Ghoshal et al. (1999), as a reward for loyalty, employers tend to invest in their employees with the objective of promoting their marketable talents. Dries et al. (2014, p. 566) argue that, as most employers can no longer guarantee employment security, they tend to ‘offer
employability security instead, in the form of continuous transferable skills development’. Waterman et al. (1994, pp. 88–89) refer to the responses from managers regarding employability: ‘we became convinced that we had a responsibility to put employees back in control of their lives … by empowering people so that they have job choices when circumstances change…’. In their study, Waterman et al. (1994) further note the managers suggesting that the companies tend to ‘give employees the power to assess, hone, redirect, and expand their skills so that they can stay competitive in the job market’ (p. 88).

The proponents of employability, in addition to considering it as a prominent source of success for businesses, further discuss it as a win–win situation for both employee and employer (e.g. Dries et al., 2014; Schmid, 2006; Thijssen et al., 2008; Waterman et al., 1994). Other researchers, however, consider these claims overly optimistic and influenced by ‘implicit undertones of managerialism’ (e.g. Clarke and Patrickson, 2008; Crouch, 2006; Cullinane and Dundon, 2006; Hallier, 2009; Inkson and King, 2011, p. 43). The researcher, consistent with the concern of Prujit and Derogee (2010), therefore argues that further empirical support for these claims is still required.

According to Clarke and Patrickson (2008):

> the dynamics of employability appear to be based on a number of assumptions that have emerged as recurrent themes within the managerialist literature. These assumptions, which include both explicit and implicit statements about the responsibilities and benefits of employability, remain relatively unexplored and unchallenged.

(p. 124)

Similarly, Crouch’s (2006) argument has significant intuitive resonance that, in comparison with poaching an already trained workforce from their competitors, investing in employees’ marketable skills, to make them more attractive for
competitors is a relatively less attractive option for employers. Sieben (2007) further endorses this view by arguing that, because of their concerns of high turnover, employers are generally reluctant to enhance the employability prospects of their employees, particularly the highly skilled ones.

The observation of these researchers is echoed in the findings of the current study. As noted in the results, employers (rather than making an investment in employees’ marketable skills to enhance their employability) are more concerned with developing employees’ skills to meet their own requirements. These practices, rather than promoting employees’ marketability or employability, largely result in the development of employees’ skills pertinent to their current employer (Clarke and Patrickson, 2008). This tendency may increase employees’ dependence on their employer, ultimately strengthening their perceptions of power asymmetry due to the assumptions of disproportionate interdependence in the employment relationship (Tjosvold and Wisse, 2009; Uhl-Bien and Carsten, 2007). However, this is not the case for a small category of employees with critical skills (e.g. managerial, professional and knowledge workers). These employees have significant bargaining power as the organizations are highly dependent on their skills (Inkson and King, 2011). Rather than promoting their employability prospects, employers constantly make efforts to retain these employees (Cappelli, 2004). This is largely due to the scarce skills and competencies of these employees, which are critically important for the key operations of the organization.

Inkson and King (2011) consider the assumption of employers enhancing employees’ prospects of employability as an employer oriented rhetoric suited to the demands of a managerialist agenda. Prujit and Derogee (2010, pp. 440–441) maintain that claims such as, ‘full employability’ and ‘lifetime employability’ are a management discourse ‘to mask a shift in power to the advantage of the employers’. While criticizing the unrealistic assumption that contemporary employers foster employees’ marketable skills as a reward for their loyalty, they further posit that ‘the theory of the new psychological contract also hints at a private good that the employer can gain when investing in employees’
employability; a non-sticky kind of employee commitment’. (Prujit and Derogee, 2010, p. 442).

From the perspective of employability, there is another assumption that contemporary employees are themselves more concerned with the issue of their marketability or employability than their job security (Arthur and Rousseau, 1996; Briscoe and Hall, 2006; Briscoe et al., 2012; Rousseau, 2011; Singh, 1998; Sullivan and Arthur, 2006). Contrary to this viewpoint and consistent with the critique of Rodrigues and Guest (2010), the results of the current study highlight that, although contemporary employees, particularly in call centres (Holman et al., 2008), are more concerned with the issue of their employability than before, the underlying reason is the diminished job security, they have with their employers.

According to Uhl-Bien and Carsten (2007), the trend of looking for increased employability among contemporary employees:

is one of the outcomes of the downsizing craze in the 1990s - many employees became aware that they were at the mercy of one organization for employment. Since then, many workers have adopted a new approach to career management that involves making themselves more broadly marketable and more willing to change organizations if better options come along.

(p. 194)

Many employees, therefore, generally tend to reduce their dependence on the employer in order to manage their bargaining power in the employment relationship (Tjosvold and Wisse, 2009).

As is evident in the research findings, this reduced dependence is largely associated with employees’ enhanced employability prospects resulting from a more proactive approach towards their career management. From the perspective of power as a relational interdependence, this enhanced employability generally supports employees in a dual manner as, in addition to reducing their dependence
on the current employer, it also increases the employer’s dependence on them (Tjosvold and Wisse, 2009; Uhl-Bien and Carsten, 2007). Millward and Brewerton (2000) maintain that employees have not opted for these tendencies of their own freewill; rather these contracting terms are imposed on them and this has a significant influence on their psychological contracts. Rodrigues and Guest (2010) further support this view by arguing that the majority of contemporary workers still value long-term traditional careers characterized by job security in the employment relationship.

From the employers’ perspective, Saunders and Thornhill (2005) argue that ‘organizations have not set out deliberately to create an employment periphery’ (p. 450). A similar observation was made in the current study. According to the research participants, the employer did not tend to encourage their long-term employment with the organization. For the respondents, the employers generally develop this tendency due to their motive of cost efficiency (i.e. for the same job paying a lower salary to a junior employee rather than a high salary to a senior employee). Hallier (2009) and Hallier and James (1997) also attribute this employers’ tendency to their objectives of cost efficiency and meeting the short-term goals of the organization. This ultimately prevents employers from encouraging employees’ perceptions of long-term job security in their employment relationship (George, 2009; Golzen and Garner, 1992; Guest et al., 2010; Hirsch, 1989). Wellin (2012) argues that, rather than reassuring job security, in some cases employers may advise employees to renounce their expectations of job security and assume more responsibility for their own career development.

5.2.3.2 The issue of flexible employment contracts

Similar to the issue of employability, there is a general assumption that the employers offer flexible employment contracts (i.e. flexible working days, hours, working locations etc.) particularly to ‘trusted senior workers’ in order to encourage employees’ perceptions of mutuality (Rousseau, 1997, p. 521). Rousseau’s (1997) argument helps us understand the healthy influence of flexible
employment contracts on employees’ psychological contracts. Clarke and Patrickson (2008), however, posit that, even though the feature of flexibility appears as more beneficial from the employees’ perspective, contemporary organizations generally opt for flexible employment contracts in order to serve their own objectives of increasing efficiency and reducing operational costs.

Boxall and Purcell, (2011) concur by stating that the majority of contemporary organizations have opted for flexible employment contracts opportunistically. According to Guest et al. (2010, p. 6), even though flexible employment contracts have become more prevalent, flexibility in employment arrangements generally ‘reduces the bargaining power of workers and their unions’. This viewpoint is consistent with the observation of De Witte (2005) that flexible employment contracts tend to enhance job insecurity for employees. Guest et al. (2010, p. 55) suggest that it is imperative to ‘find a balance between employment flexibility and job security for the employees’ in order to maintain the bargaining power of workers.

From the perspective of call centres, Belt (2002a) argues that, although the notion of flexibility is generally projected as an attractive feature where employees have the liberty to choose from a specified range of alternatives, it is important to acknowledge that this range of alternatives is ultimately determined by the employers and may not necessarily be consistent with employees’ preferences. This issue gains more currency in the case of call centres as, according to Lindgren and Sederblad (2006) and Russell (2008), the nature of the call centre industry is more amenable to flexibility in its operations in comparison with other industries.

The prevailing zero-hour contracts, which have the apparently appealing feature of flexibility, in reality offer zero hours of guaranteed work to employees, also point towards the actual level of job security and career advancement responsibility assumed by the employers. This argument is further supported by the empirical evidence for incongruence rather than mutuality between employees and the employers on the issue of job security (Clarke and Patrickson, 2008; Jun
Je et al., 2012; Tekleab and Taylor, 2003). These more demanding and less rewarding employment conditions push contemporary employees to constantly make efforts to upgrade their professional skills. As noted by Guest et al. (2010), these efforts largely assist employees in managing their bargaining power through promoting their employability and consequently reducing their dependence on the current employer.

5.2.3.3 Training and career development

In relation to mutuality, there is another assumption that employers assume the responsibility of employees’ training and career development in order to compensate lack of job security and promote employees’ perceptions of mutuality (Bal et al., 2010; Hornung et al., 2008). Contrasting evidence exists regarding the validity of this assumption (Clarke and Patrickson, 2008; Guest et al., 2010). Jun Je et al. (2012) and Sturges et al. (2005) argue that a shift of assumptions regarding career development responsibility from organizations to employees has developed recently. The results of the current study support this view in the way that the responsibility for employees’ training from the perspective of their career development is not assumed by the employers. Therefore contemporary employees are more concerned with the issue of their employability, not only because of their limited job security but also due to the modest training and career development opportunities they are provided with by their employers (Clarke and Patrickson, 2008; Cullinane and Dundon, 2006; Guest et al., 2010).

Jun Je et al. (2012) refer to this issue:

the key features of the current employment relationship include, on the one hand, a lack of job security resulting from leaner organization structures and more limited opportunities for organizational advancement, and on the other hand, a requirement that employees assume greater responsibilities for their work, training and career.
As noted in the research findings, this lack of training and career development responsibility assumed by the employers largely results in a situation of dual disadvantage for employees. In addition to reducing their employability with other potential employers, it further increases their dependence on the current employer. This perception of disproportionate interdependence ultimately strengthens employees’ assumptions of power asymmetry in the employment relationship (Kotter, 2010; Tjosvold and Wisse, 2009). Uhl-Bien and Carsten (2007) therefore argue that, as a result of these perceptions of power asymmetry, employees generally focus on their skills and training for two major reasons. First, it reduces their dependence on the current employer because of their increased employability if they have skills and training that are in high demand. Second, these highly demanded skills and training (in addition to reducing their dependence on the current employer) further increase the dependence of the employer on them.

Conway and Briner (2009) argue that opportunities for training and development are vitally important in an employee’s psychological contract and any discrepancy on the part of employer may result in perceptions of breach. In order to minimize these perceptions of breach, employers not only need to determine the nature and level of training and development opportunities they are prepared to provide but also ensure that the ‘employees know what they can expect to receive’ (Clarke and Patrickson 2008, p. 135). Other researchers also concur with this viewpoint in order to promote mutuality and to avoid the development of breach perceptions among employees (e.g. De Cuyper et al., 2009; Jun Je et al., 2012; McDowell and Fletcher, 2004).

5.2.4 Promoting employees’ perceptions of mutuality

The relevant literature, with the exception of Rousseau (2001), is silent on the subject of how to promote implicit mutuality in employment relationships. According to Rousseau (2001; 2011, p. 197), ‘objective accuracy’ in the perceptions of mutuality can be achieved only if employees have the opportunity to accept or reject the terms of the contract negotiated with the employer on the basis of shared information without restriction. The current research empirically
evaluated these theoretical assumptions made by Rousseau. According to the research participants, their perceptions of mutuality would be considerably strengthened if their organization provided them with the opportunity to accept or reject the terms of the contract without restriction. However, they also generally assumed that their employment conditions were not based on such democratic arrangements.

This research finding is consistent with the viewpoint of other researchers (e.g. Dobbins and Gunnigle, 2009; Guest and Peccei, 2001; Guest et al., 2008; Danford et al., 2008) that, even in the case of employee partnerships – a scenario generally acknowledged as the highest effort from management to promote mutuality (Haynes and Allen, 2001; Suff and Williams, 2003; Wilkinson et al., 2014) – employees generally have limited bargaining power to actively negotiate their terms of contract with the management. Consequently employees generally have a low ‘level of direct participation in work decisions and representative participation in wider organizational policy decisions’, because of the power asymmetry in the employment relationship (Guest and Peccei, 2001, p. 231).

Researchers argue that the issue of mutuality is generally considered relevant by employers if it is beneficial to the organizational objectives (Bacon and Storey, 2000; Boxall and Purcell, 2011; Guest et al., 2008). Similarly, Dobbins and Gunnigle (2009, p. 546) maintain that workplace partnerships to promote mutuality generally deliver ‘most gains for management.’ From the perspective of power, Guest et al. (2010) and Undy (1999) argue that partnerships which apparently focus on enhancing mutuality, largely serve as a management instrument to improve business performance through weakening the power of trade unions. Highlighting the implications of power asymmetry between employees and management, Whyman and Petrescu (2014) also note that in most cases the employee partnership ‘may represent little more than an alternative means of restating management control over employees’ (p. 822).

Supporting evidence was found in the current study for Rousseau’s (2001, 2011) postulation of promoting mutuality through shared information. Rousseau (2001,
2011) argues for the maximum sharing of information between the exchange partners in order to promote perceptions of mutuality. The respondents in the current study generally supported this view by reporting that, in order to develop consensus or mutuality on different issues, they rely heavily on clear and explicit communication with their management. Rousseau’s argument (emphasizing the significance of clear and explicit communication in reinforcing employees’ psychological contracts) appears to hold validity in this study. However, this raises the issue of where we can find the so-called ‘implicitness’ in these arrangements.

Hence, there is an inherent discrepancy in the conceptualization of Rousseau (1989, 1995, 2001, 2011), which emphasizes the contradictory notions of implicitness and explicit communication in the domain of the psychological contract. Similar to the views of other scholars, the researcher therefore argues for a focus on the notion of explicit communication rather than on implicit mutuality in the domain of the psychological contract (e.g. Mumford et al., 2002; Northouse, 2012; Yukl, 2010). This viewpoint is further supported by Conway and Briner (2009) who argue that, if the psychological contract is based on a strong form of mutuality, then it seems highly unlikely that such a clear understanding of the terms of the contract can be achieved without some overt or explicit sign of agreement. Alternatively, if the psychological contract entails a weak form of mutuality, then can this plausibly be considered a contract, as the perceived terms of exchange remain largely unspecified.

5.2.5 Divergent mutuality perceptions for managers and employees

Another theme which emerged in the research findings was the difference in the perceptions of mutuality of managerial and non-managerial employees. The psychological contract literature is relatively scant on the issue of the relationship between implicit mutuality and employees’ hierarchical status. From the interviews conducted with managerial and non-managerial employees, a noticeable difference in the perceptions of mutuality emerged between these two categories of employees. The respondents working at lower level positions had a
weak perception of mutuality as compared with those working at relatively senior positions.

Given the issues of power asymmetry and access to different information sources for managerial and non-managerial employees, this finding is not surprising that ‘mutuality matters differently for managerial and non-managerial employees’ (Jun Je et al., 2012, p. 299). In terms of access to information sources, managerial employees enjoy greater access to various sources of information because of their hierarchical position (Carroll and Teo, 1996; Dries and Gieter, 2014) and influential social networks within the organization (Anderson, 2008). Consequently, the differential in access to various sources of information generally ‘creates a heightened risk of psychological contract breach’ particularly among the non-managerial employees (Dries and Gieter, 2014, p. 138).

Managerial employees, due to their superior bargaining power, are also in a better position to know who, how and when to coordinate with in order to acquire the necessary information (Burt, 2000). In contrast, non-managerial employees have restricted access to the different information sources leaving them to ‘fill in the blanks’ on the basis of vague information (Dries and Gieter, 2014, p. 141). In such situations, employees with vague information generally tend to ‘engage in a construal process relying on contextual cues or prior information’ frequently resulting in incongruence in their and the employers’ perceptions of the psychological contract (Coyle-Shapiro, 2001, p. 7). Huang et al. (2010, p. 22) argue that this ‘perceived powerlessness’ in terms of access to different sources of information has a significant influence on employees’ psychological contracts.

Based on the findings of the current study and the observation of these researchers, it can be argued that employees at the lower hierarchical levels tend to develop low perceptions of mutuality in their psychological contracts as compared with employees at the higher levels of the hierarchy. Clarke and Patrickson (2008) argue that the employers can reinforce the psychological contracts of employees in order to restrain the development of low perceptions of mutuality by ‘clarifying and making explicit what they see as employer versus
employee obligation’ (p. 135). This viewpoint is consistent with the emphasis of Conway and Briner (2009, p. 117) to focus on the issue of ‘explicit contracting’ in the domain of the psychological contract.

5.2.6 Summary of mutuality discussion

This section discussed the research findings regarding the assumption of mutuality in the context of the relevant literature. The discussion commenced by illustrating the issue of indeterminacy between employees and the employer as a prominent source to undermine the assumption of an implicit mutuality. The issue of biased mutuality in favour of the employers was elaborated on. In the context of biased mutuality, the discussion highlighted different issues (e.g. employability, job flexibility, training and career development) which develop perceptions of biased mutuality in employees’ psychological contracts. Influenced by the perceptions of biased mutuality, employees tend to make efforts to enhance their employability in order to manage their bargaining power in the employment relationship. From the perspective of relational interdependence, this enhanced employability not only reduces employees’ dependence on the employer but also increases the employer’s dependence on them. The latter part of the discussion highlighted the limitations in Rousseau’s (2001) theorization on the promotion of employees’ perceptions of mutuality. Finally the issue of the divergence in employees’ and managers’ perceptions of mutuality was considered.

In terms of contribution to knowledge, this study demonstrates the significance of interdependence in the domain of the psychological contract. The notion of interdependence fully acknowledges the implications of power dynamics in the employment relationship. These implications are evident in the context of different issues (e.g. employability, flexibility, training and career development etc.), ultimately restricting the perceptions of mutuality, or promoting the perceptions of biased mutuality among employees. The psychological contract literature has largely ignored these implications because of its emphasis on the assumption of mutuality. The concept of interdependence also gains currency as it sets the relevant research free from the unachievable task of promoting mutuality.
to a level of ‘objective agreement’ (Dabos and Rousseau, 2004, p. 52; Rousseau, 2011) between two parties who establish an exchange relationship in pursuit of different and in many cases competing interests (Detert et al., 2007; Detert and Linda, 2010). This is similar to Kotter (1973), who argues to explore the psychological contract on the basis of incongruent and competing rather than mutual expectations.

5.3 Reciprocity

5.3.1 Introduction

This section discusses the findings of the current study regarding the assumption of reciprocity in the context of the relevant literature. The discussion begins by highlighting the prevalence of perceptions of unbalanced employer reciprocity among employees. The issue of the critical but largely ignored implications of negotiated contracts in the psychological contract literature is considered. In the later section, the discussion proceeds to the different alternatives of reciprocity (e.g. developing negative attitudinal reciprocity, withdrawing positive discretionary behaviours, ignoring the discrepancy, making additional efforts towards reconciliation, forgiveness, exercising deviant behaviour etc.) selected by employees because of their perceptions of power asymmetry which inhibit them from responding to the employer’s inducements on a reciprocal basis. The final part of the discussion highlights the conceptual incompatibility of Gouldner’s (1960) theorization with the employment relationships and the associated issue of the implications of rhetoric in the relevant literature.

5.3.2 Prevalence of perceptions of unbalanced employer reciprocity

The analysis of findings regarding the second area of investigation, i.e. reciprocity, pointed towards several important issues. Based on the responses of the research participants, there was evidence ranging from perceptions of high
reciprocity to almost negligible reciprocity. For employees with perceptions of unbalanced employer reciprocity, the employment relationship represented the phenomenon discussed in the literature as the prisoner’s dilemma in which one exchange partner receives disproportionately smaller benefits compared with the other (Cotterell et al., 1992; Ott-Ursula, 2013; Pruitt and Kimmel, 1977). There were two research participants who perceived their employment relationship as having no employer reciprocity. There is virtually no discussion of relationships lacking any reciprocity in the psychological contract literature. Gouldner (1960), however, acknowledges the presence of such relationships: ‘although reciprocal relations stabilize patterns [however] it cannot be merely hypostatized that reciprocity will operate in every case [as] it need not follow that a lack of reciprocity is socially impossible’ (p. 164).

Gouldner (1960) coins the term ‘survivals’ to represent ‘the extreme case of a complete lack of reciprocity’ (p. 165). However, he argues that such cases of a complete lack of reciprocity (i.e. survivals) are ‘rare in social relations and the intermediary case, in which one party gives something more or less than that received, is probably more common’ (p. 164). For him, the survivals cases are rare as it is difficult for the disadvantaged party to continue the relationship if the other party ‘may give nothing in return for the benefits it has received’ (p. 164).

Shore et al. (2012, p. 146) posit that relationships based on unbalanced reciprocity may occur when the power dynamics support one party to receive disproportionately greater benefits as compared with the other party with ‘lesser power’. This perception of unbalanced employer reciprocity was particularly evident among the research participants working at the non-managerial level. These employees, due to their prevailing assumptions of disproportionate interdependence or power asymmetry in the employment relationship, generally believed they had to accept the terms of employment as formulated by their employer.

These perceptions of unbalanced employer reciprocity (particularly among the non-managerial employees) largely result in the development of the presumptions
of a psychological contract established on a non-reciprocal basis (Coyle-Shapiro and Shore, 2007; Morrison and Robinson, 1997; Shore et al., 2012). Burgess and Nielson (1974) posit that these situations may particularly exist if A is noticeably more powerful than B, since A may force B to provide benefits with little or no reciprocity. The later research, however, acknowledged that employment relationships are not as straightforward as to be analyzed merely in the form of the power of A over B or vice versa. This is because the phenomenon of power is highly complex, dynamic and relational (Fleming and Spicer, 2014), and is largely shaped by the ‘mutual interdependencies’ of the exchange actors (Beirne, 2006, p. 12).

Cook and Emerson (1978) and Cook et al. (2013) concur with this viewpoint. For them, unequal interdependencies of exchange actors generally result in exploitation because of the unequal value of the exchange. According to Gouldner (1960), in organizational settings this may sometimes even take the form of ‘institutionalized exploitation’ (p. 165). The later research has endorsed the notion of institutionalized exploitation in the form of a variety of negative consequences, such as diminished psychological well-being (Yagil, 2006), subordinates’ unfavourable attitudes toward the job and the organization (Schat et al., 2006), deviant work behavior (Dupre et al., 2006; Mitchell and Ambrose, 2007), employee resistance (Bamberger and Bacharach, 2006), low performance contributions (Aryee et al., 2007), and reduced family well-being (Hoobler and Brass, 2006).

5.3.3 Reciprocal or negotiated exchange

The psychological contract literature is largely based on an assumption of exchange which is primarily reciprocal in nature (Rousseau, 2011; Seeck and Parzefall, 2010; Wellin, 2012). However, other researchers conceptualize the notion of exchange on reciprocal as well as negotiation basis (e.g. Blau, 1964; Cook et al., 2013; Emerson, 1981; Levi-Strauss, 1969; Molm, 2010). The findings of the current study urge the psychological contract research to explore the dynamics of exchange from the perspective of negotiation as well. This argument
largely stems from the incompatibility of Gouldner’s (1960) conceptualization of reciprocity with the underlying dynamics of the employment relationship. According to Gouldner (1960), the parties in a reciprocal relationship can pay back (any previous act of kindness or harm) according to their freewill due to the existence of power symmetry between them.

In contrast, the research participants generally viewed their employment relationship with the organization as an exchange which was characterized by power asymmetry and established on negotiation rather than on a kindness (reciprocation) basis. For them, this negotiation was mainly led by the organization (particularly in the case of non-managerial employees) because of the issue of disproportionate interdependence in the favour of the organization. As noted by other researchers, these perceptions of disproportionate interdependence between employees and the organization ultimately strengthened the employees’ assumptions of power asymmetry in the employment relationship (e.g. Kotter, 2010; Tjosvold and Wisse, 2009; Uhl-Bien and Carsten, 2007). Acknowledging these implications of power dynamics, Molm et al. (2000) argue that such conditions render employment relationships to be more pertinent to the negotiated rather than the reciprocal exchange.

The researcher’s argument to focus on negotiated exchanges is further strengthened by the frequent use of the term ‘gifts’ by Gouldner (1960) in association with reciprocity in the context of general society (pp. 170, 174, 175). In contrast, for specific employment relationships, Gouldner (1960) refers to the term ‘wages’ in association with ‘complementarity’ rather than reciprocity (pp. 175–176). Similarly, Conway and Briner (2009) maintain that ‘psychological contracts in employment do not involve the exchange of gifts’ (p. 113). Furthermore, Gouldner (1960) argues that the nature of returns (i.e. gifts) in the case of reciprocity cannot be specified as they are decided independently by the other party.

Conway and Briner (2009), while referring to this dimension of reciprocal exchanges, posit that ‘this lack of specificity regarding the nature of the exchange
in regard of the psychological contract is potentially problematic for the advancement of psychological contract theory’ (p. 113). Another conclusion which can be drawn from this issue is that there exists a minimal level of interdependence between the parties in reciprocal exchange relationships, allowing them to decide the returns (i.e. gifts) independently of each other (Conway and Briner, 2009; Gouldner, 1960). This feature is, however, not compatible with employment relationships as both the employees and the employer (in order to achieve their objectives associated with the employment relationship) are relationally interdependent on each other.

Gouldner (1960), while discussing his notion of reciprocity in the context of general society, presents the case of a cultural ritual known as vartan bhanji, which is a practice of a ‘ritual gift exchange in Pakistan and other parts of India’ (p. 175). From this case study, it becomes further evident that, for the early theorists, reciprocity is more pertinent to general society as they conceptualize it as a voluntary (Eglar, 1958) and discretionary (Malinowski, 1922) act. Based on the conceptualization of these early researchers (e.g. Burgess and Nielsen, 1974; Eglar, 1958; Malinowski, 1922; Mauss, 1925; Michaels and Wiggins, 1976), the notion of reciprocity does not appear to be pertinent to employment relationships as, repaying the other party in such situations is a binding, not a voluntary act of kindness. In addition, the discussion of these researchers is largely based on a general societal context, as they conceptualize reciprocity as a moral norm in society. However, in an organizational scenario, because of the formally negotiated employment contracts, repayment (rather than being considered only as a moral norm) has strong legal implications (Suazo et al., 2011).

We therefore need to acknowledge the relevance of negotiated exchanges. This view is supported by the established relevant research, highlighting the implications of negotiation influenced by power dynamics in exchange relationships (e.g. Blau, 1964; Carroll and Flood, 2000; Cook et al., 2013; Epstein, 2013; Flood et al., 2001; Shore et al., 2012). The researcher’s emphasis also gains currency because, as compared to reciprocation, ‘negotiation is more typical of exchange in some settings (e.g. work)’ (Molm et al., 2000, p. 1400).
While highlighting the pertinence of negotiated exchanges to employment settings, Molm (2003) argues that:

in negotiated exchange, actors engage in a joint decision process, such as explicit bargaining, in which they seek agreement on the terms of the exchange. Both sides of the exchange are agreed upon at the same time, in a discrete, bilateral transaction that gives each partner benefits of equal or unequal value.

(p. 2)

The same point is made by Coleman (1994) as he maintains that in social life, the relationships tend to be reciprocal in nature. However, in the domain of employment, the relationships are principally based on negotiation (Shore et al., 2012; Uhl-Bien and Maslyn, 2003; Wellin, 2012). Coyle-Shapiro and Conway (2004) argue that ‘almost all social exchange research refers to Gouldner’s work [as] evidence of the existence of the “norm of reciprocity”, although the assumption is largely unelaborated and untested’ (p. 8, quotation marks in original). Other researchers have also raised similar concerns about the relevance of Gouldner’s (1960) notion of reciprocity in the domain of the psychological contract (e.g. Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Guest et al., 2010; J. B. Wu et al., 2006; Shore et al., 2012).

The emphasis in this thesis on negotiated exchange requires more validation, as an overwhelming majority of the psychological contract literature, following the conceptualization of Rousseau (1995, 2011), is principally based on an assumption of exchange which is fundamentally reciprocal rather than negotiated in its orientation. From the perspective of risk and uncertainty, all types of exchange, although with varying intensities, incorporate both features to a certain extent (Cook et al., 2013; Knight, 2012; Kollock, 1994). However, the degree of risk and uncertainty in reciprocal exchanges is very high as the ‘actors initiate exchange without knowing what they are getting in return, and with no guarantee of the other’s reciprocity’ (Molm et al., 2000, p. 1400).
In the domain of employment relationships, with more inclination towards negotiated exchanges, this is, however, not the case as generally at the commencement of an employment relationship both parties have an idea (at least to a transactional extent) of the benefits they will be drawing from the relationship. These benefits are guaranteed to the respective parties in the form of a formal employment contract (Suazo et al., 2011). Although, there may be a certain degree of ambiguity (Deakin and Njoya, 2008; Suazo et al., 2009) as all the aspects of employment cannot be ascertained in the beginning, the risk that a party will receive no reward at all for its contributions is very low.

Furthermore, reciprocity takes place on an implicit basis, as generally there is no explicit bargaining between the exchange partners (Rousseau, 1995, 2011). In addition to implicit bargaining, the decisions of whether to reciprocate and also how to reciprocate are independently taken by the exchange partners with limited mutual consultation (Cook et al., 2013; Gouldner, 1960; Lawler, 1992). These underlying mechanisms render the reciprocal exchange process as ‘nonnegotiated’ (Molm et al., 2000, p. 1309). This non-negotiated exchange, because of its implicit nature, further increases the risk of a possible ‘unilateral flow of benefits’ from one party of the exchange to the other party without a balanced reciprocation (Molm, 2010, p. 124).

On the other hand, in negotiated exchanges, the returns are determined on the basis of an explicit discussion between the exchange partners, which helps them to achieve a consensus on the terms of the exchange (Molm, 2010). However, there is a possibility that ‘the terms may be unequal and unsatisfactory to one or both parties, but unless both benefit more from the exchange than they would without it, it should not take place’ (Molm et al., 2000, p. 1401). This explicit negotiation undertaken at least once at a certain point in time serves as an instrument to ensure the bilateral flow of benefits (Molm, 2010). The flow of benefits in a negotiated exchange, despite its bilateral nature, is not necessarily equal for both parties (Kuwabara, 2011; Lawler and Yoon, 1996) because of the possible power asymmetries or unequal interdependencies of the exchange actors (Blau, 1964; Tjosvold and Wisse, 2009). This feature of power asymmetry,
resulting in an uneven flow of benefits in negotiated exchanges, makes them more applicable to employment arrangements, as reciprocal exchanges in comparison are based on the assumption of power symmetry between the exchange actors (Cook et al., 2013; Molm, 2010).

5.3.4 Gouldner’s notion of reciprocity and psychological contract

Relevant to the assumption of reciprocity, there is another critical issue which the psychological contract literature still needs to address. Gouldner (1960), like Malinowski (1932), conceptualizes reciprocity as a repayment to another’s preceding act of harm or kindness. In such arrangements, the repayment (i.e. reciprocity) leads to a variety of relationships in society. However, in the psychological contract literature the application of Gouldner’s (1960) conceptualization appears in exactly the reverse manner, as in the relevant literature it is the relationship which leads to the repayment (i.e. reciprocity). To explain this further, Gouldner (1960) discusses the notion of reciprocity as repaying another’s previous act of kindness or harm. For him the relationship is established after a reciprocating act, in response to a prior action (whether kind or harmful) taken by someone else.

In this way, an act of reciprocity (pairing an act with a previously performed action) results in different relationships in society. In the psychological contract literature, the sequence is in reverse as, according to Gouldner (1960), the reciprocity leads to the relationship while, in actual employment conditions, the relationship leads to the reciprocity. Alternatively, in the employment arrangements, it is the employment relationship (established in the form of an employment contract) that leads to the repayment process (i.e. reciprocity). However, for Gouldner (1960), it is the repayment process (i.e. reciprocity) that leads to the relationship.

We should note the conceptual problem stemming from the application of Gouldner’s (1960) perspective of reciprocity in the domain of the psychological contract. Due to several characteristics inherent in this conceptualization (i.e. the
discretion over whether or not to reciprocate, power symmetry among the exchange actors, focus on society, and establishing reciprocity before relationship development), the notion of reciprocity may not be logically helpful in the domain of the psychological contract. This is because in the employment arrangements, repayment (i.e. reciprocity) is not discretionary, rather it is a binding act (Molm et al., 2000; Shore et al., 2012; Wang, 2011). Moreover, there is another important issue of disproportionate interdependence associated with the power asymmetry of the two exchange actors (i.e. employee and the employer) in employment arrangements. Also the focus in the psychological contract literature is organizational settings and not general society. Finally, in the organizational scenario the employment relationship, originating from the employment contract, leads to different episodes of repayment or reciprocity, which is directly opposite to the conceptualization of Gouldner (1960) in which the different incidents of reciprocity lead to the relationship.

5.3.5 Reciprocity and complementarity

The above discussion helps to crystallize the problem that, despite all its conceptual richness, Gouldner’s (1960) theorization of reciprocity is not compatible with the notion of the psychological contract. This is in itself an acute argument as the development of the psychological contract literature, in direct contrast to the researcher’s view, has primarily been based on an assumption of reciprocity. However, fortunately support for this argument is traceable in the writings of Gouldner (1960) himself. As mentioned earlier, it is not only reciprocity, rather there is another distinct concept i.e. complementarity, discussed by Gouldner (1960) in the context of employment exchange relationships.

For Gouldner (1960), ‘complementarity connotes that one’s rights are another’s obligations, and vice versa’ (p. 169). He clearly distinguishes complementarity from reciprocity as, in addition to their distinct definitions, he tends to associate complementarity with employment relationships (pp. 175–176). However, reciprocity for him is a ‘general norm’ of society (p. 170). According to Gouldner (1960), complementarity comprises ‘rights and obligations’, in which the rights of
one party are the responsibilities of the other party (p. 168), while for reciprocity, the rights of one party are not necessarily the obligations of the other party.

This is a relatively complex phenomenon. Gouldner (1960), however, further explains it in this way:

> for example, where a group shares a belief that some status occupant has a certain right, say the right of a wife to receive support from her husband, does the group in fact also share a belief that the husband has an obligation to support the wife? Furthermore, even though rights may logically or empirically imply duties, it need not follow that the reverse is true. In other words, it does not follow that rights and duties are always transitive ... For example, what may be regarded as a duty of charity or forbearance, say a duty to "turn the other cheek", need not be socially defined as the right of the recipient. While a man may be regarded as having an unconditional obligation to tell the truth to everyone, even to a confirmed liar, people in his group might not claim that the liar has a right to have the truth told him.

(p. 168, quotation marks in original)

Gouldner’s (1960) argument, consistent with that of other researchers, has significant implications which are not fully acknowledged in the psychological contract literature (e.g. Michaels and Wiggins, 1976; Molm, 2010). This is because, in the employment scenario, the rights of one party are generally the obligations of the other party. For example, a wage is the right of the employee and the obligation of the employer. Similarly, performing organizational tasks is the right of the employer and the obligation of the employee. In this way, the rights of one party become the obligations of the other party. Gouldner (1960) refers to this notion as complementarity.

It is therefore the concept of complementarity on which the psychological contract literature primarily needs to focus, rather than the general norm of reciprocity that is voluntarily practised in society. According to Gouldner (1960):
the general norm of reciprocity, however, is a second-order defense of stability; it provides a further source of motivation and an additional moral sanction for conforming with specific status obligations. For example, the employer may pay his workers not merely because he has contracted to do so; he may also feel that the workman has earned his wages.

(pp. 175-176)

This clearly highlights that complementarity is the primary criterion for determining the dynamics of rights and obligations in employment arrangements, while reciprocity may serve as the secondary plan. Unfortunately, the psychological contract literature has not only ignored the primary concept suggested by Gouldner (1960) for equilibrating the rights and obligations (i.e. complementarity), but has also adapted the auxiliary concept (i.e. the general norm of reciprocity) as the primary one.

Despite a clear caution from Gouldner (1960), the later research has consistently followed this pattern and thus further added to the confusion as is evident in the current psychological contract literature (Conway and Briner, 2009; Shore et al., 2012). Gouldner (1960), while criticizing the practice of assuming complementarity and reciprocity as identical concepts, argues that:

Malinowski frequently seems to confuse this general norm with the existence of complementary and concrete status rights and duties. It is theoretically necessary, however, to distinguish specific status duties from the general norm. Specific and complementary duties are owed by role partners to one another by virtue of the socially standardized roles they play ... In contrast, the generalized norm of reciprocity evokes obligations towards others on the basis of their past behaviour.

(p. 170)
Gouldner’s (1960) argument provides significant help in improving our understanding that in comparison with reciprocity (a general societal norm, acting as a second-order defense) the notion of complementarity (because of its focus on specific status rights and responsibilities) is relatively more pertinent to the domain of employment relationships.

### 5.3.6 Reciprocity from a practical perspective

The above discussion focused on the theoretical inconsistencies between Gouldner’s (1960) conceptualization and the underlying dynamics of employment relationships. The following discussion highlights the implications of these inconsistencies from the perspective of practical employment conditions. Based on the notion of reciprocity, the psychological contract literature generally assumes that employees reciprocate the employer’s treatment by adjusting their obligations accordingly (e.g. Bordia et al., 2008; Rousseau, 1995, 2011). For researchers (e.g. Kelloway et al., 2010; Robinson, 2008; Turnley and Feldman, 1999), employees tend to pay back in the form of poor performance when they perceive that their employer is not reciprocating according to their contributions. Bordia et al. (2008, p. 1105) argue that ‘when the organization is perceived to break a promise, employees reciprocate by hurting organizational interests (e.g. withholding effort, engaging in anti-citizenship behaviors and exiting the organization)’. This notion, discussed in the relevant literature as negative reciprocity or organizational misbehaviour, is defined by Mitchell and Ambrose (2007) as, a ‘tendency for an individual to return negative treatment for negative treatment’ (p. 1159).

The findings of the current study, however, reveal that the assumption of commensuration of negative employer treatment with negative employee reciprocity is fairly naive. This is because, given the issue of power asymmetry in practical employment conditions, the dynamics of the employee–employer relationship do not necessarily operate on a reciprocal basis (Coyle-Shapiro and Shore, 2007; Guest, 1998; Shore et al., 2012; Tepper et al., 2009). As noted in the research findings, even if employees perceive a discrepancy in the employer
reciprocity, they have to maintain their original level of contributions. The notion of reciprocity, therefore, may not be valid as it is based on the assumption of power symmetry between the exchange actors (Gouldner, 1960; Molm, 2010; Molm et al., 2000). In the domain of employment, however, this is generally not the case (Coyle-Shapiro and Shore, 2007; Shore et al., 2012) as employees, because of their perceptions of power asymmetry or disproportionate interdependence in the employment relationship, are obliged to respond according to the performance requirements established by the employer.

Following the conceptualization of early researchers (e.g. Clark and Mills, 1979; Graen and Scandura, 1987; Gouldner, 1960; Murstein et al., 1977), reciprocity implies that, if the employer does not reward employees according to their contributions, employees will in turn attempt to balance the relationship (as is generally assumed in the psychological contract literature) by reducing their contributions towards the organization. The research findings, however, point towards the opposite and are consistent with the conclusions of Uhl-Bien and Carsten (2007) and Uhl-Bien and Maslyn (2003, p. 516) that, in the domain of employment, the assumption of reciprocity may not hold true ‘due to the nature of power/status differences inherent in these relationships’. Given these power/status differences, Shore et al. (2012, p. 8) argue that, in the context of psychological contract breach, the assumption of employees’ reciprocity as conceptualized by Gouldner (1960) ‘is rarely tested explicitly’.

This view is further supported by the organizational behaviour literature regarding exploitative employment practices (e.g. Barclay et al., 2014; Butler, 2005; Pearson and Porath, 2005; Tripp et al., 2007). The literature highlights that employees with a perception of unbalanced employer reciprocity are under stress as they may not be able to respond proportionately because of the fear of further exploitative employer behaviour. Aquino et al. (2001) argue that employees with lower power/status positions may not reciprocate because:

a high-status offender can more negatively impact the victim’s welfare
than can a low-status or equal-status offender due to the fact that the
former may influence desired outcomes (e.g. pay, promotion opportunities, access to social networks), the victim may refrain from pursuing revenge because he or she fears the loss of these outcomes.

(p. 54)

5.3.7 Internal motives of employees

As observed in the research findings, in addition to the perceptions of power asymmetry or disproportionate interdependence in the employment relationship (inhibiting employees from responding according to the employer’s inducements), employees do not tend to reciprocate negatively because of their internal motives associated with the employment relationship. According to Organ (1990), despite unfavourable circumstances, individuals will not engage in behaviours projecting their organizational performance negatively. Liden et al. (1997) and Miller (1999) maintain that it is not mutual interest or employer interest but self-interest that inhibits employees from engaging in such actions as this will negatively affect their employability with the current and other potential employers. Individuals will maintain their prior work performance, without engaging in deviant behaviors but with increased consideration of their self-interest rather than mutual or employer interest. Shore et al. (2012) maintain that in these situations, employees (because of their perceptions of the under-fulfillment of the employer’s obligations) tend to establish their employment relationships which, rather than being mutual or employer oriented, are largely aligned with their own self-interest associated with the employment relationship.

5.3.8 Different alternatives of reciprocity

As noted, employees (because of their perceptions of power asymmetry or disproportionate interdependence and internal motives associated with the employment relationship) often do not tend to respond to the employer’s inducements on a reciprocal basis. However, in these situations of perceived unbalanced employer reciprocity, employees choose among several other
alternatives. The next section is based on a detailed discussion of these alternatives.

5.3.8.1 Development of negative attitudinal reciprocity

The development of negative attitudinal reciprocity is generally the first alternative selected by employees in the situation of perceived unbalanced employer reciprocity. As noted in the research findings, employees with a perception of unbalanced employer reciprocity generally develop a negative attitudinal reciprocity, even though the behavioural dimension of their reciprocity towards the employer is still positive. This viewpoint is supported by the empirical observation of Aquino et al. (2006) and Lian et al. (2012), who acknowledge that the power dynamics in the employment relationship generally restrict or moderate the intensity of employees’ behavioural responses to their perceptions of unbalanced employer’s inducements. Similarly, Porath and Pearson (2012) argue that power dynamics affect the ‘behavioural options’ of employees in the employment relationship (p. 327). According to J. B. Wu et al. (2006), in the case of unbalanced employer reciprocity, employees generally tend to repay largely on an attitudinal basis. For them, this is mainly because employees ‘may fear further exploitation’ from their organizations because of their perceptions of power asymmetry in the employment relationship (J. B. Wu et al., 2006, pp. 389–390).

5.3.8.2 Higher tendency to develop negative attitudinal reciprocity among lower level employees

The results further highlighted that, in comparison with managerial employees, the psychological contracts of non-managerial employees appeared to be more negatively skewed on the scale of attitudinal reciprocity towards the organization. The employees at the bottom of the organizational hierarchy showed a relatively higher negative attitudinal tendency to reciprocate to their employer because of their dominant perceptions of unbalanced employer reciprocity. This observation is consistent with the findings of Aquino et al. (2006) and Tepper et al. (2009, p. 157) that employees, particularly those ‘who hold lower power positions’,
generally have more negative reciprocity beliefs towards their employer as compared with employees with high power positions in the organization.

The reason for this tendency is that attaining a high power/status position is one of the objectives most desired by individuals (Kotter, 2010; Tjosvold and Wisse, 2009). For Gilligan (1996), those who successfully achieve this objective receive a disproportionately large percentage of material and symbolic benefits (e.g. high salary, recognition, prestige etc.), while those who are not able to achieve it receive a relatively smaller proportion of these benefits. This differential in material and symbolic benefits generally leads to frustration that ultimately results in a higher tendency to reciprocate negatively among employees in low power/status positions as compared with employees in high power/status positions (Aquino et al., 2006; Tepper et al., 2009).

According to Aquino and Douglas (2003) ‘a high status position and the symbolic and material affirmations that accompany it provide the role occupant with a psychological buffer’ which significantly prevents the development of any ‘losers’ self-perception (p. 199). Similarly, the respondents in the current study appeared to have relatively weaker psychological buffers because of their lower status positions. This had a negative influence on their attitude towards the organization, ultimately resulting in more alertness to protect their self-identities, which according to them were already compromised.

Other researchers reached similar conclusions while investigating the notion of abusive supervision (e.g. Grandey and Kern, 2004; Tepper et al., 2009). According to them, the effects of abusive supervision are buffered for high power/status employees because of the superior financial resources which they possess as compared with employees in low power/status positions. From the perspective of mutuality, this viewpoint is consistent with the previous research finding regarding the relatively high perceptions of mutuality in managerial employees in comparison with the low perceptions of mutuality among non-managerial employees.
5.3.8.3 Influences of job mobility

The perceptions of low job mobility appeared as another stimulus for increased employee negative attitudinal reciprocity. There was an evident feeling of stress and frustration among those employees who could not foresee sufficient employment opportunities with other employers and consequently perceived themselves as highly dependent on the current employer. These perceptions of disproportionate interdependence further strengthened employees’ assumptions of power asymmetry in the employment relationship. This finding is consistent with the observation of other researchers that the assumptions of less job mobility, other than increasing the level of frustration and promoting the perceptions of power asymmetry, also have negative influences on employees’ attitudes towards work (e.g. Harvey et al., 2007; Tepper, 2007; Uhl-Bien and Carsten, 2007; Wei and Steven, 2013). For these researchers, employees who have limited attractive employment alternatives and who are also abused by their organizations generally consider themselves as ‘powerlessly trapped’ and incapable of getting away from this stressful situation (Biron, 2010, p. 879).

In contrast to developing negative attitudinal reciprocity, the scarcity of alternative employment opportunities has a positive influence on employee withdrawal behaviour. According to Wei and Steven (2013), employees might not withhold their efforts in the face of uncooperative employer behaviour, because there are limited attractive employment opportunities available. For Deery et al. (2006), ‘where individuals have few available job opportunities, for example, they may be unwilling to reduce their contribution to the organization and take time off work for fear of being dismissed from their job’ (p. 168). In contrast, when employees have abundant and lucrative employment prospects in the external market, they are more inclined towards reciprocating on an equal basis by making a noticeable reduction in their work efforts (Deery et al., 2006; Wei and Steven, 2013). From the perspective of relational interdependence, these employees are relatively less dependent on their current employer in terms of employment. Consequently, they are in a position to reciprocate the employers’ inducements on an equal basis.
Gouldner (1960) discusses this issue from the perspective of exploitation. He explains his viewpoint on the basis of a scenario in which:

B may have many alternative sources for supplying the services that it normally receives from A. A, however, may be dependent upon B’s services and have no, or comparatively few, alternatives. Consequently, the continued provision of benefits by one pattern, A, for another, B, depends not only upon (1) the benefits which A in turn receives from B, but also on (2) the power which B possesses relative to A, and (3) the alternative sources of services accessible to each beyond those provided by the other.

(p. 164)

5.3.8.4 Withdrawal of positive discretionary behaviours

In the context of unbalanced employer reciprocity, the second alternative generally selected by employees is withdrawing positive discretionary behaviours. The relevant literature discussing employee withdrawal behaviour in relation to reciprocity generally ignores the distinction between compulsory and discretionary activities (e.g. Bordia et al., 2008; Kelloway, 2010; Robinson, 2008; Turnley and Feldman, 1999). The research findings, however, reveal that employees (particularly non-managerial employees) may withhold only positive discretionary behaviours. The withdrawal of compulsory employment activities is usually not possible as they comprise the employee’s primary job description and are directly translated into their performance evaluation.

This observation is consistent with the findings of other researchers that employees, with a perception of unbalanced employer reciprocity, tend to withdraw only positive discretionary behaviours (e.g. organizational citizenship behaviours, altruism etc.), which are not compulsory but are beneficial for the organization (e.g. Biron, 2010; Davis and Rothstein, 2006; Organ, 1990; Setton et al., 1996). According to Rafferty and Restubog (2011), generally employees can only withdraw positive discretionary behaviours because they as a ‘less powerful’
actor are ‘constrained in terms of what they can do in response to unfavourable treatment’ (p. 272). Similarly, Biron (2010) notes that employees generally opt for withdrawing only positive discretionary behaviours as that may not result in ‘negative consequences’ for them (p. 892).

5.3.8.5 Ignoring discrepancy, reconciliation and forgiveness

As noted in the research findings, other than developing negative attitudinal reciprocity and withdrawing positive discretionary behaviours, there are some other choices practised by employees to cope with the issue of unbalanced employer reciprocity. First, they tend to ignore the discrepancy by doing nothing and merely waiting for the situation to improve. Second, they attempt more reconciliation through friendly efforts, with the objective of making their employer realize that the contributions of employees are not being adequately acknowledged and rewarded. A third strategy – forgiveness – is also followed by some employees.

The first, do nothing, option practised by employees in the current study is consistent with the findings of other researchers (e.g. Aquino et al., 2006; Tepper et al., 2009; Tripp et al., 2007). For them, employees in these situations often perceive that doing nothing (rather than being aggressive for the purpose of taking revenge) is the best strategy to restore their employment relationship because of their perceptions of power asymmetry. Similarly, Bies and Tripp (1996) and Kim et al. (1998) note that employees generally prefer to ignore the discrepancy by doing nothing when they perceive their bargaining power as insufficient to influence the employer. Uhl-Bien and Carsten (2007) state that these ‘feelings of powerlessness are expected to lead to passive, rather than active, responses. When employees feel a sense of powerlessness they perceive a lack of options [which] creates a sense of hopelessness’ among them (p. 193).

Employees mainly follow the second option of reconciliation based on a more friendly strategy to support their self-interests associated with the employment relationship. Tepper et al. (2009) maintain that employees opt for reconciliation as it might resolve disagreements or at least limit additional negative consequences
due to the escalation of conflict. Similarly, other researchers note that employees tend to promote harmony through reconciliation as it might resolve disagreements and restore the quality of their relationship with the employer (e.g. Aquino et al., 2006; Shriver, 1995; Tripp et al., 2007). Regarding the third choice followed by the research participants (i.e. forgiveness), other researchers argue that employees generally pursue this option when they perceive themselves to be in low power/status positions in comparison with the harm-doer (e.g. Aquino et al., 2006; McCullough et al., 1998; Tepper et al., 2009).

Based on the conceptualization of Enright et al. (1991) and McCullough et al. (1997), Aquino et al. (2006) define the notion of forgiveness as ‘the internal act of relinquishing anger, resentment and the desire to seek revenge against the offender’ (p. 654). Although, the relevant empirical evidence supporting the notion of forgiveness in employment relations is relatively scant (Aquino et al., 2006), employees generally opt for this strategy in order to repress their desire for retaliation which may possibly result in further undesirable consequences for them (Enright et al., 1991; Tripp et al., 2007). When harmed by a powerful individual, the receiver of the harm is more inclined towards ignoring or forgiving the harm than seeking any revenge, because of the fear of further undesirable consequences from the source of the harm (Kim et al., 1998; Tepper et al., 2009).

In addition to preventing any further development of undesirable consequences, forgiveness may also serve as a precursor to reconciliation between the involved parties (Aquino et al., 2006; McCullough et al., 1997). In the current study, the lower level employees with an apparent forgiveness approach did not, however, appear very satisfied with the effectiveness of this strategy. According to Aquino et al. (2001) this is because ‘mercy bestowed by a person in power has a more noble quality than mercy bestowed by someone who is weak, because the former is able to exact swift, certain, and severe retribution if he or she chooses’ (p. 54).
5.3.8.6 Exercising deviant behaviour

The fourth choice selected by employees with a negative reciprocation orientation observed in this study was deviant behaviour. The relevant research has discussed two prominent domains of deviant behaviours, i.e. one targeted at the supervisors and the second targeted against other members of the organization (Hershcovis et al., 2007; Wang et al., 2012). In the current study, two prominent themes emerged with respect to the assumption of reciprocation in relation to deviant behaviour. First, the respondents with either positive or negative assumptions of employer reciprocity attributed it primarily to their managers. Second, employees with a negative reciprocation orientation tended to avoid balancing this inconsistency with their managers, even though they attributed it primarily to them. In the majority of cases, they managed to pay back for this anomaly to other more vulnerable members (i.e. individuals with lower status or power) of the organization.

Although these themes have not yet been thoroughly investigated in the relevant literature, other empirical studies in the domain of dysfunctional employee behaviour have made similar observations to this study (e.g. Aquino and Thau, 2009; Cropanzano and Mitchell, 2005; Hershcovis et al., 2007; Mitchell and Ambrose, 2007; Schyns and Schilling, 2013; Zellars et al., 2002). Regarding the former theme i.e. employees attributing positive or negative reciprocity primarily to their managers, other researchers reached the similar conclusion that employees generally associate any treatment from their organization, either positive or negative, primarily with their managers (e.g. Biron, 2010; Neuman and Keashly, 2003; Petersitzke, 2009). Similar evidence can be drawn from the domain of the psychological contract. The psychological contract literature largely acknowledges that different organizational agents (e.g. recruiting agents, managers, human resource personnel) exert influence on employees’ psychological contracts (Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Guest et al., 2010; Petersitzke, 2009; Shore et al., 2012). Among these agents, the managers may be considered as the principal or primary agents because of their critical role in developing employees’ perceptions of contract
fulfillment or contract breach (Bordia et al., 2010; Chen et al., 2008; Petersitzke, 2009).

Regarding the later theme in the context of deviant behaviour (i.e. individuals paying back any mistreatment to other members of the organization rather than their managers), when probed further the respondents generally attributed this tendency to their anticipation of undesirable consequences from their managers. Other researchers have made a similar observation that employees, rather than reciprocating any mistreatment to their managers/supervisors (even though they presume them to be responsible), tend to balance it with other members of the organization who might not be considered as responsible for the harm (e.g. Harvey et al., 2014; Mitchell and Ambrose, 2007; Schyns and Schilling, 2013; Wang et al., 2012). This is largely because of the fear of facing additional negative consequences from the managers. This study finding has been previously discussed in the literature under the topic of displaced deviance (e.g. Cropanzano and Mitchell, 2005; Porath and Pearson, 2012; Wang et al., 2012).

For Mitchell and Ambrose (2007), the notion of displaced deviance ‘suggests that individuals who become angry and frustrated by a harm-doer may displace their aggression on individuals who are not the source of the harm’ (p. 1161). Displacing aggression on those who are not the source of the harm may appear surprising but, as noted by other researchers, individuals generally engage in displaced aggression because they fear further damage due to the perceptions of power asymmetry between them and the source of the harm (e.g. Petersitzke, 2009; Tepper et al., 2009; Wang et al., 2012). This view is consistent with the basic emphasis in this thesis that the notion of power asymmetry in employment relationships has notable influence on employees’ psychological contracts. In this case, these influences are manifested as displaced reciprocation resulting from employees’ perceived inability to reciprocate negatively because of their assumptions of a prevailing power asymmetry in the employment relationship.
5.3.9 Summarizing the incompatibility of Gouldner’s (1960) theorization

The above discussion explored the implications of the Gouldner’s (1960) notion of reciprocity in the psychological contract literature from the conceptual as well as the practical perspective. The first part, discussing the philosophical underpinnings, highlighted the disagreements between Gouldner’s (1960) conceptualization of reciprocity and the psychological contract literature. As noted, reciprocity is more a general societal norm which is voluntary or discretionary in nature and operates on the basis of power symmetry (Gouldner, 1960). For Gouldner (1960), as reciprocating a previous act is not obligatory, the party to make the first move has no prior knowledge of whether and how the other party is going to reciprocate. Furthermore, in reciprocity there are no rights or responsibilities as in relation to the action of one party – the other party is not bound to make a pairing act i.e. reciprocate. Finally, according to Gouldner (1960), the relationship among the parties is a product of prior reciprocity.

These are the fundamental philosophical underpinnings of reciprocity according to Gouldner (1960). Despite all their conceptual significance, these assumptions are, however, not very relevant to the psychological contract literature. This is because repayment in employment is obligatory and generally does not operate on an equality basis. Also the parties in an employment relationship have a relatively better knowledge of the nature of returns, as compared to the parties in a reciprocal relationship. In addition, unlike reciprocal relationships, in employment conditions the rights of one party are the responsibilities of the other party, a concept which Gouldner (1960) clearly describes as complementarity. Finally, in employment relations, reciprocity originates from the relationship established in the form of the employment contract, while for Gouldner (1960) it is the other way round i.e. the relationship originates from the previous act of reciprocity.

The above section summarizes the previous detailed discussion of the conceptual incompatibility of Gouldner’s (1960) theorization of reciprocity with practical employment conditions. The following table presents the key points of this discussion:
Table 5.1 Gouldner’s (1960) concept of reciprocity and practical employment conditions

<table>
<thead>
<tr>
<th>Gouldner’s (1960) concept of reciprocity</th>
<th>Practical employment conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reciprocity leads to relationship</td>
<td>Relationship leads to reciprocity</td>
</tr>
<tr>
<td>Relationship based on power symmetry</td>
<td>Relationship based on power asymmetry</td>
</tr>
<tr>
<td>Relationship established between two individuals or groups</td>
<td>Relationship established between an individual and the organization</td>
</tr>
<tr>
<td>Relationship guided by general societal norms</td>
<td>Relationship guided by specific organizational dynamics</td>
</tr>
<tr>
<td>Implicit negotiation in the relationships</td>
<td>Largely explicit negotiation in the relationships</td>
</tr>
<tr>
<td>High degree of risk and uncertainty</td>
<td>Low degree of risk and uncertainty</td>
</tr>
<tr>
<td>Returns are discretionary</td>
<td>Returns are compulsory</td>
</tr>
<tr>
<td>No knowledge of the nature of returns</td>
<td>An approximate knowledge of the nature of returns</td>
</tr>
<tr>
<td>More exploitative due to likely unilateral flow of benefits</td>
<td>Less exploitative due to bilateral flow of benefits</td>
</tr>
<tr>
<td>No consultation with the other party</td>
<td>At least a formal consultation with the other party</td>
</tr>
<tr>
<td>Rights of one party are not the obligations of the other party</td>
<td>Rights of one party are the obligations of the other party</td>
</tr>
</tbody>
</table>

Source: Developed for the Thesis

At this point, there may be a counter argument against the researcher’s emphasis that the organizations do not exist in a vacuum. They are an integral part of a society and hence their operational dynamics are influenced rather based on broader societal norms. This counter argument apparently carries intuitive resonance. The researcher, however, emphasizes that, although organizations are influenced by societal norms, they do not largely operate in the context in which Gouldner (1960) conceptualizes reciprocity. This context has already been discussed in detail and summarized in the above table and the preceding paragraph, with an argument of why Gouldner’s (1960) view of reciprocity, despite its suitability for the societal context, is not applicable to the organizational scenario. Gouldner (1960), who was also aware of this issue, makes a clear distinction between the repaying mechanisms in society (i.e. reciprocity) and the repaying mechanisms in organizations (i.e. complementarity).

From an exchange perspective, it is important to mention that this research does not argue that shifting the focus in the psychological contract literature from reciprocal to negotiated exchange will eliminate all the complexities associated with the concept. The point is that a theorization on relevant and realistic rather than rhetorical grounds will support the research to proceed towards a more
pertinent and rational conceptualization with fewer inconsistencies. The current notable contrasts in the different conceptualizations of the psychological contract also point towards this issue and urge contemporary researchers for a more pragmatic theorization. From a variety of perspectives discussed earlier, the notion of negotiated rather than reciprocal exchange appears as more applicable to the psychological contract literature. It supports the ideology of organizational bargaining and negotiation (rather than being merely kind or harmful) based on the dynamics of power in the employment relationship (Aylott, 2014; Conway and Briner, 2009; Cullinane and Dundon, 2006; Molm, 2010).

In addition, negotiated exchanges have a lower degree of risk and uncertainty as compared with reciprocal exchanges. Negotiated contracts are explicit and agreed on (although the negotiation may not necessarily be based on equal grounds), but this is generally not the case in reciprocal exchanges (Molm, 2010). Moreover, conceptualizing psychological contracts on a reciprocal rather than a negotiated basis indirectly legitimates exploitation for three reasons. First, there is a limited possibility of negotiation in such exchanges as they are largely implicit in nature (e.g. Rousseau, 1989, 1995, 2011). Second, these exchanges are independently made without any consultation with the other exchange partner (Molm, 2010). Finally, unlike reciprocal exchanges, in negotiated exchanges there is an acknowledgement of the notion of power in terms of unequal gains stemming from the disproportionate interdependence of the exchange actors (Blau, 1964; Cook and Emerson, 1978; Cook et al., 2013).

5.3.10 Implications of rhetoric

The notion of reciprocal exchange, although conceptually incompatible, is however overwhelmingly discussed in the psychological contract literature. On the other hand, the phenomenon of negotiated exchange, in spite of all its relevance, is surprisingly ignored in the relevant theory. Even though the ideology of reciprocal exchange is compatible with the assumption of an implicit mutuality, as reciprocal exchanges are also implicit due to their non-negotiated nature (Molm, 2000, 2010), this synchronization is not very helpful in the psychological
contract literature. It is argued that the assumption of implicitness (in the form of both mutuality and reciprocity) guides the psychological contract literature into a domain in which virtually everything may be considered implicit, providing a very limited chance to gauge the dynamics of the phenomenon. In this context, recent research has raised similar concerns by pointing towards the validity of the assumption of reciprocity in the psychological contract literature (e.g. Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Shore et al., 2012).

At this point, it is valid to raise the question of why the relevant research (despite high applicability of negotiated exchanges and considerably less suitability of reciprocal exchanges) consistently and almost exclusively followed the concept of reciprocal exchange in the psychological contract literature. In response to this question, it is argued that, similar with the case of an implicit mutuality, the assumption of reciprocity, largely under the influence of rhetoric is emphasized in order to promote the interests of the dominant party i.e. the employer (Hallier, 2009; Inkson and King, 2011) by creating a reality from a unitarist perspective (Cullinane and Dundon, 2006; Dick and Nadin, 2011; Keenoy and Anthony, 1992). The assumption of reciprocity is conceptualized in a way that projects employees into a position with comparable bargaining power to their employers (e.g. Bordia et al., 2008; Kelloway, 2010; Robinson, 2008; Turnley and Feldman, 1999). As noted, however, this is not the case for the larger category of lower level employees (Guest et al., 2010; Hallier, 2009; Inkson and King, 2011).

This argument is further strengthened by the evidently prevalent but unrealistic assumption that, if employees perceive their employer as not reciprocating according to their contributions, they tend to balance the relationship by damaging the interests of the organization. According to Bordia et al. (2008, p. 1105), when employees perceive a contract breach, they ‘reciprocate by hurting organizational interests’ in different ways e.g. retaliation, engaging in anti-citizenship behaviour, withholding effort. In practical employment conditions, however, such assumptions may not be considered valid (Coyle-Shapiro and Shore, 2007; Shore et al., 2012). The underlying conceptualization for such an idealistic assumption is associated with Gouldner’s (1960) view of reciprocity, which is based on the
principle of power symmetry between the exchange actors. As argued earlier, this principle is generally not valid in practical employment conditions because of the disproportionate interdependencies or power asymmetries between employees and employers.

5.3.11 Summary of reciprocity discussion

This section analyzed the assumption of reciprocity in the psychological contract literature from the conceptual as well as the practical perspective. The discussion highlighted the misinterpretation of Gouldner’s (1960) theorization in the relevant literature. The later part of the discussion illustrated the incongruity of Gouldner’s (1960) conceptualization from the practical viewpoint. The discussion further emphasized that employees rather than responding to the employers’ inducements on a reciprocal basis, opt for other alternatives (e.g. developing a negative attitude towards the organization, withdrawing positive discretionary behaviours etc.) This is because of their perceptions of power asymmetry and their internal motives associated with the employment relationship. The final part of the discussion focused on the conceptual incompatibility of Gouldner’s (1960) theorization and the relevant issue of the implications of rhetoric in the psychological contract literature.

In terms of contribution to knowledge, this research demonstrates the significance of negotiation rather than reciprocation in the domain of the psychological contract. Exploring psychological contracts on the basis of reciprocity has issues, both from the conceptual as well as the practical perspective. This is because the notion of reciprocity is based mainly on the assumption of power symmetry between the exchange actors (Gouldner, 1960). In contrast, employment relationships for most employees are generally characterized by power asymmetry in favour of employers (Cullinane and Dundon, 2006; Inkson and King, 2011). Negotiated contracts, therefore, gain currency in the conceptualization of the psychological contract as they acknowledge and highlight the issue of power asymmetry in exchange relationships (Cook et al., 2013; Molm, 2010).
5.4 Agency

5.4.1 Introduction
This section discusses the findings of the current study regarding the notion of agency in the context of the relevant literature. The discussion highlights the different classifications of organizational agents (e.g. primary agents, secondary agents, multiple agents, incumbent agents etc.) proposed on the basis of the research findings. The implications of the trustworthiness of individuals (developed on the basis of their ability to communicate organization’s expectations and the rewards/punishments associated with the fulfillment/non-fulfillment of these expectations) in relation to their consideration as agents of the organization are described. Beyond the domain of human agents, the notion of electronic agents is also developed.

The discussion further illustrates the largely coercive influences of these electronic agents on the psychological contracts of employees. The issue of explicit communication – in contrast to the assumption of implicitness – in the conceptualization of organizational agents is considered. The discussion then focuses on the relatively limited influence of human resource managers, in comparison with line managers, as the perceived primary agents of the organization. The prevailing tendency among employees to make upward influence in order to achieve their objectives associated with the employment relationship is discussed. Finally, in the context of agency and interdependence, the important work of Hindess is considered.

5.4.2 Psychological contract with the organization
Since the inception of the phenomenon of the psychological contract, the discussion of agency has generally been vague (Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Shore et al., 2012). As argued in the literature review, the relevant research needs to develop more precision in defining the criteria for organizational agents. Advancing the understanding of this vague notion, the
results of the current study suggest extended specificity in the theorization of organizational agents. Based on the implications of the phenomenon of power, the notion of organizational agents is recommended to be conceptualized as primary and secondary agents. Before the detailed discussion of this classification of organizational agents, the issue of the establishment of the employees’ psychological contract either with the overall organization as an abstract entity or with different agents of the organization needs to be revisited in relation to the research findings.

From the analogy of formal employment contracts established with the employer (Suazo et al., 2011), it may be argued that a psychological contract (rather than different organizational agents) is generally established with the overall organization. This viewpoint is consistent with the emphasis of Coyle-Shapiro and Shore (2007) who argue that:

employees view all possible agents and contract makers (even administrative contract makers, such as human resource policies and mission statements) bundled into one “humanlike” contract maker in such a way that the employee has a relationship with a single entity (i.e. the organization).

(p. 167)

The Coyle-Shapiro and Shore’s (2007) argument (i.e. considering the psychological contract as established with the organization, rather than different agents of the organization) is further supported by the findings of the current study, as employees cannot establish their psychological contracts with the electronic agents of the organization. Moreover, in the case of presumed coercion from electronic agents, employees attribute their perceptions of contract breach to their organization and not to the electronic agents themselves.

It is, however, important to mention that in this scenario (i.e. the employee’s psychological contract established with the organization) the role of the organization is symbolic as an abstract entity. As argued by Coyle-Shapiro and
Shore (2007) and Shore et al. (2012), the organization cannot negotiate the contract on its own. The focus, therefore, needs to be on the different organizational agents as contract makers, as they principally shape the employees’ global psychological contract established with the organization. In other words, even though the psychological contract is mainly established with the organization, it is largely shaped by the different exchanges (of transactional and/or relational nature) between employees and the agents of the organization. The researcher’s argument is further supported by Conway and Briner (2009) who maintain that employees generally aggregate the messages communicated by the different agents of the organization in order to develop a view of the organization:

as if it were a coherent single entity. [However] organizations cannot have psychological contracts [rather] the organization, as the other party in the relationship, provides the context for the creation of a psychological contract, but cannot in turn have a psychological contract with its members.

(p. 84)

The emphasis of Conway and Briner (2009) is consistent with the view of early researchers that the psychological contracts are held between employees and their organization rather than any specific agent of the organization (e.g. Levinson et al., 1962; Schein, 1965; Sims, 1994). Similarly, Morrison and Robinson (1997) posit that, although ‘organizational agents (e.g. supervisors) may have their own understanding of the psychological contract between employee and organization; they are not actually parties to that contract’ (p. 229). The notion of considering the establishment of employees’ psychological contracts as being with the organization has intuitive resonance. However, this postulation presents a significant challenge in terms of the issue of the representation of the organization. According to Coyle-Shapiro and Shore (2007) and Shore et al. (2012), considering the variety of the organizational agents, it could be argued that each employee is working for a different organization.
5.4.3 The issue of organization representation

The validity of the concern of Coyle-Shapiro and Shore (2007) and Shore et al. (2012) is manifest in the form of a disagreement among the researchers on the issue of organization representation. As discussed in the literature review, for some researchers (e.g. Lee and Taylor, 2014) the immediate managers, while for others (e.g. Tomprou and Nikolaou, 2011), the senior managers largely qualify as the agents of the organization. In contrast, other researchers (e.g. Chen et al., 2008; Petersitzke, 2009; Zagenczyk et al., 2011) consider the supervisors as the agents representing the organization. In spite of the divergence in the assumption of the organizational agents, a common feature in the conceptualization of these researchers can be identified. A meta-analytic review of these investigations highlights that, for these researchers, the phenomenon of the individual’s capability of distributing or withholding organizational rewards appears to be a primary criterion in the process of agent determination.

However, it is not only the perceived capability of the individuals to distribute or withhold organizational rewards but also their perceived tendency to actively use that capability which serves as an additional criterion for employees in considering these individuals as agents of the organization. These two criteria were evident in the research findings, as employees (despite their perceptions of the manifestly superior capability of the managers to distribute or withhold organizational rewards) considered their supervisors as additional primary agents of the organization. These assumptions of employees were largely based on their perceptions regarding the indirect but active role of the supervisors in the distribution of organizational rewards on behalf of department managers.

5.4.4 The role of organizational managers/supervisors

As mentioned above, the managers/supervisors’ perceived capability of distributing or withholding organizational rewards and their perceived tendency to actively use that capability had a significant influence on employees’ psychological contracts. Based on this finding, the researcher emphasizes the critical role of managers/supervisors as the primary agents of the organization. As
noted in the research findings, these primary agents largely focus on organizational rewards in order to influence their interdependent relationships with employees. This observation is consistent with the viewpoint of other researchers emphasizing the notable influence of organizational rewards and punishments on employees’ perceptions of their employment relationships (e.g. Podsakoff et al., 2006; Rubin et al., 2010; Tremblay et al., 2013). The conceptualization of Rubin et al. (2010) implies that the managers/supervisors’ perceived capability of distributing or withholding organizational rewards is a key criterion in defining organizational agents, as the rewards and punishments assist employees in understanding organizational expectations in terms of the ‘actions which are desired or not by the organization’ (p. 400).

The tendency to rely largely on rewards and punishments is generally considered to be weakly associated with the relational dimension of the employment relationship (Aguinis et al., 2008). However, employees in the current study appeared to be largely influenced by this issue in their employment relationship. The employees’ primary reliance on organizational rewards and punishments, in addition to achieving their own objectives (e.g. salary increment, promotion etc.), also served as a mechanism to develop a better understanding of the expectations of the organization. As the managers in organizations generally have the capability to reward or punish (Reuver, 2006; Petersitzke, 2009; Tremblay et al., 2013; Yukl, 2010), it can be argued that this capability significantly promotes their qualification as the primary agents of the organization.

The argument for considering managers as the primary agents of the organization also gains momentum as employees are most responsive to the organizational members whom they perceive as capable of rewarding or punishing them (Trevino and Nelson, 2010). Similarly, other researchers argue that there is an increasing tendency among employees to interact with their organization largely through their line managers (e.g. Guest and King, 2004; Guest and Woodrow, 2012; Reuver, 2006). From the perspective of relational interdependence (Cook et al., 2013; Hindess, 1982), this highlights that employees are largely dependent on their managers for several reasons (e.g. understanding the organization’s
expectations, career development, mentoring, recognition etc.) This further strengthens the argument of the qualification of managers as the primary agents of the organization.

5.4.5 The typology of multiple agents

There is an elaborate discussion in the psychological contract literature regarding the complexities surrounding the notion of agency (Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Guest et al., 2010; Shore et al., 2012). The researcher in the current study similarly experienced a number of complex issues associated with the identification of organizational agents. The issue of agency is inherently complex not only because of the intricate nature of psychological contracts but also due to the variety of evolutionary arrangements in the contemporary employment structures (e.g. temporary workers, part-time workers, flexible workers, remote workers etc.) On the basis of these underlying intricacies, the researcher argues for an exploration of the notion of agency on the basis of different typologies.

From the perspective of different employment structures mentioned above, it is suggested to explore the notion of agency on the basis of multiple and incumbent agents’ typologies. The recommendation of a multiple agents’ typology is based on the research findings in relation to employees working simultaneously for multiple employers. According to these research participants, they have distinct organizational agents in each of their employing organizations, who support them in comprehending the expectations of their employers. Alternatively, in terms of relational interdependence, these employees considered themselves as largely dependent on these distinct agents not only to understand the expectations of their employing organizations but also to achieve their objectives associated with the employment relationships. Therefore these multiple agents representing different employers were largely perceived as primary agents by these employees.

Perceiving these agents as primary was generally based on the research participants’ tendency to develop predominantly transactional psychological
contracts with their different employers. This finding is consistent with the observation of other researchers regarding the issue of the influence of the nature of employment on employees’ psychological contracts (e.g. Clarke and Patrickson, 2008; De Cuyper et al., 2009; Guest, 2004b; Shore et al., 2012). In such atypical employment arrangements, Guest (2004b) posits that the psychological contracts of workers are more restricted and transactional as compared to full-time and permanent employees. Parallel to the observation of Guest (2004b), Winkler (2011) argues that these employees generally develop their relationships with the employers on a transactional basis. This tendency among employees is largely the result of their perceptions as a ‘peripheral workforce [leading to an] assumption that the relationship may be terminated soon as the organization reinterprets its need for numerical flexibility, in other words to reduce the amount of its workforce’ (Winkler, 2011, p. 503).

5.4.6 The classification of incumbent agents

In addition to the multiple agents’ typology, the researcher posits another incumbent agents’ typology. In comparison with the multiple agents’ typology, associated with inter-organizational employment, the incumbent agent’s typology is linked to intra-organizational employment arrangements. As observed in the study, employees who are moved from one department to another redefine their organizational agents (particularly primary agents) on the basis of their perceptions of the current reporting authority. This observation is consistent with the empirical findings of other researchers that the psychological contracts of employees are significantly influenced by those organizational representatives whom they perceive to possess the capability of rewarding or punishing them (e.g. Cooke et al., 2004; Petersitzke, 2009).

The notion of an incumbent agent’s typology is also compatible with the basic assumption regarding the underlying nature of psychological contracts as highly dynamic, which is influenced by the employees’ daily experiences regarding their employment relationships (Conway and Briner, 2009; Guest et al., 2010). Consistent with this assumption, the results of the study further highlight that
employees who are moved to other departments in the same organization replaced their former manager with the current manager as primary agent, even though they sustained their relationship with their former manager. This was based on their consideration of the current manager as the most relevant person not only to understand the organizational expectations but also as a key representative of the organization (i.e., primary agent) to reward or punish them. From the perspective of relational interdependence, this notion highlights the change in employees’ perceptions regarding their dependence on the new manager as the most relevant person to achieve their objectives associated with the employment relationship.

5.4.7 Contingent reward-based trustworthiness

In addition to the above mentioned issues, the notion of trustworthiness played a significant role in the process of agent determination. This trustworthiness was largely based on the agent’s capability to clearly explain organizational expectations and the rewards/punishments associated with the fulfillment/non-fulfillment of these expectations. This observation is coherent with the leadership theory and is discussed in the relevant literature as contingent reward transactional leadership (Bass et al., 2003; Podsakoff et al., 2006; Pieterse et al., 2010; Walumbwa et al., 2008; Wang et al., 2011). Parallel to the rationale of psychological contracts as a mechanism for employees to build their expectations, the notion of contingent reward transactional leadership provides individuals with a basis on which to develop expectations and anticipate outcomes associated with their employment relationship (Jackson et al., 2012; Podsakoff et al., 2010).

Rubin et al. (2010) argue that leaders’ contingent reward behaviours increase and non-contingent reward behaviours decrease their trustworthiness. According to Tremblay et al. (2013), leaders who reward or punish on a non-contingent basis are generally perceived as incompetent, resulting in a reduction in their perceived trustworthiness. Employees generally believe that organizational rewards should be commensurate with their efforts (Colquitt, 2001). Organizational leaders who administer rewards on such equity basis, rather than on an arbitrary basis or on the basis of some other rules (e.g., seniority, equality, need, etc.) are considered as
relatively more trustworthy (Podsakoff et al., 2006). Similarly, Rubin et al. (2010) emphasize that ‘non-contingent punishment diminishes employees’ perceptions of leader trustworthiness’ (p. 402).

5.4.8 The issue of implicitness

As evident in the research findings, the notion of trustworthiness had a significant influence on the process of agent determination. This observation, however, contradicts the assumption of implicitness in the psychological contract literature. As noted, contingent reward practices played a significant role in establishing an individual’s trustworthiness. This trustworthiness, in turn, influenced employees’ perceptions of relational interdependence from the perspective of their dependence on particular individuals as the agents of the organization (i.e. the individuals they can trust to help them in understanding the organization’s expectations and also in achieving their objectives associated with the employment relationship). In this context, clear and explicit communication appeared to play a significant role. According to Walumbwa et al. (2008), ‘contingent reward transactional (CRT) leader behaviour refers to leader behaviours emphasizing clarifying role and task requirements, and providing followers with material or psychological rewards contingent on the fulfillment of contractual obligations’ (p. 252, emphasis added in Italics). In addition to contingent reward leadership theory, the significance of clear and explicit communication (strengthening an individual’s trustworthiness) is also emphasized in other leadership models.

Subasica et al. (2011) argue, there is supporting empirical evidence that in-group leaders, as compared with out-group leaders who explicitly communicate the details of the employment context to their followers, are considered to be more trustworthy. The argument of Subasica et al. (2011) helps us to recognize that the emphasis on the assumption of implicitness in the psychological contract literature is inherently an invitation to the notion of breach, as it provides no opportunity for organizational agents to discuss the employment context explicitly. The literature places emphasis on the notion of agency, albeit in a vague manner. The assumption of implicitness appears to be an unavoidable barrier to proceed in this
context as according to Walumbwa et al. (2008) ‘a leader *discusses with followers what is required and clarifies* how these outcomes are to be achieved and the reward they will receive in exchange for their satisfactory effort and performance’ (p. 252, emphasis added in Italics).

5.4.9 The underlying patterns of primary-secondary agents’ typology

Some consistent patterns on the primary–secondary classification of organizational agents emerged during the study. First, the influence of primary agents as compared to secondary agents on employees’ psychological contracts was noted as fundamental. However, in terms of time duration, the influence of the secondary agents appeared to be more prominent. In other words, even though the influence of primary agents on employees’ psychological contracts was clearly greater than the secondary agents, the duration of this influence, unlike the secondary agents, was limited to the extent to which these agents were perceived by employees as capable of distributing or withholding organizational rewards.

Second, there was a considerable expansion not only in the time duration but also in the intensity of the influence of the primary agents if these agents also played the role of secondary agents. Third, for those employees working with multiple employers, a relatively limited function of the secondary agents was observed, as the psychological contracts of these employees were largely transaction based and were primarily influenced by the perceptions of the reward and punishment capabilities of the primary agents of different organizations. Finally, although employees may recognize multiple secondary agents in an organization at the same time, this possibility was relatively limited in the case of primary agents. In other words, employees generally acknowledged a very limited number of individuals as primary agents in one organization at a single point in time. This was because of the employees’ tendency to perceive particular organizational members as responsible for communicating to them the organization’s expectations and consequently rewarding or punishing them on the basis of fulfillment or non-fulfillment of these expectations.
Although there is relatively limited prior discussion of the classification of organizational agents in the established psychological contract literature, a proxy but clear support for these patterns can be found in the relevant organizational theory. Regarding the first pattern discussed above, researchers argue that the influence of transactional leaders, although substantial, is limited to the time period in which the leader can disperse rewards and punishments (e.g. Bass and Riggio, 2005; Burns, 1978; Judge et al., 2004; Northouse, 2012). On the other hand, the influence of transformational leaders transcends any time limit of their capability of rewarding or punishing followers.

Regarding the second pattern, researchers argue that the influence of a leader considerably increases by moving from a transactional to a transformational domain, if the leader fulfils not only the extrinsic but also the intrinsic needs of the followers (e.g. Bass and Riggio, 2005; Conger and Kanungo, 1998; Northouse, 2012). In accordance with the third pattern, employees in atypical employment arrangements generally focus on extrinsic rewards and therefore develop their psychological contracts largely on a transactional basis (Coyle-Shapiro and Kessler, 2002; De Cuyper et al., 2008b; Guest, 2004b) with a relatively limited interest ‘in developing strong emotional bonds with their organization’ (Winkler, 2011, p. 503). The final pattern echoes the tendency of employees to look towards particular organizational members (i.e. primary agents) in order to receive transactional rewards after fulfilling the organizational expectations communicated by these members (De Cuyper et al., 2008b; Rubin et al., 2010). In terms of relational interdependence, employees are thus dependent on primary agents in two ways. First, employees tend to depend on these agents in order to understand organization’s expectations. Second, they depend on primary agents for receiving organizational rewards after the fulfillment of these expectations.

5.4.10 A perspective on transactional/relational contracts

The findings of the current study highlighted the prevalence of transactional contracts among the research participants. With a major focus on the extrinsic
rewards associated with the employment relationship, the psychological contracts of the respondents were generally centred on the primary agents of the organization. Although for a small segment of respondents, the presence of relational contracts could also be observed, the development of these relational contracts was also based on the perceived prior fulfillment of the transactional obligations of the organization. Consistent with the observation of Zagenczyk et al. (2011) in the call centre environment, the research participants in the current study explained this tendency as it is unlikely for them to establish a long-term relationship with the organization if their prior short-term transactional needs remain unfulfilled or ignored by the employer.

Deery et al. (2006) attribute this high tendency among call centre employees to the ‘change in the nature of the employment relationship, occasioned by a loss of job security, the erosion of promotional opportunities, and the increased uncertainty of regular and orderly pay increases’ (p. 166). According to Dundon and Van den Broek (2012), it is relatively difficult for contemporary employees to establish relational contracts with their employers because of changes in employer preferences. Similarly, other researchers argue that modern employers tend to promote transactional contracts themselves, not only because of the pressures from the external labour market but also due to their objectives of maintaining cost efficiency and meeting the short-term needs of the organization (e.g. Clarke and Patrickson, 2008; Guest et al., 2010; Hallier, 2009; Rodrigues and Guest, 2010; Shore et al., 2012). This view is consistent with Hallier and James (1997), who posit that, in order to meet short-term needs, contemporary organizations tend not to encourage long-term relationships but offer ‘more monetizable and specific transactional agreements that emphasize explicit links between extrinsic rewards and employee performance’ (pp. 705–706).

5.4.11 The non-human agents and their coercive influence

The psychological contract literature has conceived the notion of agency largely on the basis of the human agents of the organization. The findings of this study, however suggest that, in addition to these human agents, the psychological
contracts of employees are also influenced by the electronic agents of the organization. Largely ignored in the psychological contract literature, Beirne et al. (2004) imply the significance of these electronic agents by arguing that, ‘although purposeful human agency is now acknowledged, its relative impact is often unclear given the weight attached to techno-bureaucratic controls’ (p. 98). These agents function in the form of a variety of technological installations deployed by employers. As the current study was based in call centres, very cutting-edge technology-based equipment was used by the employers to constantly monitor their employees.

These monitoring mechanisms comprised CCTVs, computer screen monitoring, records of employee attendance through machine-readable swipe cards, number of calls taken by employees, average time spent on each call, the level of customer satisfaction served by a particular employee. Although these strict monitoring mechanisms may be considered as a requirement to meet the standards of an industry operating in a hypercompetitive environment (Ball and Margulis, 2011; Deery et al., 2010) their impact was perceived by employees as largely coercive. This assumption of coercion developed a perception of breach by reducing the level of trust in their psychological contracts with the employer. Although employees acknowledged that some level of monitoring is an industry requirement, they also mentioned that it was being used to an unnecessary extent. As a result, this induced dissonance among employees as, according to the research participants, it represented the low level of trust their employers had in them.

According to Tyler and Blader (2013), it is normal to expect employees to conceal certain behaviours from management in order to avoid reprisals. They further posit that instruments of surveillance are effective in identifying and sanctioning such detrimental employee behaviours. According to a survey from the American Management Association (AMA, 2007), around 45% companies monitor employee telephone usage, 66% constantly check internet use and 48% keep an eye on employees through CCTV. Researchers, however, raise the concern that surveillance in some cases may be a source of unnecessary intervention because
of the monitoring of those organizational behaviours that fall into the category of employee privacy or are not necessarily relevant to their performance (e.g. Alge and Hansen, 2013; Ball and Margulis, 2011; Spitzmuller and Stanton, 2006).

Similar with the observations of the current study, in which employees felt coercion from the employer due to excessive surveillance, Subasica et al. (2011) mention that surveillance is generally assumed by employees ‘as relatively intrusive and punitive’ with a negative effect on their performance and wellbeing. (p. 171). According to Turner (2005), surveillance leads to perceived coercion as it:

is a divisive, destabilizing and counter-productive means of control. The more coercion is used the more it must be used, since it undermines influence and authority and leads to attitude change away from the source at the same time as it provokes resistance and reactance to the loss of freedom.

Supporting this viewpoint, there is empirical evidence indicating the detrimental effects of surveillance on employees’ wellbeing and productivity (Subasica et al., 2011), job performance and satisfaction (Thompson et al., 2009), perceptions of privacy (Alge, 2001; Posey et al., 2011), organizational commitment (Brown and Korczynski, 2010; Spitzmuller and Stanton, 2006), and perceptions of trust (Coultrop and Foutain, 2012).

5.4.12 Electronic agents and contract breach

With significant implications for the psychological contract literature, researchers argue that employees generally consider the installation of surveillance equipment in the workplace as a major source of breach of trust in their employment relationship (e.g. Alge and Hansen, 2013; Ball and Margulis, 2011; Stanton and Stam, 2006; Westin, 1992). Parzefall and Salin (2010) and DeConinck (2010), while referring to social exchange theory, emphasize the significance of trust as an
essential feature for the development of employment relationships. In the context of psychological contract breach, Suazo (2009) posits that trust is imperative in employee–employer relationship in terms of developing and reinforcing employees’ perceptions of ‘being valued and respected by the employing organization’ (p. 140). Similarly, Shore et al. (2012) maintain that the absence of trust may ultimately strengthen employees’ perceptions of breach of their psychological contract.

According to Ball and Margulis (2011) and Lyon (2013), surveillance has significant coercive effects as it is least likely to encourage employees to internalize the viewpoint of their employer. This is due to the perceived loss of trust resulting from employers’ constant surveillance (Alge and Hansen, 2013; Kramer, 1999). A similar conclusion is reached by the researcher as, according to the research participants, intrusive organizational surveillance largely served as an instrument of coercion and an invasion of their privacy. Although coercion is generally considered to be negatively related to leader effectiveness (Aguinis et al., 2008), the participants in this research did not attribute the surveillance-led coercion to their supervisors or managers, as they recognized it as a company policy, and therefore beyond the control of their managers. Employees nevertheless considered it as a breach of trust by the organization because of their assumptions of coercion, echoing the viewpoint of Turner (2005) that ‘at the extreme, coercion threatens the power of the source itself, since it brings into being an enemy dedicated to its downfall’ (p. 13).

5.4.13 Limited coercion from human agents

In comparison with electronic agents which are prominent sources for developing perceptions of coercion among the research participants, there was limited evidence of coercive practices from the human agents of the organization. This was largely because employees (in addition to evading any reprisals from the organization) appeared to strive for more organizational rewards as for them coercion, rather than being any formal reprimand, mainly comprised the withholding of the rewards they were expecting from their organization. According to Deutsch (2011), coercion is rarely applied by exchange actors even
when they are capable of using it. This is because coercion is mostly ineffective and results in resistance rather than compliance (Blau, 1964; Deutsch, 2011). Molm (1997) maintains that ‘real subjects do not apply coercion consistently in exchange relations. Subjects in both strong and weak power positions typically punish their partners on fewer than 5 per cent of all opportunities’ (p. 117). A similar observation was made in the current study, when the organizational agents predominantly appeared to influence their interdependent relationships with employees by distributing or withholding rewards rather than by explicitly punishing them.

5.4.14 The limited influence of HR managers

The respondents in the current study generally perceived their managers to be even more powerful than the human resource managers who were formally responsible for making critical decisions such as hiring and promotion. The employees participating in the study explained it as the human resource managers, in order to perform the majority of their daily operations (ranging from recruitment to employee layoff), were themselves dependent on the information provided by their line managers. Consistent with the observation of Beirne et al. (2004, p. 107) in a call centre context, this finding highlights the dynamic nature of power relations characterized by ‘complex patterns of interdependence’ and struggles on different levels (e.g. HR managers and line managers in this case).

For the research participants, the influence of human resource managers on their employment was very limited and rather symbolic, as they had almost negligible powers to influence the functioning of other departments. This observation is consistent with Legge (2005) who emphasizes that human resource managers need to increase their influence in mainstream organizational operations. Guest and King (2004), however, argue that ‘in a capitalist society, dominated by the profit motive, the ambiguities in the personnel role made it unlikely that personnel managers would become powerful unless they learnt to play by the rules of the game’ (p. 402). Similarly, Bach and Edwards (2012) and Lupton (1966) maintain that human resource managers need to extend their contributions to the operations
of other departments in order to enhance their powers. However, they further posit that in order to achieve this, human resource managers are required to advance their social science knowledge and professional skills.

It was evident from the interviewees’ responses that the line managers were unexpectedly contributing to those tasks which are generally considered to be human resource managers’ responsibilities (e.g. recruitment, performance appraisal). Reuver (2006) explains this as, in many contemporary organizations, the management of a variety of human resource functions (e.g. selection, performance appraisal, compensation and employee training) is considered as the responsibility of line managers. Consequently, line managers have a significant influence not only in their own departments but also in the human resource departments. This influence adds to the existing ambiguity regarding the role of human resource managers and further increases ‘the lack of power of HR managers’ (Guest and Woodrow, 2012, p. 110).

According to these researchers, the combined effect of role ambiguity, lack of centrality and relevant powers to influence decisions ultimately results in the non-involvement of human resource managers in organizational operations (e.g. Caldwell, 2003; Guest and Woodrow, 2012; Legge, 2005). The findings of the current study endorse this viewpoint, as the research participants were generally of the view that their human resource managers had a passive role in the issues related to employee management. The employees therefore considered themselves as primarily dependent on their line managers rather than the human resource managers to ascertain the expectations of the organization. Irrespective of the debate over the allocation of organizational authority between line and human resource managers, this finding further supports the assumption that the line managers are the primary agents of the organization.

5.4.15 Employees’ upward influence

The results highlighted that not only managers but also employees attempted to influence their interdependent employment relationships on the basis of
developing informal relations with the perceived organizational agents. In this context, the research participants relied heavily on developing their credibility and reputation on the basis of their expert knowledge and skills. According to Uhl-Bien and Carsten (2007), ‘if the employee has a solid reputation and is perceived as highly credible, however, others will be less likely to automatically disregard the individual and instead give the employee’s concern legitimate consideration’ (p. 196). For other researchers, credibility and reputation are not only critical for organizational leaders to influence their followers, but also for the followers in order to progress to higher positions (e.g. Basadur et al., 2000; Kouzes and Posner, 2011; Mouly and Sankaran, 1999). Similarly, the research participants also perceived that credibility and reputation were important tools to progress to high power/status positions.

The results of the study highlighted that this credibility and reputation supported employees in achieving two major objectives. First, it assisted them in advancing their career with the current employer and increasing their future employability prospects with other potential employers. Second, it supported employees in increasing their employer’s dependence on them. In other words, from the perspective of power as relational interdependence, acquiring superior expert knowledge and skills supported employees in a twofold manner. First, it reduced their dependence on the current employer. Second, it increased their employer’s dependence on them. Uhl-Bien and Carsten (2007) concur with this viewpoint, arguing that superior expert knowledge and skills promotes the employability prospects of employees as ‘the choice to remove the manager’s power over them is made easier if the employee has managed her employability (e.g. marketability) to keep her options open’ (p. 195). In relation to the agency-structure perspective, this finding also highlights the tendency among employees to exercise their agency in the employment relationship. In addition to rejecting the notion of call centre workers as passive subjects who are reduced to the employment structures characterized by techno-bureaucratic controls, this finding illustrates employees’ efforts to increase their bargaining power (e.g. through developing their credibility and reputation in this case) in the employment relationship.
Furthermore, credibility and reputation, acquired on the basis of expert knowledge and skills, also assisted the research participants in making stronger associations with the dominant members of the organization. The majority of these members were employees’ immediate managers. However, in some cases, these were also the managers of other departments and even the bosses of the employees’ immediate managers. Consistent with the emphasis of Hindess (1982, p. 503), this finding highlights the different ‘axes of struggle’ in power relations beyond the capitalist–worker domain. Similarly, in the context of call centres, Beirne et al. (2004) point towards the workplace struggles for power that are characterized by complex interdependencies in the workplace.

According to Neill (2014), employees generally seek to develop these relationships with the dominant members of the organization in order to ‘increase their power and influence’ within the organization (p. 602). Researchers generally refer to this tendency among employees as their attempts for the inclusion in the dominant coalition (e.g. Bowen, 2009; Dozier et al., 2013; Neill, 2014; O’Neil, 2003). This dominant coalition is generally defined by these researchers as the inner circle comprising those employees who mainly control the structure and the resources of the organization. According to Dozier et al. (2013), this inner circle generally comprises employees at the top level of the organizational hierarchy but in some cases may also include employees at the middle and lower levels.

The relevant literature has discussed this tendency among employees to develop associations with the dominant members of the organization as upward influence (Morris and Feldman, 1996; Neill, 2014; O’Neill, 2003; Olufowote et al., 2005). According to McAlister and Darling (2005), the concept of upward influence represents ‘the informal nature of power and relationships in the modern workplace’ (p. 559). For Shim and Lee (2001), these relationships are ‘webs of influence’ that exist upward, downward and across the organization (p. 396). The findings of the research established that employees attempted to exert upward influence not to counter their managers, but mainly with the objective of gaining additional powers on the basis of their enhanced credibility, reputation and agreeableness. This echoes the previously recognized view of the research that
employees tend to develop informal relations with their managers not only to avoid disagreements but also to enhance their powers in employment relationships (Aquino et al., 2006; Tjosvold and Wissee, 2009).

5.4.16 Agency and interdependence

The previous section discussed the issue of agency in the call centre environment. Researchers argue that studies based on call centres have generally focused on the bureaucratic and technological systems for labour control, while relatively ignoring the issue of employee resistance and struggles in the workplace (Berni et al., 2012; Fleming and Sturdy, 2011; Hastings, 2011; Russell, 2008). According to Beirne et al. (2004), because of the prevailing tendency to largely focus on the techno-bureaucratic controls, the issue of ‘relational interdependencies and workplace struggles’ in call centre studies remains relatively under-researched (p. 107).

This tendency has largely resulted in the depiction of call centre workers as passive subjects in the workplace (Taylor and Bain, 2000; Fleming and Sturdy, 2011; Hastings, 2011). According to this viewpoint, the capacity for independent sense-making of these passive subjects ‘disappears as they police themselves into complete subordination’ (Beirne et al., 2004, p. 101). However, there is empirical evidence highlighting that employees resist and respond to these employer’s efforts to ensure workers’ complete subordination (Hastings, 2011). As noted in the research findings, employees make purposeful efforts (e.g. spending more time on lunch-breaks, not helping the customers appropriately, withdrawing positive discretionary behaviours etc.) to negatively influence the call centre operations with the objective of resisting employer’s efforts towards the complete subordination of the workers.

Hastings (2011) argues that the tendency to portray call centre workers as passive subjects largely stems from the excessive emphasis on Foucault’s (1977) view of power. Based on the notion of self-discipline and the all-encompassing nature of power through panopticon gaze, Foucault’s (1977) work downplays the issue of
freedom and human agency. Consequently, the relevant research with its approach of workers’ complete subordination, generally underplays the vital issue of the relational interdependencies and the associated workplace struggles (Beirne et al., 2004). Similarly, Hindess (1996) maintains that, due to his oversight of the notion of interdependence in human exchanges, Foucault’s (1977) work largely downplays the issue of subjectivity (i.e. individuals acting against disciplinary practices and dominant discourses) in power relations.

Acknowledging this issue, the relational interdependence approach to exploring the implications of power dynamics in the workplace is therefore helpful from several perspectives. First, the relational interdependence approach is dissociated from the mechanical and all-encompassing view of power (Foucault, 1977) that leads to predictable outcomes through serving the interests of the powerful without any resistance. Following this view of power, human agency is largely reduced to organizational structures characterized by techno-bureaucratic controls. Similarly, other researchers argue that because of its principal focus on structural factors, Foucault’s (1977) view of power largely downplays the issue of active human agency in call centres and requires employees ‘to reproduce the status quo, as mechanical accounts of the panopticon and self-discipline imply’ (e.g. Beirne et al., 2004, p. 108; Hastings, 2011).

Second, consistent with the emphasis of Hindess (1982), this approach highlights the interdependencies and the struggles for power in exchange relationships. This notion is evident in the research findings in which not only organizational agents but also employees appeared to be actively engaged in workplace struggles to influence their interdependent employment relationships through making different efforts (e.g. increasing their employer’s dependence through establishing their own credibility and reputation, developing informal relations with perceived organizational agents, making upward influence etc.)

The struggles for power in these interdependent relationships were not only characterized by their complexity (e.g. employees attempting to make stronger connections with their managers, the bosses of their managers, the managers of
other departments and even the managers in other prospective organizations to increase their employability) but also by their proceedings at multiple levels (e.g. struggles at the group level between HR departments and operations departments, struggles at the individual level between employees and their managers, struggles at the individual–organization level, i.e. employees attempting to reduce organizational influence through reduction in the use of different surveillance mechanisms, or employees attempting to increase the employer’s dependence on them through developing their own credibility and reputation).

Finally, the interdependence approach provides support in investigating exchange relationships beyond the narrow class terms of workers and capitalists. This notion is previously explained by Hindess (1982). According to him:

the analysis of enterprises in class terms, that is, in terms of relations between capitalists and workers, brings out only one aspect of the differential conditions of action of agents in enterprises. But an enterprise may also involve other axes of struggle which cut across each other. Analysis in class terms specifies one set of features of the conditions of action of agents involved in production but it doesn’t determine what the other conditions will be and neither does it ensure that the agents concerned will regard it as the most important issue to fight about.

(Hindess, 1982, pp. 503–504)

From the perspective of call centres, the emphasis of Hindess (1982) is endorsed by Beirne et al. (2004). According to them, the interdependence approach brings into focus the complex relational interdependencies in the domain of employment by highlighting workplace struggles beyond the narrow dyadic view of employee–employer relationships.
5.4.17 Summary of agency discussion

This section elaborated on the research findings regarding the notion of agency in the context of the relevant literature. The discussion highlighted the different classifications of the notion of agency (e.g. primary agents, secondary agents, multiple agents, incumbent agents etc.) proposed by the researcher. The implications of the individuals’ trustworthiness (largely dependent on their ability to communicate organization’s expectations and the rewards/punishments associated with the fulfillment/non-fulfillment of these expectations) in the context of their consideration as organizational agents were also discussed. Beyond the notion of human agents, the concept of the electronic agents of the organization was also highlighted.

The discussion further illustrated the negative influences of these electronic agents on employees’ psychological contracts. Moreover, contrary to the assumption of implicitness, the significance of explicit communication in the conceptualization of organizational agents was highlighted. The discussion also illustrated the principal influence of line managers (in comparison with human resource managers), supporting the notion of their consideration as the primary agents of the organization. The efforts made by employees to develop their credibility and reputation were discussed in the next section. From the perspective of power, this credibility and reputation, in addition to making an upward influence, also supported them in terms of reducing their dependence on the employer while simultaneously increasing the employer’s dependence on them. Finally, in relation to agency and interdependence, the important work of Hindess was considered.

In terms of contribution to knowledge, this research proposes different classifications of organizational agents. With an invitation to be further explored, the study recommends the classifications of primary agents, secondary agents, multiple agents and incumbent agents. This research makes another contribution by extending the notion of agency beyond the boundary of human agents into the domain of technology-based electronic agents of the organization. The research also contributes to the psychological contract literature by highlighting that it is not only the perceived capability to reward or punish but also the perceived
tendency to actively use that capability which significantly influences employees’ assumptions to consider a particular organizational member as the agent of the organization. Another key contribution that this thesis makes is providing a conceptual framework (discussed in detail in the next chapter) based on the concepts of interdependence, negotiation and different classifications of organizational agents.

5.5 Researcher’s conceptualization of psychological contract

The above section discussed the research findings regarding mutuality, reciprocity and agency in the context of the relevant literature. In contrast to these notions, the researcher based on the above discussion argues that contract negotiation (rather than reciprocation) lies at the centre of the notion of the psychological contract (refer to the framework, page 269). The employees, based on their perceptions of interdependence (rather than mutuality) in the employment relationship, negotiate their contracts both implicitly and explicitly with the different agents of the organization. These perceptions of interdependence in the employment relationship, serving as a foundation for contract negotiation are shaped by a number of factors (e.g. job security/mobility, employee’s mental schema, hierarchical position etc.)

The contract negotiation stage is generally characterized by its largely operational nature and is principally based on the prior stage of interdependence, which is mainly perceptual in nature. Consistent with the conceptualization of psychological contracts as highly complex, dynamic and idiosyncratic (Conway and Briner, 2009; Shore et al., 2012), employees may begin and continue the negotiation of a variety of subcontracts (collectively forming the employees’ global psychological contract with the overall organization i.e. the central negotiated contract) based on various transactional and relational exchanges with the different perceived agents of the organization. In addition to their dynamic nature, these subcontracts may not only be multidimensional (i.e. transactional exchanges with primary agents and relational exchanges with secondary agents) but also possibly overlapping (i.e. establishing both transactional and relational
exchanges with an individual, e.g. a primary agent of the organization additionally contributing as a secondary agent to employees’ psychological contracts).

Another layer of complexity can surface in the case of employees working for more than one employer (e.g. agency employees or subcontracted employees temporarily working for another organization etc.) These employees may develop multiple psychological contracts with their different employing organizations. Each of these psychological contracts, independently established with a particular employer, may comprise all of these complex, dynamic and idiosyncratic transactional/relational exchanges (i.e. subcontracts) with different agents of every organization. Finally, these are not only human agents (as generally assumed in the psychological contract literature) but also electronic agents, which can exert a significant influence (largely coercive in nature) on the psychological contracts of employees.

5.6 Chapter summary

This chapter discussed the findings of the current study in the context of the relevant literature. On the issue of mutuality, the earlier part of the discussion highlighted the existence of indeterminacy as a prominent source to undermine the assumption of an implicit mutuality between employees and employer. Given the issue of power asymmetry in employment relationships, the notion of biased mutuality in favour of the employer was highlighted. The discussion focused on the different issues (e.g. employability, job flexibility, training and career development) that promote the perceptions of biased mutuality among employees. Stemming from these perceptions of biased mutuality, employees generally tend to make efforts to strengthen their powers through decreasing their dependence on the employer and increasing the employer’s dependence on them. The next section highlighted the limitations in the theorization of Rousseau (2001) in order to promote employees’ perceptions of mutuality. The last part of the discussion elaborated on the issue of divergence in employees’ and managers’ perceptions of mutuality.
The discussion on reciprocity focused on the issues from the conceptual as well as the operational perspective. Regarding the issues related to its conceptualization, the discussion emphasized the misinterpretation of Gouldner’s (1960) notion of reciprocity in the relevant literature. The next section of the discussion focused on the operational issues, highlighting the incompatibility of Gouldner’s (1960) theorization in actual employment conditions. The discussion also illustrated that employees (because of their perceptions of power asymmetry or disproportionate interdependence and internal motives associated with the employment relationship) rather than responding to the employers’ inducements on a reciprocal basis, opt for other alternatives (e.g. developing negative attitude towards the organization, withdrawing positive discretionary behaviours etc.) The final section elaborated on the conceptual incongruity of Gouldner’s (1960) theorization and the associated issue of the implications of rhetoric in the psychological contract literature.

The discussion on agency focused on the different classifications of organizational agents (e.g. primary agents, secondary agents, multiple agents, incumbent agents etc.) proposed on the basis of the research findings. The implications of the trustworthiness of individuals (based on their ability to communicate the organization’s expectations and the rewards/punishments associated with the fulfillment/non-fulfillment of these expectations) in relation to their consideration as agents of the organization were also discussed. Furthermore, beyond the conceptualization of human agency, the notion of the electronic agents of the organization was highlighted.

The discussion on electronic agents also emphasized the negative influence of these agents on employees’ psychological contracts. In contrast to the assumption of implicitness, the importance of explicit communication in relation to organizational agents was also illustrated. From the perspective of power, the next section highlighted the principal influence of line managers, in comparison with human resource managers, as the perceived primary agents of the organization. The following discussion was based on the efforts made by employees to develop their credibility and reputation. This credibility and reputation, in addition to
making an upward influence, also promoted employees’ bargaining power through reducing their dependence on the organization and increasing the organization’s dependence on them. Finally, the important work of Hindess was considered in the context of agency and interdependence.
Chapter 6

CONCLUSION
Chapter 6

6.1 Conclusion

The notion of the psychological contract serves as an important organizational behaviour construct in order to explore the dynamics of the employment relationship (Suazo et al., 2011; Wellin, 2012). Over the last two decades, there has been an exponential growth in the number of journal articles published on the subject due to its capability to explore the employment relationship as an ongoing exchange unfolding dynamically on a day-to-day basis (Guest et al., 2010). Researchers, however, highlight the issue of divergence in the different definitions of the psychological contract and argue the need to proceed towards more general agreement in the conceptualization of the construct (Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Shore et al., 2012).

The majority of the psychological contract literature, because of its underlying assumptions of mutuality and reciprocity, largely downplays the implications of power dynamics in the employment relationship (e.g. G. E. Dabos, M. B. Arthur, P. M. Bal, R. Schalk, S. A. Tijoriwala). This has largely resulted in an oversight of the issues related to the complex relational interdependencies between employees and organizational representatives. These issues are imperative as they deflect attention from the limited view of power based on the narrow class terms of workers and capitalists (Hindess, 1996) to the in-depth view of power highlighting the ongoing workplace struggles between employees and the different agents of the organization. This research is, therefore, conducted with the key objective of investigating the under-researched implications of power in relation to the psychological contract. More specifically, the presumptions of mutuality, reciprocity and agency, which underpin the concept of the psychological contract, are investigated from the perspective of power.
Regarding the first issue, it is argued to focus on interdependence rather than mutuality in the conceptualization of the psychological contract. This is not in itself a new line of argument as not only the early but also the contemporary psychological contract researchers acknowledge the implications of interdependence in relation to the psychological contract (e.g. Conway and Briner, 2009, p. 118; Levinson et al., 1962, p. 104; Meckler et al., 2003, p. 225; Schein, 1980, p. 65). The researcher emphasizes interdependence rather than mutuality, as it will support to incorporate the critically important but largely underplayed implications of power in the conceptualization of the psychological contract. According to Schein (1965, p. 65), power from the perspective of interdependence has significance in understanding the implications of ‘mutual influence and mutual bargaining to establish a workable psychological contract’.

This argument is consistent with the viewpoint of other researchers (e.g. Blau, 1964; Cook et al., 2013; Molm, 2010) who emphasize that power relations are generally characterized by complex interdependencies in which exchange actors are dependent on each other for valued outcomes. The researcher’s emphasis is further supported by the viewpoint of Tjosvold and Wisse (2009) to consider the issue of complex interdependencies influencing power relations in the employment exchange networks. Similarly, other researchers (e.g. Conway and Coyle-Shapiro, 2012; Coyle-Shapiro and Conway, 2004; Ingram, 2007) argue that the lack of attention to these interdependent linkages has been a major limitation in the psychological contract research.

Regarding the second issue, the research findings highlighted to focus on negotiation rather than reciprocation in relation to the psychological contract. As noted, reciprocation largely underplays the issue of relational interdependence since it is based on the assumption that parties in the reciprocal exchange relationships are minimally dependent on each other (Molm, 2010). Therefore, the parties can decide the returns (i.e. gifts) independently (Conway and Briner, 2009). This assumption is, however, not compatible with the dynamics of the employment relationship as both the employees and the employer are relationally interdependent on each other for valued outcomes (Tjosvold and Wisse, 2009).
Based on this line of argument, the concept of negotiation gains currency as it recognizes the implications of power dynamics from the perspective of relational interdependence between employees and organizational representatives. Acknowledging these implications, Molm et al. (2000) emphasize to explore the employment relationship on the basis of negotiation rather than reciprocation. This view is further supported by the established relevant research, highlighting the significance of negotiation which is largely influenced by power dynamics in the exchange relationships (e.g. Blau, 1964; Cook et al., 2013; Shore et al., 2012). The same point is made by Uhl-Bien and Carsten (2007) that in social life, the relationships tend to be reciprocal, however, in the domain of employment, the relationships are principally based on negotiation.

From a conceptual perspective, despite the clear cautionary statements, the implications of the discussion by Gouldner (1960) are largely ignored in the psychological contract literature. Human interactions comprise ‘countless ad hoc transactions’ on a daily basis (Gouldner, 1960, p. 175). Repayment in all of these transactions on a numerically equivalent basis is virtually impossible. As an attempt to bring more equality into the repayment of these transactions, exchange actors tend to rely on the social norm of reciprocity as a second order defence (Gouldner, 1960). An example is presented in order to further elaborate on this critically important but largely ignored viewpoint of Gouldner (1960).

There is a very common practice of expressing gratitude among exchange actors after the completion of a transaction. A typical example may be the passengers expressing their gratitude to the driver while alighting from a bus. On the basis of Gouldner’s (1960) conceptualization, in this case, the expression of gratitude from the passengers is an absolutely discretionary act and they exercise this behaviour as a social norm, even though they are not obliged to as they have paid for using this service. The payment is, however, an obligation on the receiver of the service, which Gouldner (1960) connotes as complementarity. The expression of gratitude, on the other hand, is a societal norm of reciprocity and serves as a second order defence, as an attempt by the service receiver to better payoff the service provider.
This simple daily life example helps in understanding the underlying conceptual differences between the two notions of complementarity and reciprocity. Gouldner (1960) emphasizes in an unambiguous manner to acknowledge the conceptual differences between these two notions. Specifically he argues that the implications of the notion of reciprocity ‘are neglected’, while referring to the influential work of Malinowski (Gouldner, 1960, p. 168). Unfortunately, the concerns of Gouldner (1960), despite his clear recommendations, are seriously overlooked as the later research has largely ignored the primary mechanism of exchange, i.e. complementarity, by focusing only on the secondary mechanism, i.e. reciprocity. Based on this viewpoint, the researcher argues the need to explore the notion of the psychological contract on a more relevant (i.e. negotiated rather than reciprocal) basis of exchange. Unlike reciprocal exchange, the notion of negotiated exchange is not only compatible with the fundamental feature of complementarity in the employment exchange relationship, but is also cognizant of the consequential implications of the notion of power in terms of the relational interdependencies of the exchange actors (Tjosvold and Wisse, 2009), a critical but largely ignored issue in the psychological contract literature (Guest et al., 2010; Shore et al., 2012).

The above discussion highlighted the significance of complementarity as a first order defence in different human transactions. Extending the viewpoint of Gouldner (1960), it is, however, pertinent to mention that, despite its significance as a primary or first order defence mechanism, complementarity does not necessarily operate in all human interactions. Echoing the conceptualization of Gouldner (1960), such transactions, without any influence of complementarity, are entirely based on the second order defence mechanism of the social norm of reciprocity. In order to further elaborate on this viewpoint, another example from daily life is presented.

There is a common scenario in which a seller for some reason is unable to provide a product or service requested by the buyer. In this scenario, the seller generally makes an expression of apology as a courtesy for being unable to provide the
requested product or service to the buyer. Even though not obligated, the seller nevertheless, in accordance with Gouldner’s (1960) view of reciprocity, makes such an expression on an absolutely discretionary basis as a second order stabilizing mechanism to make a better repayment to the buyer, despite the lack of complementarity in this encounter. This daily life scenario provides help in understanding the subtle issue that although complementarity may serve as a primary or first order stabilizing or equilibrating mechanism in a number of human transactions, nonetheless it does not necessarily function in all incidences. In comparison, reciprocity, although it serves as a secondary defence or stabilizing mechanism, generally operates in almost all transactions.

The important concept of agency has been frequently debated in the psychological contract literature. The majority of the arguments, rather than empirically advancing our understanding, however, are confined to a discussion of complexities associated with its conceptualization (e.g. Coyle-Shapiro and Shore, 2007; Cullinane and Dundon, 2006). In order to further develop the conceptualization of this complex notion, the current study suggested extended specificity in the theorization of the organizational agents. Based on the responses of the research participants, the study findings highlighted different classifications of organizational agents (i.e. primary agents, secondary agents, multiple agents, incumbent agents).

The trustworthiness of the individuals appeared to play a vital role in the process of agent determination. This trustworthiness largely influenced employees’ perceptions of relational interdependence from the perspective of their dependence on particular individuals as organizational agents (i.e. the individuals they can trust to help them understand the organization’s expectations and also to achieve their objectives associated with the employment relationship). In addition, the research extended the conceptualization of agency beyond the domain of human agents. Largely ignored in the psychological contract literature, Beirne et al. (2004, p. 99), acknowledge the significance of these agents by highlighting the ‘domination of dead labour (technology) over living workers’ in the call centre industry. Primarily perceived as coercive (Tyler and Blader, 2013), the influence
of these agents appeared to play a significant role in inducing perceptions of breach in employees’ psychological contracts.

In the context of agency, the current research, did not only focus on employee surveillance in call centres but also highlighted the issue of relational interdependencies influencing power relations between employees and organizational agents. This view of power, in addition to representing the complexity of the workplace struggles, also depicted the issue of their proceedings at multiple levels (Hindess, 1982). Conceptualizing power in terms of relational interdependencies further highlighted that it is only the organizational agents but also the employees who actively engage in the workplace struggles to influence their interdependent employment relationships through making different efforts (e.g. increasing the employer’s dependence on them through developing their credibility and reputation).

Finally, the psychological contract literature generally alludes to the leadership theory while discussing the notion of agency. This may create confusion between the two notions of organizational leaders and agents. It is therefore pertinent to highlight the distinctions between the two apparently similar but conceptually distinct notions. In the context of leadership, conscious efforts based on extrinsic or intrinsic appeal are made by certain organizational members to be acknowledged as organizational leaders (Northouse, 2012). In comparison, no planned efforts are made by organizational agents to be recognized. It is rather the employees’ subjective interpretations of their employment relationships which idiosyncratically define the agents in their psychological contracts (Shore et al., 2012).

Based on this viewpoint, the researcher argues that the agents may be conceptualized as the ‘passive leaders’ of the organization. Similar to the organizational leaders, these passive leaders have a significant influence on the employees’ perceptions of their employment relationship. This influence, however, rather than being based on any conscious efforts by particular organizational members (i.e. organizational leaders), largely originates from the
subjective perceptions of the employees. In other words, a push strategy directed at followers generally operates in a leader–follower relationship, in which the leader attempts to influence the followers to achieve a certain set of objectives. In comparison, a pull strategy, directed at the agents, operates in an agent–employee relationship, in which employees, based on the subjective perceptions of their psychological contracts, attempt to influence the agents to achieve their objectives.

The second major difference between organizational leaders and agents is based on the autonomous or independent role of secondary agents, i.e. to act as a secondary agent without any prior contribution as a primary agent of the organization. On the basis of the research findings, it may be argued that certain organizational members may influence employees’ psychological contracts on a relational basis without any prior influence as primary agents. As noted in the study, employees acknowledge the influence of secondary agents because of the perceived role of these agents in understanding the expectations of the organization. In contrast, leaders generally have to make prior extrinsic contributions in order to manipulate their followers on an intrinsic basis. As a result, in order to have a relational influence as a transformational leader, the organizational leaders, unlike organizational agents, generally need to rely on transactional leadership skills as well (Yukl, 2010).

According to Rubin et al. (2010) ‘it has been noted that leader rewards and punishments are critical in forming the foundation upon which more active and effective forms of leader behavior, such as transformational leadership, build’ (p. 400). The observation of Atwater et al. (1997) provides further support to the researcher’s argument that generally transformational leaders are also seen by their followers as using transactional rewards more frequently. A similar argument is made by Bass (2009) that transformational leadership cannot be a substitute for transactional leadership, as the former is largely influenced by the latter style of leadership. Spencer et al. (2012) and Waldman et al. (1990) also argue that transformational leadership, rather than being an alternative, is an extension of transactional leadership.
6.2 Critical realist position in the thesis

The above discussion comprised the conclusions drawn from the current study which is based on the critical realist research philosophy. The critical realist metatheoretical position is utilized throughout the thesis. As previously discussed in detail, rather than developing generalizable laws (positivism) or determining the lived experience of the social actors regarding a particular phenomenon (interpretivism), the current study with a critical realist research philosophy mainly focused on the deeper levels of understanding and explanation of the research problem (i.e., investigating the under-researched implications of power dynamics from the perspective of relational interdependence in relation to the psychological contract).

Following the critical realist position, the abductive mode of inference was employed as this research neither focused on proving/disproving something (deduction) nor did it set aside the already existing theory (induction). Rather, the current study, with an acknowledgement of the relevant theory, re-contextualized the concept of the psychological contract in relation to power. The abductive mode of inference was therefore very helpful in highlighting the relational interdependencies and the workplace struggles in this re-contextualization of the psychological contract. Consistent with the critical realist position, the intensive research design was followed in the study. Critical realism is more aligned with the intensive rather than the extensive research design (Sayer, 2000). According to Clark (2000), while extensive research designs focus on highlighting empirical regularities, the intensive research designs are more concerned with what makes some things rather than others happen in a certain context. This feature of intensive research design in critical realism is imperative as the current study, rather than looking for regularities in the phenomena of mutuality, reciprocity or agency, was more concerned with what makes these phenomena exist in certain contexts.

The case study research strategy was utilized in the thesis. As previously discussed in detail, this strategy was selected due to its underpinning features that
are highly compatible with the critical realist research philosophy (e.g., emphasizing an in-depth analysis of the research problem, focusing on intensive rather than extensive research design, investigating research problem with counterfactual thinking to seek more innovative, frame breaking and challenging, rather than reconciling descriptions of the research problem). For the purpose of data collection semi-structured interviews were employed. Semi-structured interviews provided significant support in managing any unanticipated dimensions of the research problem that emerged from the interviewees’ responses. This key feature of semi-structured interviews is consistent with the critical realist research philosophy as, rather than prohibiting any unanticipated dimensions (e.g. as in positivistic research), it allowed the unpredicted outcomes to emerge from the research process. Finally, the technique of template analysis was used for the purpose of data analysis. This technique has been utilized in a number of qualitative studies based on the critical realist research philosophy and the case study approach (e.g. Au, 2007; Biedenbach and Müller, 2012; Carter, 2012).

6.3 Contributions to knowledge

This study contributed to the relevant research from the empirical as well as theoretical perspectives. The empirical data of the study, in addition to highlighting the complex relational interdependencies and the associated workplace struggles in the employment relationship, also offered new knowledge about work and management in Pakistan. This context of the employment relationship, which is based on the underlying power dynamics that are embedded into the complex and interdependent relationships between employees and organizational representatives, is globally significant in terms of workplace research, yet generally neglected in the relevant studies. The current study particularly focused on this issue. The results highlighted that, rather than as passive subjects, employees make purposeful efforts to support their interests and resist the employer’s attempts to reshape the interdependent employment relationships in their own favour. For this purpose, employees actively engage in workplace struggles to enhance their bargaining power through decreasing their dependence on the employer and increasing the employer’s dependence on them.
(e.g., establishing their own credibility and reputation, increasing their employability with other potential employers etc.)

In addition to the empirical contribution, the research made a theoretical contribution to the psychological contract literature from the perspectives of mutuality, reciprocity and agency. Concerning mutuality, this study highlighted the significance of interdependence in contrast to the assumption of mutuality. The concept of interdependence fully acknowledges the implications of power dynamics in the employment relationship. These implications, in spite of their critical nature, are largely underplayed in the psychological contract literature due to the emphasis on the assumption of mutuality. The interdependence approach is consistent with Blau’s (1964) conceptualization of social exchange. In relation to power, Blau (1964, p. 2) argues that the influence of exchange actors is largely based on their ‘complex interdependence’ in that relationship. Similarly, Beirne (2006) maintains that ‘the influence of one party can only be understood in terms of their relational interdependency with others’ (p. 13).

This study further contributed to knowledge by highlighting the significance of negotiation in contrast to reciprocity. The research findings demonstrated that it is the negotiated rather than the reciprocal contracts that principally need to be focused on in the theorization of the psychological contract. The concept of negotiated contracts is based on the ideology of bargaining and negotiation rather than on merely being kind or harmful (Cook et al., 2013; Molm, 2010). The negotiated contracts also acknowledge the implications of power dynamics in terms of unequal gains stemming from the disproportionate interdependence of the exchange actors (Blau, 1964; Cook et al., 2013).

In relation to agency, this research contributed to the psychological contract literature by proposing different classifications of organizational agents. With an invitation to further exploration, the study put forward classifications of primary agents, secondary agents, multiple agents and incumbent agents. The research also extended the notion of agency beyond the boundary of human agents into the domain of technology-based electronic agents of the organization. Furthermore,
the study highlighted that it is not only the perceived capability to reward or punish but also the perceived tendency to actively use that capability which significantly influences employees’ assumptions to consider a particular organizational member as the agent of the organization.

Based on the above mentioned empirical and theoretical developments, this thesis makes another contribution by providing a framework (Figure 6.1) of the psychological contract which principally emphasizes interdependence and negotiation between employees and organizational representatives. According to this framework, the perceptions of interdependence (rather than mutuality) in the employment relationship serve as the foundation of the psychological contract established between employees and the organization. A number of underlying factors (e.g. the employee’s mental schema, hierarchical position in the organization, communication, job security/mobility and future employability prospects in the broader labour market) generally influence the employee’s perceptions of interdependence in the employment relationship.

Based on these perceptions of interdependence, negotiated rather than reciprocal contracts influence the employee’s psychological contract with the organization. Characterized by the assumptions of complementarity (Gouldner, 1960), these negotiated contracts are largely influenced by employees’ internal motives and perceptions of interdependence in the employment relationship. As the organization generally comprises a number of contract makers, i.e. agents (Conway and Briner, 2009; Guest et al., 2010; Shore et al., 2012), the broader overarching psychological contract which the employee establishes with the overall organization, is generally based on a number of exchanges, both implicitly and explicitly negotiated with these different agents of the organization.

Furthermore, the employees’ perceptual development regarding organizational agents is guided by their presumptions of the trustworthiness and the reward/punishment capability of these organizational representatives, along with the perceived tendency of these representatives to actively use that capability. Based on the findings of the current study, it is posited that these exchanges –
negotiated with the different agents of the organization – may have a variety of outcomes. These outcomes may range from ignoring the discrepancy (generally associated with employees’ perceptions of minor contract breach) to exercising deviant behavior (largely associated with employees’ perceptions of serious contract violations).

![Figure 6.1: Conceptual framework](source: Developed for the thesis)

### 6.4 Research limitations

The current research, although providing useful insights into the notion of the psychological contract is not without its limitations. The first limitation of the study originates from the self-reporting nature of the data. The studies based on self-reported data may be contaminated by skewed findings, as a result of the possibility of underreporting of actual behaviour or a social desirability bias among the research participants (Huddy et al., 1997). Even though there is evidence of candid and truthful responses from research participants in studies
exploring deviant, immoral or even illegal human behavior (e.g. Bennett and Robinson, 2000; Gilligan, 1996), there nevertheless exists the possibility of inflated results due to the self-report nature of the data (Saunders et al., 2009).

The argument of Saunders et al. (2009) has intuitive resonance. However, based on the recommendations of Easterby-Smith et al. (2008), the approach of the current study of relying on self-reported data is driven by its key objectives, i.e. to make an improved understanding of the notion of the psychological contract. Despite the considerable body of literature, the notion of the organizational agent, a key exchange actor in the agent–employee relationship, remains largely vague. The current study, therefore, has to rely on the only visible exchange actor in this relationship, i.e. the employee. Later research may efficiently manage the issues arising as a result of self-reported data by incorporating not only the viewpoint of employees but also the perspective of relatively visible organizational agents, distinguished on the basis of the findings of the current investigation.

A second limitation stems from the cross-sectional nature of the research design. The nature of data collected at a single point in time precluded any possibility of making causal inferences. The current study re-contextualized the notion of the psychological contract from the perspective of power. Saunders et al. (2009) argue that, for studies investigating a phenomenon from a different perspective, a cross-sectional research design is more effective. Later research with a longitudinal research design may investigate the nature of causal relationships, once the underlying dynamics of the concept are determined by an initial cross-sectional research (Bryman, 2008).

A third limitation stems from the responses of the research participants that are based on their perceptions rather than actual behaviours. Wright and Nishii (2004) differentiate between perceived and actual human resource practices. The results acquired from the answers based on the perceptions of the research participants may, therefore, differ from responses based on their actual behaviours. This is due to the fact that individuals, on the basis of their subjective perceptions (Radin and Calkins, 2006), have a tendency to interpret the same information differently.
(Lepak and Snell, 1999). Although, this approach to data collection may induce subjectivity in the research findings, this feature is largely compatible with the fundamental conceptualization of psychological contracts, i.e. employees’ subjective perceptions and subsequent interpretations of their employment relationships (Conway and Briner, 2009; Wellin, 2012).

Finally, the current study is conducted within a particular context, i.e. the call centre industry. The findings of the current study, because of its distinct context of a highly bureaucratic (Brook, 2007) and intensively monitored (Batt and Moynihan, 2002; Deery and Kinnie, 2002; Tyler and Blader, 2013) working environment prevailing in the call centres, may not ideally be generalizable to other industries with different working arrangements. Later research may, however, further explore the implications of the current study for other industries with different employment arrangements for the purpose of generalizability.

6.5 Practical implications

The findings of the research have significant practical implications. As noted, the existence of indeterminacy in employment relationships is a major source for the development of perceptions of breach in employees’ psychological contracts. The psychological contract literature, however, emphasizes the notion of implicit mutuality between employees and the different agents of the organization. Rejecting the assumption of implicit mutuality, the findings of this research, emphasize the notion of clear and explicit communication in organizations. This is because curtailing indeterminacy on the basis of clear and explicit communication will not only reduce the development of employees’ perceptions of breach but will also reinforce their psychological contracts with the organization.

In addition to the issue of curtailing indeterminacy, the notion of explicit communication in organizations gains further currency due to its significant role in promoting the trustworthiness of the different agents of the organization. As noted in the study, employees’ perceptions of agents’ trustworthiness are largely based on their ability to explicitly communicate the expectations of the
organization and the rewards/punishments associated with the fulfillment/non-fulfillment of these expectations. Therefore, the organizational agents, based on their trustworthiness which largely stems from their unambiguous and explicit communication ability, can further reinforce the development of the perceptions of a balanced psychological contract among employees.

The findings of the current study highlighted the issue of the prevalence of transactional contracts, particularly among the category of atypical workers. This perception largely stems from their assumptions of being a peripheral workforce, hindering the development of the relational dimension in their psychological contracts with the organization. In this context, employers need to focus on this category of employee. This approach will largely result in a win–win situation as, in addition to enhancing organization performance, it will also reinforce the psychological contracts of these atypical employees with the organization.

As already discussed in detail, human resource managers generally have a limited influence on employees’ psychological contracts. Human resource managers therefore need to enhance their professional knowledge and skills, which are not only applicable to their own departments but also to the functioning of other departments. As argued by Guest and Woodrow (2012), in addition to reducing the perceptions of the ‘lack of power of HR managers’, it will also reinforce the psychological contracts of employees (p. 110).

Electronic agents appeared to play a significant role in the psychological contracts of employees. The established psychological contract literature is largely based on the notion of human agency. The research findings, however, highlight the critical influence of electronic agents in the psychological contracts of employees. Primarily coercive in nature, the influence of these electronic agents mostly results in the perceptions of psychological contract breach among employees. Organizations and particularly call centres, therefore, need to pay significant attention to the use of these electronic agents. In particular, electronic agents, rather than invading employees’ privacy, should be largely used from the perspective of controlling detrimental employee behaviour.
6.6 Recommendations for future research

A meta-analytic review of the relevant literature reveals that a number of researchers (e.g. Conway and Briner, 2009; Coyle-Shapiro and Shore, 2007; Cullinane and Dundon, 2006; Guest et al., 2010; Shore et al., 2012) criticized the underlying conceptual inconsistencies in the theorization of psychological contracts. Although, the discussion of these researchers emphasized the need to conceive of the notion of the psychological contract in a more realistic rather than rhetorical manner, the focus of the majority of these arguments has largely remained limited to mere criticizing, rather than to advancing its conceptualization. Future research therefore needs to focus on the issue of advancing the understanding of the notion, rather than on relying only on theoretical criticism. A more viable and appropriate approach may be to expand the domain of investigation to other industries for the purpose of validity and generalizability.

The current study also urges future research to further explore the notion of the psychological contract from the perspective of interdependence rather than mutuality in the employment relationship. Investigating psychological contracts on the basis of interdependence rather than mutuality will discharge the relevant research from the unachievable responsibility of promoting mutuality among exchange actors that enter into a relationship with dissimilar rather conflicting objectives in many cases. Furthermore, it will enable researchers to pay more attention to the implications of the notion of power, a critical but largely ignored issue in the psychological contract literature.

The current research, on the basis of its inferences, invites future research to explore the notion of the psychological contract on the basis of negotiation rather than reciprocation. As previously discussed in detail, the notion of reciprocity is neither conceptually applicable nor practically workable within the domain of employment relations. The two major issues with the notion of reciprocity are the assumptions of power symmetry and the voluntary nature of exchange relations.
As noted, these two assumptions are generally not very relevant from the perspective of employment relations. With more significance to the domain of employment, negotiated contracts not only acknowledge the implications of power asymmetry but also consider the transactions between exchange actors on an obligatory rather than voluntary basis.

A number of themes emerged in the context of the issue of agency. Future research might further investigate the proposed primary/secondary agents’ typology not only in terms of its application to traditional employment arrangements but also in relation to other relevant (i.e. multiple and incumbent agents’) typologies in the context of non-traditional employment settings. The notion of agency in the psychological contract literature is largely based on the allusion of leadership. This issue makes it very difficult to make a conceptual distinction between the two notions. No research since the earlier conceptualizations of the psychological contract has explicitly attempted to determine and analyze the underlying conceptual differences between the two notions of agency and leadership. Another important research avenue may, therefore, be the conceptual demarcation of the notions of organizational agents and leaders.
REFERENCES


Arrowsmith, James, and Paul Marginson (2011). "Variable pay and collective bargaining in British retail banking." British journal of industrial relations 49.1: 54-79.


APPENDICES
APPENDIX A

BIBLIOGRAPHY

The following bibliography outlines the literature consulted in the process of conducting this research. Not all the references are directly referenced in the thesis text, nonetheless, those not referenced were instrumental in providing a background understanding of the research issues.


APPENDIX B

PLAIN LANGUAGE STATEMENT FOR THE RESEARCH PARTICIPANT

1. Study title and Researcher Details
The implications of the notion of power in the psychological contract literature
University of Glasgow, College of Social Sciences, Business School, Department of Management

Researcher: Haris Ali, PhD Student  Email: 0903778a@research.gla.ac.uk
Supervisors: Dr. Judy Pate  Email: Judith.Pate@glasgow.ac.uk
Professor Fiona Wilson  Email: Fiona.M.Wilson@glasgow.ac.uk

2. Invitation paragraph
'You are being invited to take part in a research study. Before you decide it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and discuss it with others if you wish. Ask if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part.
Thank you for reading this'.

3. What is the purpose of the study?
The purpose of this study is to improve the understanding of the process of developing expectations by employees from their employers. How the employees communicate their expectations to the employers? How these expectations are influenced by the daily interactions between the employee and the employer? The answers to these questions will assist in reaching a better understanding of the influences of the daily employee-employer interactions, on the employees’ understanding of their employment relationships.

4. Why have I been chosen?
You are being chosen as this research primarily focuses on the full-time employees working in the call centre industry.

5. Do I have to take part?
You are at complete liberty to decide whether to take part in this study. If during the interview, you think of leaving the interview, you are absolutely free to do that. In case, you do not want any statement to be attributed to you or you want some part of your discussion to be deleted from the transcript, it will be managed according to your suggestions.

6. What will happen to me if I take part?
Your contribution will help this research project to reach a better understanding of the informal aspects of employment experienced by employees on daily basis. You will be participating in an
interview that will last up to 40 minutes, which will be audio recorded after your consent. This will further enable the research to explore the employment relationship on a more practical basis. Your anonymity and confidentiality, however, will be absolutely preserved. All the statements from you will be treated in an anonymous manner.

7. Will my taking part in this study be kept confidential?
As mentioned earlier, your anonymity and confidentiality is of prime importance. The data relevant to you will be kept in a password protected file, in a personal computer and will be deleted at the end of the project. Any statements from you will be attributed on the basis of pseudonyms.

8. What will happen to the results of the research study?
If you require, you will be provided a copy of your transcript and it may further be amended on your request. The results of the study will be discussed as findings as a part of this dissertation. The results of the study will be discussed in an anonymous manner, in order to minimize any possibility of identification of the research participants. The results of the study will be helpful in analysing the different research issues, investigated in my PhD. In addition, the results of this study may be further helpful for the purpose of later publications in academic research journals.

9. Who has reviewed the study?
The study will be reviewed by the two full time senior academic staff members of the study. In addition the ethical issues will be taken care of by the College of Social Sciences Ethics Committee as well.

10. Contact for Further Information
Researcher: Haris Ali, Phd Student Email: 0903778a@research.gla.ac.uk
Supervisors: Dr. Judy Pate Email: Judith.Pate@glasgow.ac.uk
Professor Fiona Wilson Email: Fiona.M.Wilson@glasgow.ac.uk

If you have any concerns regarding the conduct of the research project, you may contact the College of Social Sciences Ethics Officer John Mckernan.
APPENDIX C

STATEMENT FOR INTERVIEWEE BEFORE START OF INTERVIEW

Welcome and thank you very much for agreeing to take part in this interview. The interview should take no longer than one hour. However, should this time be exceeded for any reason I will specifically ask your permission to continue at that point. If you should not be happy to proceed beyond this time, please let me know and I will then stop promptly after the agreed period.

I also want to assure you that there are no right or wrong answers to the questions, I will be asking you. Therefore please feel free to open up and share as honestly as possible your perceptions and expectations as this will be extremely valuable for the purposes of this research. Please also please bear in mind that you do not need to answer specific questions, if you do not want to. If you want the interview can be stopped at any time.

I would also like to assure that your anonymity will be protected at all times. Your name will not be revealed and where I make references to you in the transcript of this interview, your identity will be obscured by giving you a pseudonym such as ‘participant x’ or ‘participant y’. Any other information which might potentially identify you will also be withheld.

Before going on I would also like to confirm that you are happy for me to record this interview?

(After voluntary consent of interviewee) Thank you and by all means please feel free to ask or share anything as this is quite an open, semi-structured interview so you can raise issues as they come along.
APPENDIX D
WRITTEN PERMISSION FROM THE RESEARCH PARTICIPANT

Researcher: Haris Ali:

Project title: PhD Management Research Dissertation

Organization: Department of Management, University of Glasgow.

I have been given and have understood the details of this research project. I have had an opportunity to ask questions and have them answered to my satisfaction. I understand that I may withdraw myself or any piece of information that I have provided without having to give reasons or without penalty of any sort.

I understand that any information I provide will be kept confidential to the researcher and to the supervisor and my name will not be used in the verbatim transcription of interview recording. Furthermore, no opinions, judgements or inferences will be attributed to me in any way that may reveal my identity. I will be given an electronic copy of my audio recording and transcript for my review. Moreover, the audio recording and transcript of my interview will be wiped at the end of the project.

Please select from the following options

☐ I consent to use the information or opinions provided by me in an absolutely anonymous and confidential way.

☐ I would like the tape recording and transcript of my interview returned to me for my review and any modifications, I suggest.

☐ I understand that the data I provide will not be used for any other purpose or released to others without my written consent.

☐ I would like to receive a summary of the results of this research when it is completed.

Name of research participant

Signed: ____________________________ Date: ____________________________
APPENDIX E

INTERVIEW QUESTIONS

Q1: How do you communicate your expectations to your employer?

Q2: How does your employer communicates their expectations to you?

Q3: How do you and your employer ensure that both have a precise understanding of other’s expectations?

Q4: Who do you look for in your organization to find out what your employer expects from you?

Q5: Does your organization understand your expectations, even if you do not mention them?

Q6: Do you think your organization rewards your contributions properly? (If not, why is that?)

Q7: How do you react, if you see your organization not rewarding your contributions properly?

Q8: Who is the most likely person in your organization to acknowledge and reward your contributions?

Q9: Can you withhold your contributions, if your organization does not reward your contributions properly?

Q10: If yes, would you withhold your contributions?

Q11: Who is the most important person for you in your organization?

Q12: Can you give me example(s) of the incident, which made this person important to you?