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BA (HONS) IN HUMAN RESOURCE MANAGEMENT

2015

YOU ARE LUCKY TO HAVE A JOB!

AN EXPLORATION INTO THE IMPACT OF THE FINANCIAL RECESSION OF 2008
ON THE PSYCHOLOGICAL CONTRACT, EXAMINING IN PARTICULAR THE THEMES
OF TRUST, EMPLOYEE ENGAGEMENT AND COMMUNICATION.

MADELEINE WOODS

13105485

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SUPERVISORS: RON ELLIOT

This dissertation is solely the work of the author and is submitted in partial fulfilment of the requirements of the BA (Hons) Degree in Human Resource Management.

ABSTRACT

This study explores the effects of the recession in Ireland on the psychological contract, looking specifically at trust. The research draws on the framework of the psychological contract looking principally at the work of Rousseau, Guest, and Dundon.

The economic downturn and subsequent recession had a major effect on every industry and sector of Ireland. Thus unemployment figures in Ireland rose from an impressive 4.9% to an overwhelming 15% during the height of the recession in 2012 (CSO, 2015). Many commentators have argued that the unemployment figures were significantly higher than the actual reported statistics when you considered people that had emigrated and the under-employed. Although there has been widespread coverage on the redundancies and terminations that took place during this time, there has been little talk about the effects these actions had on the people. As Ireland claws its way on the road to recovery this study will look at how the actions in the recession impacted employees and what it means for the new employers.

The term psychological contract originates from the Greek language. It means ‘mind, spirit and soul’ (Makin et al, 1996). Schein’s defines the psychological contract as ‘an unwritten set of expectations operating at all times between every member of an organization and the Manager and other members in the organization’ (Schein, 1980). Taking into account the severity of the economic crisis in Ireland one can ascertain quite easily that these economic challenges would have hugely effected workers contracts through, redundancy, reduced working hours, pay cuts and terminations. Even though Schein recognizes that the psychological contract is unwritten he emphasizes the importance of the PC when determining the behaviours and attitudes of workers (Schein, 1980).

This dissertation will attempt to ascertain whether or not the level of trust between employees and employers has been affected by the events of the economic recession and the aftermath for the workplace such as reduced working hours, pay cuts, pay freezes, redundancies and dismissals. The research will be carried out through a small scale unstructured interview from employees of a small IT tech company based in Dublin.

DECLARATION

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Research Students Declaration Form
(Thesis/Author Declaration Form)

Name: Madeleine Woods
Student Number: 13105485
Degree for which the
dissertation is submitted: BA (Hons) in Human Resource Management

Material submitted for award

- (a) I declare that the work has been composed by myself
- (b) I declare that all verbatim extracts contained in the thesis have been distinguished by quotation marks and the sources of information specifically acknowledged.
- (c) My dissertation will be included in electronic format in the College Institutional Repository TRAP (thesis reports and projects)
- (d) I declare that no material contained in the thesis has been used in any other submission for an academic award.

Signature of research student: _____

Date: 20th July 2015

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Madeleine Woods

20th July 2015

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CHAPTER ONE: INTRODUCTION

This chapter introduces the key theorists that have explored the topic of the psychological contract, draws on the type of research process that will be carried out, and the key themes that will be investigated during the research process.

This dissertation aims to explore the themes of trust, employee engagement and communication in relation to the psychological contracts and how they have been affected by the recession.

In 2008, Ireland experienced an economic, financial and fiscal crisis that had detrimental effects on the Irish labour market. Although the crisis occurred throughout Europe and indeed worldwide, Ireland in particular suffered catastrophically due to its over reliance on the construction sector. This study examines the Irish labour market in particular the private sector and the manner in which employees were communicated with and managed throughout the recession. Using the theory of the psychological contract this report will examine how the relationship between employee and employer was damaged, why this occurred and what if anything could have been done to alleviate some of the issues.

CIPD issued a report in 2010 which outlined both job satisfaction and trust had deteriorated and that trust was now only evident in 33% of the participants surveyed. The study also outlined that there had been a slow decline in respect and trust between employees and their immediate Managers (CIPD, 2010).

Organisations employed many different strategies to attempt to deal with the difficulties and financial pressure they faced as a result of the economic downturn. The majority of businesses implemented wage cuts or at the very least froze wages, cut bonuses, and stopped all or most recruitment, implemented wage cuts and where necessary introduced voluntary or compulsory redundancies. Headcount represented the biggest expense in most organizations, therefore companies set about reducing this overhead by a number of different means. The most popular measure after redundancies were reduced overtime, increased use of contract or part-time workers and more flexible working arrangements to suit the business.

There has been a vast amount of research carried out on the topic of the psychological contract. The subject gained renewed academic attention in the 1990's thanks to the work carried out by theorist Denise Rousseau. She is one of the principle theorists that have contributed to developing the idea of the psychological contract. In essence the psychological contract attempts to understand how relationships between employees and employers work and also how they these relationships can be managed more effectively (Dundon, 2010).

The research will be carried out through a series of semi-structured interviews which will hopefully garner deep rich data about each of the employee's working history and a background into their own stories.

CHAPTER TWO: LITERATURE REVIEW

Introduction

Chapter Two will introduce the ideas of a number of principle theorists that have investigated the notion of the psychological contract, this will structure the research highlighting where the concept originated from and what is currently being contemplated about the concept. Rousseau, Dundon and Guest are some of the researchers that will be introduced in this chapter. This section will also outline the concept of trust and will outline how trust and the psychological contract are interrelated in the employment relationship.

Origin of the psychological contract

The psychological contract as a concept first emerged almost fifty years ago, however it was not until nearly four decades later that the concept started to garner wider attention. It was during this period that the traditional employment relationship started to undergo dramatic changes and this caused theorists to revisit the concept in terms of breach of the psychological contract (Freese and Schalk, 2008).

Comparisons have been made between the legal contract drawn up between employee and employer and that of the psychological contract. However, the legal contract requires acknowledgement and consent of both parties whereas the psychological contract is promise based perceived by individuals to be reciprocal (Levinson et al 1962).

Chris Argyris first coined the term the 'psychological work contract' in the 1960's, he used the term to describe the 'exchange of tangible resources between the employer and the employee' (Taylor and Tekleab, 2004). Schein (1965) highlights the importance of acknowledging the expectations of all members of an organisation and argues that it is essential to match both the expectations of the employee and employer to produce the best working relationship. Rousseau who has been influential in renewing interest in the psychological contracts shifts the emphasis away from Schein's theory on matching expectations of employer and employee:

Schein's argument in reality though is nearly impossible as the psychological contract is an implicit agreement which is rarely is ever openly discussed between both parties, which is highlighted by Rousseau when she argues that the organisation

cannot have perceptions of obligations towards the individual and as such the PC can only possibly exist in the mind of the individual employee. This theory marks a move towards only concentrating on the employees perceptions of the obligations between themselves and the organisation. This approach focusing solely on the individuals beliefs about reciprocal obligations has continued to be the most widely accepted idea to date (Del Campo, 2007)

‘When an individual perceives that contributions he or she makes obligate the organisation to reciprocity a psychological contract emerges. Belief that reciprocity will occur can be a precursor to the development of a psychological contract. However, it is the individual’s belief in an obligation of reciprocity that constitutes the contract. This belief is unilateral, held by a particular individual, and does not constrain those of any other parties to the relationship’ (Rousseau, 1989). This belief of the obligation of reciprocity is also the main driver behind the perceived breach of psychological contract.

Rousseau, one of the leading theorists on the subject of the psychological contract defines the terms as ‘An individual’s belief in mutual obligations between that person and another party such as an employer’ (Rousseau 1998). This definition has gained wide acceptance throughout the psychology field. While Guest emphasises the importance of both parties entering the contractual agreement when he argues ‘the perception of both parties to the employment relationship, organisation and individual of the reciprocal promises and obligations implied in that relationship’ (Guest and Conway, 2002). Although the employer influences the content of the contract through promises made at the recruitment stage as well as during employment, the individual employee also introduces a subjective quality to the agreement through their own pre-conceived thoughts and beliefs (Guest and Conway 2002).

Employers expect to gain commitment and understanding from their employees while employees expect to be treated fairly and enjoy job satisfaction and receive opportunities for growth. Misunderstanding or neglecting these expectations can negatively affect the employment relationship and this will eventually affect the whole organisation’s performance.

According to CIPD (2010) the strategic implications of the psychological contract are:

- Process fairness
- Communication
- Management style
- Managing expectations

Measuring the psychological contract

The psychological environment can be measured in terms of its content, its evaluation and its features (Rousseau and Tijorwala, 1998). They identify three ways of measuring the psychological contract:

- Feature oriented
- Content oriented
- Evaluation oriented

Feature-oriented concentrates on evaluate the contract in relation to a specific dimension or attribute.

Content oriented inspects the specific terms of the contract. The obligations of the contract based on promises made by both the employer and employee are highlighted through this measure. Examples would be training/ flexible working hours/ high performance/ confidentiality.

Evaluation oriented: assessing the level of satisfaction or violation and change experienced from the context of the contract, e.g. the provision of training from the employee or the level of performance from the employee.

The changes in the working environment have significantly impacted these features of the psychological contract. Social and cultural changes from the 1990's – 2009 show the shifting landscape for employees needs and concerns. In 1990 an important element of the psychological contract was job security; however this was replaced over time. In 2009, employees stated that employers with similar ethical and personal world views were now important consideration for them upon accepting employment (O'Donohue and Nelson, 2009).

Economic downturn and the significant organisational changes that have taken place as a result can have a lasting effect on the psychological contract. Cooper identifies the effects of the recession was when a workplace experienced substantial organisational change such as downsizing outsourcing, reduced working hours, pay freezes, this led to many employees experiencing ‘job insecurity, lowered morale and the erosion of motivation and loyalty (Cooper, 1999). Cooper argues that these changes in the workplace undermined the psychological contract however if we look forward ten years employees have accepted the decreased level of security that now comes as part of the modern employment contract and have embraced these changes preferring to concentrate on ‘ethical/ social values and their own personal belief systems (O’Donohue and Nelson, 2009).

Types of psychological contracts

Rousseau (1995) classifies four different types of psychological contracts –

- Transactional
- Transitional
- Relational
- Balanced

		<u>Performance Terms</u>	
		Specified	Unspecified
<u>Duration</u>	Short-term	<p><u>Transactional:</u> (e.g. Retail clerks at Xmas)</p> <ul style="list-style-type: none"> • Low Ambiguity • Easy exit/high turnover • Low member commitment • Little Learning 	<p><u>Transitional:</u> (Ee experience during merger/acquisition)</p> <ul style="list-style-type: none"> • Ambiguity/uncertainty • High turnover/termination • Instability
	Long Term	<p><u>Balanced:</u> (e.g. High Involvement Team)</p> <ul style="list-style-type: none"> • High member commitment • High Integration • Ongoing development • Mutual support • Dynamic 	<p><u>Relational:</u> (e.g. Family business members)</p> <ul style="list-style-type: none"> • High member commitment • High affective commitment • High integration/identification • Stability

Figure 1: Types of psychological contract

Transactional psychological contract

The transactional psychological contract has now replaced the more traditional contract where the primary concerns were loyalty and security the ‘job for life’ mentality. The transactional contract concentrates on increased productivity in return for promises of high wages, little employee/ employer commitment, high turnover and little or no training and development (Rousseau, 1995).

Relational psychological contract

Rousseau describes a relational contract as a contract which contains high commitment, stable and high integration of the employees within the organization. This type of psychological contract would often be found with the voluntary sector or within the start up phase of a business.

Transitional psychological contract

This type of contract would be found in times of organizational change such as mergers or acquisitions, and would be associated with high levels of instability, employee turnover and uncertainty on the part of the employee. Due to the instability experienced as a result of the economic recession we would see this type of psychological contract appear a lot over the last number of years.

Balanced Psychological contract

The balanced psychological contract contains attributes of high involvement, commitment, integration, team work, development and career progression. This contract would have occurred more frequently in the pre-recession years when HR practitioners were concerned with attraction and retention of staff (Rousseau, 1995).

Flexible working

Transactional psychological contracts have grown in popularity due to the changes of labour flexibility in the current market. The idea of flexible working first emerging during the 1980's during the last major recession. Labour flexibility is a way for organizations to cut costs and utilize workers in the most economic and efficient way possible to enhance the company's profits.

Guest (2004) identifies those employees with temporary or fixed term contracts view their employment relationship and the perceived promises differently to those employees with a full-time contract. He finds that workers with a temporary contract are more likely to experience contractual changes than full time workers in particular related to issues such as job security, commitment and life satisfaction.

Atkinson originally posited the flexible firm model which comprises of a reorganization of a firm's internal labour market causing the workers and employers expectations to become increasingly differentiated (Atkinson and Meager, 1986).

This reorganization of workers allows groups of employees adhering to vastly different employment policies. Within the organization you now have two different sets of workers - core and periphery. The core workers have full time hours and relative employment security they enjoy employment benefits and good pay while the periphery workers temporary, part-time and seasonal worker. Within the periphery group there are two sub groups. Highly paid, highly skilled contract workers and then low skill low paid with less favourable conditions and pay

(Gunnigle et al, 2011). The psychological contracts for both types of set of workers would be completely different with the latter having a transactional arrangement and the core workers enjoying a more beneficial relational contract. One of the most important outcomes of the recession is we see much more use of the transactional contracts now and these periphery workers being employed as first choice by employers as they need little or no investment and can be disposed of quite easily.

Breach/ Violation of the psychological contract

Due to the changing nature of business, breaches of the psychological contract can happen quite frequently and sometimes these breaches are not recognised by the employer thus violation of the PC is a common occurrence. Drawing upon Rousseau's argument that the psychological contract is highly subjective, with expectations created and maintained by the employee the likelihood of violation becomes the norm (Rousseau and Robinson 1994). In a new employment relationship employees can have different expectations and beliefs about the employer/ employee relationship and this invariably can create different perceptions by both parties. It is these perceptions that can lead to an employee feeling as though their expectations have not been met fully and that the psychological contract has been breached or violated in some way (Cullinane et al, 2006). Unmet expectations can result in employees being dissatisfied while violation can have stronger repercussions.

Violation of the psychological contract occurs where 'one party in a relationship perceives another to have failed to fulfil promised obligations (Robinson et al, 1994). PC violations can illicit employee reactions such as absenteeism, morale issues and in extreme cases sabotage, theft and retaliation (Greenberg, 1990). Violation of the psychological contract can result in more intense feelings than that of unfulfilled expectations. Atkinson (2006) differentiates between violation and breach when he identifies violation as the emotional element while breach is the cognitive dimension. Therefore, violation or perceived violation against the employee re-enforces Rousseau's philosophy about the subjective nature of the psychological contract. There are two forms of PC violation – reneging and incongruence. Reneging is purposefully breaking the contract whereby incongruence is the individual's perception that there has been a violation of the PC. Violation is a highly emotional

experience caused by the employee's perception and interpretation of an apparent violation (Morrison and Robinson, 1997). When the PC is violated it has damaging effects on the attitude and performance of the employee. It can lead to a negative attitude and eventually the employee leaving the organisation (del Campo, 2007). Breaches of psychological contracts are associated with decreased levels of trust and increased occurrences of absenteeism and an overall reduction in job performance (Bunderson, 2001).

Psychological contract and performance

Employee expectations heavily influence the level of employee engagement within an organisation (Guest, 1988). Managers need to interact and communicate with their employees managing their expectations through performance management systems. Providing feedback and appraisals on how the employee is performing is essential when trying to gain maximum performance from them. Flood et al (2008) proposes HPWS (High performance work systems) as a way for an organisation to gain competitive advantage over their rivals. High performance work systems can only work successfully in an organisation when Management and employees alike are willing to embrace a new culture which has been designed to achieve sustained competitive advantage by developing an engaged, committed, flexible workforce (Gunnigle et al, 2011).

Armstrong (2006) argues that these schemes are usually more successful when expectations are mutually agreed through a performance management system. When the intentions and expectations of both parties are clearly communicated, this will lead to a higher trust environment and subsequently result in a stronger psychological contract.

However, when performance management is managed incorrectly it can have adverse effects on employee performance and morale. For example, a high performer may score badly on their annual review which can damage the psychological contract. Also if objectives and goals are not clearly communicated to an employee at the beginning of the review period it can be difficult for a Manager to review the performance effectively and an employee may feel that the process is not worthwhile and not fully invest themselves. Performance reviews can often be highly subjective and depend on the relationship between the employee and their Manager, this causes

major issues and calls into questions how fair and accurate are the reviews. An effective PMS is supposed to enhance the psychological contract and encourage employees to go beyond the expectations of their role (Richard et al, 2009). Performance Management underwent intense scrutiny over the last couple of years as many companies decided to forego their annual appraisals as they were not intending to pay and sort of increased remuneration or bonus payments. This led to employees feeling demoralised and unappreciated which undermined their psychological contract and in turn effected their performance.

Psychological contract breach and performance

Breach of the PC occurs when one party unsuccessfully uphold their end of the contract despite having the means to do so while violation on the other hand is when one party views the terms of the contract as being at odds with the other party (Rousseau, 1995). Guest (1998) argues that breach occurs when one party more than fulfils its obligations.

The employee's reaction to this perceived breach will depend on the culture of the organisation. An employee may decide that the working relationship can be saved and will voice their concerns. However, the employee may feel the breach is too severe and there is no way to repair the damage caused, thus their reaction will likely be to quit their position (Rousseau, 1995).

When a high level breach occurs and the employee believes the organisation has conducted themselves in an inappropriate way, the employee is likely to react in a similar manner. Common examples of this behaviour would be poor time-keeping, high level of absence, openly criticising the organisation in front of other colleagues (Kickul, 2001). Employees believe that this reactionary behaviour is justified based on the previous behaviour of the company.

One must understand both the short and long term impact that PC violation has on the employee and the organisation. Following the economic downturn which began in 2008 Irish employees in both the public and private sector experienced a host of organisational changes ranging from reduced working hours, pay freezes to redundancy and terminations. These experiences would have a major impact on the employee and their families, their main issues can be categorised as legitimacy of

layoffs, fairness of decisions, communication of the restructuring programme and provision of compensation (Brockner et al, 1986).

The way in which employers relayed these changes to employees was as important as the changes themselves. Newell and Dopson (1996) maintain that when employees believe that the decisions around restructuring are genuine and justified these employees will not feel quite as negative about the process as they would if the decisions seem to be unfair. In recessionary times when employment options are limited, employees will usually choose to remain in their roles but as soon as recovery begins, these same employees will exit their current organisations. It is essential for employers to acknowledge when a PC breach has occurred and try to understand the impact this will have on the employee, this will help to both repair the damage caused and also to prevent further similar occurrences (Middlemiss, 2011).

Communication/Organisational change

Organisational change on a small or large scale is inevitable in any business; as such the psychological contract must continue to be revised in order to deal with these changes. Change can have a major impact on the employment relationship; effective change management can slightly alleviate the impact of these changes. Employees usually accept change more easily if they are allowed to contribute to the process. Retaining a good relationship with employees is dependent on the ability of the Management to provide quality communication to employees and also how the relationship is initially perceived by both employee and employer (Clutterbuck, 2005). In the post economic recession era that we find ourselves in currently it is highly important for organisations to develop robust HR strategies that help maintain a healthy psychological contract between employee and employer (Harrison and Kessels, 2004). In Ireland, over the last number of years many organisations have introduced major changes to help deal with the current economic climate, to help cut costs and ensure survival of their business.

‘Psychological contracts can be influenced in a number of ways by organizational changes. Firstly, an employee’s work situation can change drastically due to the consequences of these changes, their role can be altered dramatically, they may be expected to carry out new or extra tasks and employees usually find they need to adapt to new circumstances and new demands quite quickly (Freese et al, 2011). In

the current economic climate psychological contracts need to be dynamic as the economic uncertainty means their need for change is constant (Taylor, 2008). This exerts pressure on the psychological contract as things employees took for granted may indeed be subject to radical change, which increases the unknown for employees and this causes extra stress. We see more contracts being presented by employers offering less job security. Temporary contracts with little or no benefits e.g. pensions, healthcare are becoming more commonplace. This presents issues for employers that want to garner maximum performance and loyalty from their employees but are not willing to offer the necessary benefits. There is a contradiction between sustained competitive advantage and flexible working.

Guest proposes the below psychological contract model, this model illustrates his theory that the contract should be measured in terms delivery of expectations, trust and fairness (Armstrong, 2006).

CAUSES	
Organisational culture, HRM policy and practice	Experience, expectations and alternatives

CONTENT	
Fairness, trust	The delivery of expectations

CONSEQUENCES	
Organisational Citizenship, organisational commitment	Motivation, satisfaction and well-being

Figure 2: Guest Model of psychological contract

Trust and the psychological contract

Conway and Briner (2005) outline the causes, content and consequences of the psychological contract, as shown below the PC is based on a mixture of HRM

practices, organisational culture, an individual's own personal experiences, and the expectations of both the employer and the employee.

The principle of trust is a key element to the content of the psychological contract. This directly impacts how committed an employee becomes to the organization and how satisfied they are in their role (Conway and Briner, 2005). Therefore if for any reason the psychological contract is breached or undermined in anyway this will fundamentally erode trust between the employer and employee and in turn will directly affect the satisfaction and well-being of the worker (Chambel and Castanheira, 2006).

CIPD (2012) report highlighted eight key drivers of trust that influence performance

- A sense of belonging
- A form of recognition
- A feeling of significance
- A sign of fairness
- A place to learn and be challenged
- Ability to have choice and autonomy
- A feeling of security
- A sense of purpose

The principle of trust is central to the content of the psychological contract. The presence of deep trust in the psychological contract can lead to positive consequences such as the employees become 'ideal' organizational citizens showing commitment which in turn leads to satisfaction and employee well-being (Conway and Briner, 2005). However, if there is any kind of perceived or real breakdown in the psychological contract this would ultimately lead to the erosion of trust (Chambel and Castanheira, 2006).

Organisational culture

According to Rousseau (1989) the psychological contract should be a product of culture and not a cause. An important role of HRM in the current climate is to identify a culture in an organization that enables a business to gain strategic advantage over their competitors. An organisation's vision, mission and strategy determine the cultural beliefs which will in turn influence the behaviour of the

organisation and its employees, the way they act and think. A business should develop a robust link between organisational climate, culture, and the psychological contract (Cullen, 2010). The climate in an organisation can be defined as the way in which employees perceive the existing organisational culture. Trust is imperative to manage psychological contracts successfully in an organization.

Employee Engagement and the psychological contract

‘Engagement has become for practitioners an umbrella concept for capturing the various means by which employers can elicit additional or discretionary effort from employees a willingness on the part of staff to work beyond contract’ (CIPD, 2013). William Kahn (1990) in an Academy of Management Journal first proposed the notion that workers can become personally engaged in their work by investing emotionally. He defines employee engagement as when ‘the harnessing of organisation members’ selves to their work roles; in engagement, people employee and express themselves physically, cognitively and emotionally during their role performances’.

Saks believed that the theory of engagement was provided by social exchange theory when he argues that ‘social exchange theory argues that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence, a basic tenet of social exchange theory is that relationships evolve over time into trusting loyal and mutual commitments as long as the parties abide by certain ‘rules’ of exchange’ (Saks, 2006).

The psychological contract is similar in that it is a dynamic relationship that consistently evolves over time, it is never static and therefore the chance of the agreement being undermined or breached is very high. There have been many more definitions of the term engagement posited since the 2000’s when there was an explosion of interest in the term. Alfes et al saw engagement has having three separate parts (Alfes et al, 2010).

1. Intellectual engagement
2. Affective engagement
3. Social Engagement

Armstrong produced a model of three overlapping components which he believes are necessary to employ engagement from employees

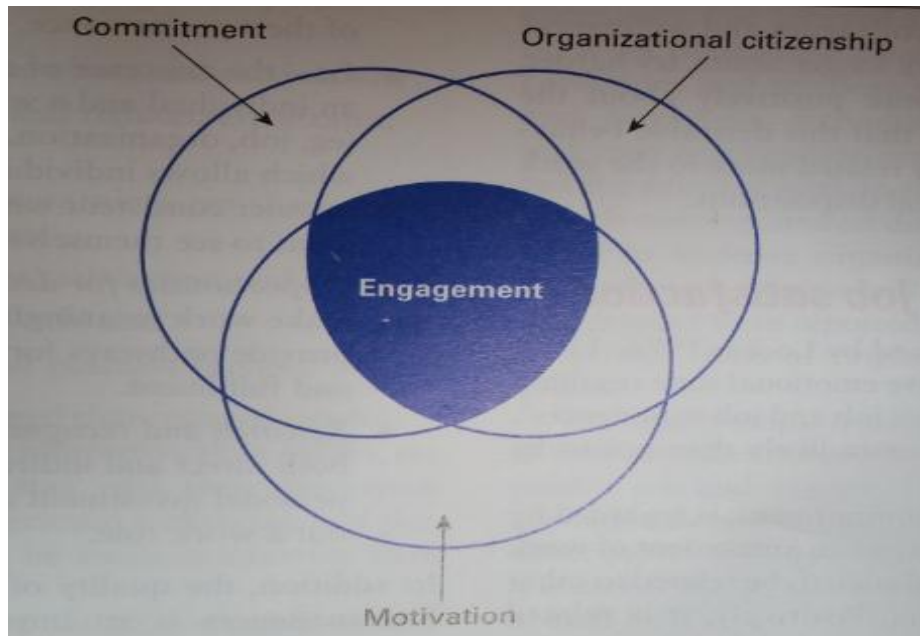


Figure 3: Source: Armstrong et al (2000)

Although this model illustrates that engagement comprises of three components, Robinson argues that commitment although similar to engagement is not exactly the same as engagement is a two way relationship between both parties (Robinson et al 2004).

Employers strive to achieve highly motivated and engaged employees in order to achieve increased productivity. However, in post recession Ireland where employers still expect the same high performance from employees or in most cases employees are now expected to work harder and longer for the same or less remuneration.

Unfortunately, the constant undermining of the psychological contract by the employer has left a situation where employers are finding it increasingly difficult to extend the same effort and loyalty to employers as they did previously.

Unfortunately for employers the effects of the recession have taken their toll on employees and we are in a situation now where motivation and engagement have been negatively impacted to the extent where employees are disillusioned by the

employer and what they can expect from them. During the recession HR departments poured all their efforts into developing cost saving solutions for their organizations rather than investing in high performance work practices which would enhance employee engagement and performance.

Crawford et al (2013) defines the following drivers of commitment

- Job challenge
- Autonomy
- Variety
- Feedback
- Fit
- Opportunities for development
- Rewards and recognition

We can see from the above points that it is inevitable that engagement and motivation was dramatically reduced by the recession when most of these drivers were drastically affected. Rewards were cut or frozen, training and development all but evaporated and workers were placed under increasing pressure and scrutiny from Management to ensure productivity was not negatively affected.

In conclusion, the psychological contract remains vaguely defined except for two basic premises that it is highly subjective and reciprocal in nature ‘the history of the psychological contract suggests reasonable consensus and steady evolution over time with enduring fundamental ideas such as the subjective nature of the psychological contract and its basis in reciprocal exchanges’(Conway and Briner, 2009). There is little theory around the psychological contract apart from the area of contract breach which has been explored to a large degree but even this topic cannot draw definite conclusions.

CHAPTER THREE - METHODOLOGY

Introduction

This chapter will identify the research methods available, the validity and reliability of these methods, the research questions and also provide the justification for the chosen method. The main aim of the research is to identify workers attitudes to the psychological contract post-recession and ascertain the changes that have affected the psychological contract as a result of the economic downturn in Ireland. The research will also attempt to identify the current challenges and facing the psychological contract in light of these current economic conditions.

Title

You're lucky to have a job! A study exploring the effects of the 2008 economic recession on the psychological contract, examining specifically the themes of trust, employee engagement and communication.

Research Aim

The aim of this research is to ascertain if there has been an effect on the psychological contract of a particular group of workers in the IT sector due to the changes they experienced as part of their working life during the economic downturn. In the aftermath of the 2008 Economic Crisis this research explores the state of their current psychological contract from the perspective of private sector workers and whether trust has been affected in the psychological contract as a result of economic recovery

Research Objectives

1. Research the concept of the psychological contract as it pertains to employees in a small/medium IT enterprise in Dublin.
2. Explore what impact, if any, the recession has had on IT workers in the private sector attitudes towards their current employers in relation to issues of the psychological contract.
3. Investigate the theoretical concepts of the psychological contract examining specifically the themes of trust, employee engagement and communication.
4. Identify the present state of these themes for the IT workers in their current organization.

Methodological approach

The methodological approach for this research is to use semi-structured interviews, concentrating on three main themes to initiate the discussion. The interview with each participant should last approximately 45 minutes. Each interview will be recorded and notes will be taken. A transcript of each interview will be provided to the participant afterwards and they can adjust the notes if required. The quality of these transcripts is extremely important as the findings will be based on the information garnered from these conversations therefore interviewer verification is for accuracy purposes in an important step (Quinlan, 2011).

Using a semi-structured style the interview will be broken down into three specific themes of the psychological contract. Ascertain the position, gender and age of the respondent by using a series of biological questions:

- Gender
- Age
- Function
- Length of service/ Level of seniority

Interview themes

- Trust
- Employee Engagement
- Communication

Research aims

- To ascertain the experience of the individual experience of the employee of the economic recession and how it impacted their working life and their psychological contract with their current employer.
- To investigate the employees current understanding of the psychological contract.
- To understand the employees current attitudes to trust, employee engagement and communication.
- To establish the impact of breach of the psychological contract on the current employer/employee relationship.

- To discover if psychological contract breach is impacted by the way in which it is communicated to the employee by the employer.

Qualitative vs. Quantitative

‘Qualitative research explore attitudes, behaviours and experiences through such methods as interviews or focus groups ... Quantitative research generates statistics through the use of large scale surveys, using methods such as questionnaires or structured interviews’ (Dawson, 2010). The aim of this research is to explore current employee attitudes to psychological violations which occurred during the economic downturn and how this has coloured their view of employment relationships in general. The quantitative approach would not suit this investigation as I need to explore fully each participants employment history and contractual interactions with employers and a survey or questionnaire would not be able to provide me with this in-depth information.

‘The survey is an effective tool to gather opinions attitudes and descriptions as well as for getting cause and effect of relationship’ (Ghauri and Ghronhaug, 2005). The weakness of conducting a survey is that they are standardized and the researcher cannot probe the participant for more information (Milne, 1999). For this reason the qualitative approach was more appropriate for the type of information required as it would provide me with the opportunity to garner as much information and as possible about the candidates employment history and opinions as possible and also provide me with an opportunity to question them further should the need arise. Qualitative data is normally transient, understood only within context and are associated with an interpretive methodology that usually results in findings with a high degree of validity (Collis and Hussey, 2009).

Bryman and Bell (2007) identify the main steps of the qualitative research process:

- General research questions
- Selecting relevant sites and subjects
- Collection of relevant data
- Interpretation of data
- Conceptual and theoretical frameworks
 - Specification on the research questions

- Collection of further data
- Findings/ Conclusions

Advantages and Disadvantages of Qualitative Research

Saunders et al (2009), argue that qualitative research provides richer, more detailed data allowing the researcher more flexibility due to the high level of personal interaction garnered in an interview setting. Collis and Hussey are in agreement with this view of the qualitative approach when they argue the personal contact attained with this approach allows for a higher degree of confidence in the approach. This forum allows the researcher to ask complex questions and probe follow-up questions (Collis and Hussey, 2009). Due to the sensitive nature of the questions that will be covered throughout my research the qualitative approach will allow the appropriate data to be collected.

The qualitative approach while providing deep and rich data results in the gathering and analyzing of the data to be extremely time consuming and also by its nature limits the number of participants that can be involved in the process (Cameron and Price, 2009). Bias and researcher influence are constantly referred to as a major disadvantage of qualitative research. Kvale (1994) acknowledges the occurrence of the interviewer leading the interviewee based on their own personal opinions and interviewers using leading questions to ascertain information based on their own presumptions. Corbin and Strauss (2008) concur with Kvale's argument when they write that objectivity is a myth. Finally, there has been much debate around the unscientific nature of qualitative research. Kvale (1994) suggests that any qualitative data contains a limited understanding of the science and should be excluded on such grounds.

Focus Groups

After deciding to use the qualitative approach for my research I examined both options of focus groups and interviews. A focus group usually consists of approximately four to eight participants and allows them to gather together to discuss themes and answer questions. There were two reasons why a focus group would not suit this research piece. There can be a tendency for participants to not answer the questions completely honestly when they are surrounded by other people especially

if other participants have a more dominant personality. Also the questions that needed to be answered for my research were centred on sensitive issues such as pay/ redundancy and employees attitudes to their current employer. For these reasons the focus group method was not a viable option of research.

Interviews

Interviews allow the researcher to gather much deeper, detailed data than questionnaires. They are described as a conversation with a purpose (Cameron and Price, 2009). Interviews allow flexibility, richness of information and interaction between the interviewer and the interviewee however they are extremely time consuming and sometimes the information garnered may not be as reliable (Cameron and Price, 2009). Due to the sensitive nature of some of the themes that will be discussed a one-to one interview is the method that will provide the interviewee with the best opportunity to openly discuss their past employment history and their feelings towards their current employer/ Manager. This style of interview will allow the interviewee the time and space to express their individual perspectives on the phenomenon of the psychological contract through the exploration of the aforementioned themes (Quinlan, 2011).

Structured vs Semi- structured interviews

The structured interview allows questions to be asked in response to a particular category (Ghauri and Gronhaug, 2005). The primary benefit of this approach is that usually the information collected from these interviews is easier to process. However, when there is a pre-determined set of questions it does not allow the interviewer to explore different topics that may arise during the course of the discussion; it is a more restrictive method of research.

A semi-structured interview allows one to pre-plan a broad set of questions based around one or more themes, the format the interview is more relaxed and it allows the interviewer the opportunity to include additional questions or probe topics that may arise during the course of the questioning, depending on the feedback from the participant. A semi-structured interview allows open discourse between the interviewer and the participant, allowing one to follow new leads and topics if and when they arise (Biggam, 2011). The semi-structured approach offers the participant

an open approach and an opportunity to express themselves without the interviewer imposing their own opinions (Quinlan, 2011).

‘The defining characteristic of a semi structured interview is that they have a flexible and fluid structure, unlike structured interviews, which contain a structured sequence of questions to be asked in the same way of all interviewees (Lewis-Beck et al, 2012).

Individual Interviews

There are a number of types of interviewing methods, telephone interviews, group interviews and focus groups (Saunders et al, 2009). The decision to carry out individual interviews was based on the reasoning that the material being discussed was sensitive in nature and in order to gain the most honest and forthright information the interviewees need to feel more comfortable and at ease as they would on a one to one basis (Horn, 2009). Using the group interview premise also runs the risk of one dominant participant overshadowing other individuals and they are difficult to arrange logistically for everyone (Cameron and Price, 2009).

Limitations of Qualitative research

This type of research limits itself to one company and a small group of workers in the private sector. The small number of employees questioned was due to time constraints to carry out the research and also access to suitable candidates.

Conclusion

This chapter has outlined the preferred research method which will be used by the researcher and the reasoning behind choosing one method over another. Both quantitative and qualitative data have been explained and the pros and cons of using both in different settings. Details of the type of data the researcher is trying to gather has been explained, the limitations of both qualitative and quantitative methods have been touched upon. The limitations of the research methods have been emphasised and justification for these limitations have been explained and why this method is appropriate to the type of information attempting to be gathered for this piece of research.

CHAPTER FOUR – FINDINGS AND ANALYSIS

This chapter will combine both the research highlighted in the literature review and the findings of the primary research gathered during the interview process. It will attempt to illustrate the relationship between the contemporary data from the key theorists to the questions posed in the qualitative research. This analysis will attempt to show the implications drawn from the information gathered by the researcher and also outline potential further topics for exploration that when considered would enhance the academic field and understanding of the concept of the psychological contract.

Demographics:

Interviews were carried out in the IT Company across a range of different employees. Five employees took part. There were three female and two male respondents. Interviews were representative of the different functions within the business – Human Resources, Finance, Customer Service and Marketing. All respondents had either an Honours or Masters Degree. The average length of service of the respondent was 1.5 years as the company had only been set up in 2013.

General Findings

It was acknowledged by all participants that both their employment and psychological contract was majorly impacted by the recession of 2008. The psychological contract breach which occurred during this time had caused both mistrust between them and their former employer and also made them more wary and mistrustful of their current employers. Communications styles were highlighted throughout the research as one of the key issues that helped alleviate or exacerbate the situation for employees with only one participant stating they felt the company had communicated well with the employees.

However, the extent to which the PC breach damaged the employment relationship could have been lessened to some degree if the employees had experienced more organizational support from their employers – as posited by Meyer and Allen (1991); this in turn would have reduced the inevitable mismatch of expectations about the events that unfolded – as argued by Kotter (1973).

Primary Data Analysis

Theme 1 – Communication

All five participants suffered negative experiences in their employment as a result of the recession. The extent to which they were effected differed greatly ranging from termination, bonus cancellation and pay freezes. Communication is seen as a key driver of delivering organisational voice (Guest and Conway, 2002). Communicating the decisions of the business was of key importance for Management during the height of the recession and unfortunately four out of five participants experienced a total lack of effective and thoughtful communications from their employers which made the process more difficult and left a lot of anger and residual trust issues with the employees.

Guest and Conway identified communication as a tool that can be used to reduced perceived breach of the psychological contract (Guest and Conway, 2002). However, as we can see from the finding gathered during the interviews that most of the communication was either non-existent or inconsistent and last minutes, making the employees feel unimportant and forgotten. The interesting piece of information garnered from the participants was the way in which this news was delivered to the employees had a huge effect on their lasting impression of the business. Clutterbuck argues that effective communication can help in maintaining a good relationship between both parties and lessen the impact of the proposed changes (Clutterbuck, 2005).

Interviewee 3 was called into the office one day and told at 5.00pm the office was going through a period of review and then suddenly two weeks later he was made redundant ‘It was how sudden it was that was shocking for most people and the realisation afterwards by staff that this decision was in the pipeline long before they bothered to let any of us know about it’. Interview no 2 conceded even though she was in a HR role within the business when they pulled the bonuses the day before payroll after the payment of the bonuses had been communicated to staff ‘there was uproar’. People had already started to spend this money and not receiving it in their pay check would have caused them considerable financial pressure. It is worth mentioning that communication is perception based and the negative opinions the

respondents felt due to what they perceived as a lack of communication may be more reflective of their relationship with their employer rather than the communication process. As we see from Interviewee 3 she felt that the company did all they could to communicate in a fair and honest manner with employees but she knew many employees did not feel the same as her.

All of the participants noted poor communication, strategic decisions were made by the company at a Senior level and the employees were the last people to know and all the communications seemed quite last minute.

Theme 2 – Trust

All five participants stated they believed that trust was of paramount importance in the psychological contract. One interviewee stated trust was ‘fundamental’.

Although all five interviewees spoke about the importance of trust whether or not they had lost all trust in the psychological contracts in their new roles, they differed in the level at which their trust had been effected. Some participants spoke about a lack of trust with the Management in their new company stemming from the behaviour they experienced from previous Managers. The breach of their psychological contract whether justified or not as the Manager from Interview no 5 would argue has severely depleted the level of trust these employees are willing to show to a new employer. The participants outlined how they are now less willing to trust the Managers of their new company and also less likely to believe everything they are told, one participant said they wanted to find a role in a company in a more secure sector, and keeps a closer eye on the company finances compared to previous roles where he didn’t pay so much attention to these things. They all felt that originally in previous roles they had put a lot of trust in Management which had not been reciprocated. Once times got tough a lot of people were dropped and the loyalty they had shown to their employers was completely overlooked ‘there were other colleagues that had been there for most of their careers and to see them being treated so poorly was more frustrating than anything’.

Interviewee No 1 also speaks about how employees from another company that were bought over as well were treated much more favourably than they were, she saw this as PC violation which feelings of anger and betrayal. Her company not offering the same options to their employees made them feel undervalued.

Interviewee No 2 outlined how employees were expected to show trust work longer hours, take on extra responsibility go beyond their normal roles, during these tough times but that employers did not pay back this trust and loyalty through bonuses or extra pay, and it seemed all this hardship was one way which effected the level of trust and morale within the company.

All of the participants felt they had shown a high level of loyalty and trust to their employees although when the difficult times came this loyalty was not reciprocated. They expected Management to be fair in their dealings but most of them felt that they were not treated well. Interviewee No 3 highlighted that some of the employees in his company had spent their whole career with the company and seeing them being treated so poorly was very frustrating for him.

Overall trust reflected expectation, when these expectations were not met by employers trust was undermined. Robinson and Rousseau (1994) highlight trust as being central to the psychological contract it is therefore understandable that the psychological contract of the employees were unmet and therefore employees considered their PC breached when the trust they placed with their former employers was not reciprocated.

When employees feel that the changes around restructuring are necessary they accept them much easier and it creates less negativity (Newell and Dopson, 1996).

Interviewee No 5. stated ‘It felt a bit like the recession was an excuse for many companies to shed staff’

Theme 3 – Employee Engagement

There was a mixed response to this question from participants. One interviewee stated that she was now working in an area she was interested in and wanted to develop her career so at the moment she felt engaged and wanted to perform well. Another participant although she did experience some hardship throughout the recession years she also achieved two promotions and working on the HR team did feel slightly removed from how some of the other employees felt as she stated ‘ most of them would feel very differently to how I do ‘.

All participants felt that their current role had been directly impacted to some degree as a result of previous psychological contract breach. There seemed to be a general consensus among the participants that employees are now expected to outperform

consistently in their roles to even qualify for a bonus or just to keep their roles they are under significantly more pressure post recession then they were previously ‘You are now expected to do a lot more for the same money or less’.

There was a sense among the participants that because the recession was so huge and effected so many people that there was a sense of ‘were all in this together’ very few people escaped unscathed to some degree or other during this time and therefore it made the bitter pills of wage cuts, bonuses cancellation, wage freezes a little easier to swallow.

The level of trust lost seemed to be directly linked not to what actions were actually carried out by their employers but rather how directly or indirectly employers communicated these changes to employees and in what kind of timeframe. When the employer came in at the 11th hour and informed employees of a huge change, e.g. the bonuses being cancelled the day before pay day or that the business might be closing in 30 days these incidents had huge repercussions for the employees and the breach of the psychological contract in this way was deemed by them unforgivable. They breached the psychological contract in a seemingly thoughtless and uncaring way which made the employees feel like they were an afterthought and had not really being considered throughout the whole process.

Generalisation of Findings

This dissertation used only one company and a small selection of workers from the company. Also the participants were different ages, gender, level of seniority and therefore the finding could not be applied over the whole private sector.

CHAPTER FIVE - CONCLUSIONS AND RECOMMENDATIONS

Although it is impossible to draw generalized findings from this research due to the size of the study the qualitative findings indicate certain trends.

The three themes that were explored during the interviews

- Communication
- Employee engagement
- Trust

One of the key findings that emerged from the research is that employees found it difficult when their psychological contracts changed from relational contracts to transactional ones, seemingly overnight when the recession hit. The contract as they understood it had not changed but the behaviour they expected from their employer was no longer reciprocated. The employees now understand that the rules have changed and they view their current psychological contract as a transactional one where both parties are in it satisfy their own needs, the business needs to enhance performance and the bottom line and the employees to work in return for pay.

Communication was highlighted as one of the key issues that caused the contract breach. The employers did not engage enough with their employees throughout the process when these tough decisions had to be made such as redundancies or wage cuts the employees seemed to be the last to know. Employees expect to be treated in a certain way, problems occurred when they were not treated accordingly. The way the employer handled the situation made the employees feel under-valued. Consequently employees felt left out and this caused anxiety and worry for the employees subsequently employees started to feel disengaged.

All of the employees interviewed agreed that trust was an essential part of a successful psychological contract between employer and employee and acknowledged that the negative behaviour they had experienced during the recession had a lasting effect on them and did indeed effect their relationship with their present employer. Trust, according to the interviewees is conditional upon their performance and underperformance can result in harsh penalties, they no longer enjoy the job

security they once took for granted. There are no longer guarantees of long-term positions and this makes the trust feel a little one sided. Employees are constantly under pressure to perform, a situation that Management seem quite pleased about but this will have a huge effect on employee engagement with employees feeling undervalued and stressed. Findings ascertained from the research also indicate that the extent of damage caused by the psychological contract breach depends on the way in which the message was delivered to staff.

Overall, trust is a highly important element in the employment relationship, it ensures a successful working relationship, a positive culture and makes for a more harmonious and enjoyable working environment. This dissertation has attempted to analyse the effects of the breach of the psychological contract in relation to the economic recession and how these breaches effected trust within these relationships. This dissertation has given insights into the way individuals were treated by their companies throughout the recession and how this behaviour has had a lasting effect on their opinions and attitudes to their new employers.

Most of the participants acknowledged that they had experienced a lack of care, feelings of distrust and lack of empathy from their employers. These feelings could have been appeased to some degree by the employers using a more robust communication style where employees felt engaged with and part of the process. A more involving process from Managers and a more open communication style would have alleviated some of the stresses associated with this process.

The primary objective of this research was to establish whether or not trust between employees and their future employers has been effected by psychological breach which occurred in Ireland as a result of the economic downturn.

As a result it was interesting to find that some employees even though they were treated badly by their former employers and not treated in a fair manner did not carry this forward into their new employment relationship. But this did effect employee engagement as they felt that they still had something to gain from the relationship.

As shown in the data from the interviews to manage employees more effectively a lot of the issues that arose for the employees could have been eradicated or lessened

if the organisations have communicated better with employees and made them more involved in the process

Finally, the research has drawn a correlation between the economic downturn and a shift by employers onto the more transactional type of psychological contract. A PC that is concerned with cost reduction strategies and an overall emphasis on the bottom line. In conclusion, it was found that this shift in priorities for Senior Management has impacted negatively for employees. These employees have suffered serious breach of their psychological contract which has resulted in a lack of trust in their Management, that in fact these employees now are hesitant to automatically trust their new Management even when they join a new company. This lack of trust was further weakened by the lack of communication and consultation by their former employers.

Limitations of the research

This dissertation only used one company and a small selection of five employees. Even though the employees interviewed were different genders, ages and were at different levels of seniority within the company the findings discussed cannot be applied across the whole private sector. Interviewing a range of different employees was done to attempt to provide generalize the findings. Limits include not interviewing Management, only interviewing people from the private sector.

Future research

- Psychological contract breach and the public sector
- Employee psychological contract breach and the effects on the employer

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APPENDICES

Appendix 1 – Interview Questions

Biological Questions

- Can you give me a brief overview of your employment history over the last 5 years?
- When did you begin working for your current company?
- What changes did you experience in your role when the recession hit?

Theme 1 - Communication

- How were these changes communicated to you in your previous company?
- How did these changes make you feel?
- How is change communicated to you in the present company

Theme 2 - Employee Engagement

- Did you engage with the company/ Management differently afterwards?
- How long did you stay with this company after these changes were made?
- Do you think your previous company's Management could have done anything different to alleviate some of the problems/ stresses you experienced?
- Do you think the company culture contributes to a positive psychological contract between employer and employee?
- What effect do you think these changes/ employment experience had on your attitude to your current employer?

Theme 3 - Trust

- To what extent do you feel that your negative experiences in previous roles have affected the trust between you and your current employer?
- What does the concept of trust mean to you in relation to your employee/ employer relationship?

Appendix 2 – Interviewee Consent form

Participant Consent

1. Please be advised that in signing this consent form you are not waiving any legal rights or releasing the author, college or organisation from their legal duties and responsibilities to you.

2. I understand that all participation in this study is voluntary and that I can withdraw from this study at any time. Furthermore I understand that this interview is strictly confidential and that my name will not be associated with any of the work either in the transcripts or the finished dissertation.

3. With full knowledge of all of the particulars regarding participation to include voluntary nature, confidentiality, audio recording etc, I agree to participate in this study.

Participant Name:

Participant Signature:

Witness Name:

Witness Signature:

Date:

[Adapted from University of Waterloo, consent form
<http://iris.uwaterloo.ca/ethics>

Appendix 3 – Transcript of Interviews

Interview No 5

Male

Marketing Executive

<p>Me: Can you give me a brief overview of your employment history?</p>	
<p>Interviewee: After college I worked as a runner for a production company and was promoted after 3 months to Central apparatus room operator. I was fired by the company and got a job in RTE as an IPTV Coordinator. After the contract finished I worked for a TV and film distribution company. Following that I held an office temp role in Canada for a few months and then returned to Ireland where I worked for a Jewellery retailer for 18 months. My next position was at (Company Name) where I am currently still working as an online marketer.</p>	
<p>Me: What changes did you experience in your role as a result of the recession?</p>	
<p>Interviewee: I was fired from my role as CAR operator in post-production due to “downsizing”.</p>	
<p>Me: How did these changes make you feel?</p>	
<p>Interviewee: It felt a bit like the recession was an excuse for many companies to shed staff but it was understandable in some cases. When I was let go, however, I was</p>	<p>Lack of trust, favouritism, stressful, disposable younger employees. Unequal treatment of staff depending on your position</p>

<p>not the last to enter the company and there were senior staff members with higher wages that stayed on in their roles so letting me go was hardly the most efficient cost cutting method. It also seemed as though younger people were suffering for mistakes of an older generation. No one I know had taken out a large mortgage which they couldn't afford to repay and yet it was mainly us who suffered because of their terrible financial decisions. Take the owners of the company that fired me for example, they still drove expensive cars, lived in big houses and pulled out big paychecks while laying off staff. Aggrieved would be the best way to describe how I felt because I had to suffer for other people's mistakes. With little experience it was hard to keep a job and find a new one.</p>	
<p>Me: How were these changes communicated to you, did you feel they were communicated to you successfully?</p>	
<p>Interviewee: I was working as normal when a more senior staff member came into our office and asked me to leave as the company didn't need me to come into work any longer. They then said that they didn't think there was enough work for me to do and that there was no need for me to come back. I don't think it was well communicated to say the least as they couldn't even say 'we're letting you go'. They merely said we don't need you anymore as we don't have any work. It was as though it was almost a given that I</p>	<p>Lack of communication, lack of empathy, lack of appreciation for his position</p>

<p>should have known to not bother to come into work anymore as the workload had reduced.</p>	
<p>Me: What do you understand by the term psychological contract?</p>	
<p>Interviewee: An unwritten agreement that the employee will do their best for the company and that the employer will also do right by the employee so they can perform at their best possible level. The contract is not simply a monetary one but also encompasses things like respect, compassion, trust and fairness. So both parties are obliged to do the best they can to ensure that each is getting what they require from the contract. An employer should make the employee feel wanted and respected and alternatively the employee should do their utmost to make sure they are successful in their role thus helping the company achieve its goals. The interests of both parties are clearly not mutually exclusive so it is in the interest of both parties to uphold their end of the contract.</p>	
<p>Me: Do you feel your psychological contract with your current employer has been impacted by events in your previous roles?</p>	
<p>Interviewee: Yes. I don't feel that I was treated with respect by previous employers and that feeling lingers for a long time. It has also made me sceptical about all employers as it appears to me that most</p>	<p>Feelings of scepticism, lack of trust, feelings of being used, merely a number not appreciated by Management.</p>

<p>have no interest in upholding a psychological contract but merely want the employee to work in order for the company to succeed regardless of the effects on the employee.</p>	
<p>Me: How important do you think trust is in an employer/ employee relationship?</p>	
<p>Interviewee: Yes it is hugely important. Without trust from either party performance will be affected. On the employee side it is hard to care a whole lot if you do not trust your employer as there is always a feeling that they could get rid of you as soon as it suits them. Being comfortable in your job allows you to carry out your duties to a much higher level. Why give everything for an employer who you don't think would do the same in return.</p>	<p>Lack of trust effects performance, lack of employee engagement.</p>
<p>Me: Do you feel your performance is affected by a lack of trust?</p>	
<p>Interviewee: Yes. I am mistrusting of employers due to experiences in the past. As soon as they feel it would be more beneficial to cut your hours or job they will do so. Therefore there is no reason to give absolutely everything in your role for an employer who would not do the same for you.</p>	<p>Management do not value employees, lack of commitment from Management, lack of loyalty. Fearful and suspicious of Management</p>
<p>Me: Do you think a lack of trust affects the overall culture of the business?</p>	
<p>Interviewee: Absolutely. A lack of trust company wide makes people disinterested in their job and the company as a whole. Going to work becomes a means to an end</p>	<p>Feelings of self-interest</p>

<p>for most employees which is reflected in their attitude towards anything related to the company. Nobody is happy to see the company do well, they are merely in it for themselves which is entirely understandable</p>	
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