A critique of the psychological contract and spirituality in the South African workplace viewed in the light of Utilitarianism and Deontology

Professor Anton Grobler*
Graduate School of Business Leadership (UNISA)
grobla@unisa.ac.za

&

Professor Angelo Nicolaides
Graduate School of Business Leadership (UNISA)

*Corresponding author

Abstract

The purpose of the paper is to review, critique and to conceptualise psychological contracts in the workplace and the related concept of spirituality, from an interactionist approach. This approach emphasizes the interactive nature of the working relationship (that is fluid and bi-directional) between an individual and the organisation. The psychological contract essentially defines how relationships in the workplace are applied and understood, and is described in this paper within the supplementary or subjective fit / value congruence paradigm and from a deontological perspective. This is in contrast with the formal employment contract that is more related to the complementary or objective fit / need fulfillment paradigm and the utilitarian approach. What is termed a psychological contract thus proposes a means of interpreting and hence improving the often tense relationships between employers and the employees that they oversee. Work and spirituality have also always been connected as employees seek to fulfill their human nature in the course of the need to work. Where there is trust, respect, tolerance, mentorship, objectivity and empathy in a workplace, there is evidence of a psychological contract and generally a sense of spirituality pervades the ethos of the organisation, leading to an perceived ethical culture / climate. Recommendations are also made for further research.

Key words: interactionist approach, person-organisation fit, psychological contract, spirituality, workplace, ethics, value congruence

Definition of key terms

Interactionist approach

Terborg (1981:570), as far back as 1981, wrote that “interactional psychology, however, is much more than an empirical search for variables that influence predictive validities. It is a set of propositions that emphasize factors that need to be considered when we conceptualize and conduct research on individual behaviour. Although the ideas are rooted in psychology, they have direct implications for research on the behaviour of individuals in organisations”.

The specific match of the interactional variables (person-situation; person-organisation) or congruence between the individual and the equivalent characteristics of the environment will to a large extent determine the individual’s
reaction or behaviour. Good fit will lead to satisfaction, while poor fit will lead to frustration (Ostroff and Schulte, 2007). This paper further considers fit from the social identity perspective, where value congruence is considered to be more important than the job itself, as it refers to the employees’ relationships with the organisation as a whole and not only with the job which represents a narrow viewpoint (Cable and Edward, 2004).

Psychological contract

"Primarily, the psychological contract refers to the relationship between an employer and its employees, and specifically concerns mutual expectations of inputs and outcomes. In management, economics and HR (human resources) the term the psychological contract commonly and somewhat loosely refers to the actual - but unwritten - expectations of an employee or workforce towards the employer" (Shruthi and Hemanth, 2012).

"...there is an unwritten set of expectations operating at all times between every member of an organisation and the various managers and others in that organisation..." (Armstrong, 2006).

"...a dynamic and reciprocal deal... New expectations are added over time as perceptions about the employer’s commitment evolve... concerned with the social and emotional aspects of the exchange..." (Sparrow, 1999).

Spirituality

One’s spirituality is the essence of who he or she is. It defines the inner self, separate from the body, but including the physical and intellectual self (Neal, 1998).

Spirituality in the workplace

When employees perceive their work to be part of their spiritual walk, as a place where they can experience diverse opportunities to grow personally and to contribute to society in a more meaningful way. It encompasses demonstrating genuine care and compassion for other employees of all ranks and indeed all stakeholders and is discernible by employees abiding by the truth in a sense of higher values and morality and acting with integrity in all their dealings (Nicolaides, 2006).

It also refers to the ways in which organisations are structured so as to effectively support the spiritual development of employees (Fairholm, 1997).

Introduction

In the current socio-economic environment of turbulent change and in which leadership crises pervade the workplaces of the world, we require a deeper understanding of the relationships between employers and their employees. This paper intends to stimulate much needed debate and more importantly, empirical effort, in exploring the related concepts of psychological contract and spirituality in the workplace.

An interactionist approach was adopted for this paper, postulating that behaviour is determined by the interaction between individual traits and the situation (Rottinghaus and Van Esbroeck, 2011; Schneider, 1983). The interactional approach emphasises that in order to understand human behaviour, we must know something about the person and the situation (Magnusson and Endler, 1977; Ostroff and Schulte, 2007; Rottinghaus and Van Esbroeck, 2011). It further suggests that behaviour is cued
by each individual’s perception of the situation and not necessarily the situation itself (Kammeyer-Mueller, 2007). From the social cognitive perspective, the interaction between person and the environment (situation) is fluid and bidirectional (Bandura, 1986). The specific match of the interactional variables (in this instance the psychological contract as well as spirituality in the workplace) or congruence between the individual and the equivalent characteristics of the environment will to a large extent determine the individual’s reaction or behaviour. Good fit will lead to satisfaction, while poor fit will lead to frustration (Ostroff and Schulte, 2007).

Terborg’s modification of the basic propositions of interactional psychology as formulated by Endler and Magnusson (1976) is as follows:

(i) Actual behaviour is a function of a continuous process of multidirectional interaction or feedback between the individual and the situation encountered; (ii) the individual is an intentional, active agent in this interaction process, being both changed by situations and changing situations; (iii) on the person side of the interaction, cognitive, affective and motivational factors and individual ability are essential determinants of behaviour, and (iv) on the situation side, the psychological meaning of the situation for the individual and the behaviour potential of situations for the individual are essential determinants of behaviour.

Relevant fundamentals of cognitive learning theory as summarised by Mahoney (1977) were also employed in this paper. However, the ensuing treatment of the fundamentals includes rationales from several cognitive social learning theories and reviews of interactional psychology, namely:

(i) Individuals respond primarily to cognitive representations of situations rather than the situations per se; (ii) cognitive representations of situations are related to prior experiences and learning - most human learning is cognitively mediated, and (iii) cognitions, feelings and behaviours are causally interactive.

Other social psychological theories also studied and incorporated are the theory of cognitive dissonance (Festinger, 1957), similarity-attraction paradigm (Byrne, 1971), reactance theory (Wortman and Brehm, 1975), balance theory (Heider, 1958) and equity theory (Adams 1965). These theories have to do with the individual’s interaction with their external world (perceived balance, dissonance, equity), the rational evaluating of their actions (alternatives and decisions) and lastly, the analysis of attitudes, values and abilities related to the conditions (organisational realities) under which the behaviours are performed where different perceived levels of balance and equity exist (West and Wicklund, 1980). All of these theories and perspectives are relevant to the individual’s perception and experience of their fit in the organisation, which is largely based on value congruence (Chatman, 1989; Kristof, 1996; Schwartz, 1992), theory of cognitive dissonance (Festinger 1957), value image perspective (Lee and Mitchell, 1994) and types of fit (Cable and Edward, 2004).

According to the person–environment (P-E) fit paradigm, attitudes and behaviours result from the congruence between attributes of the person and the environment (Endler and Magnusson, 1976). P stands for all the causal factors that reside within the individual person, including all the individual’s mental (cognitive, emotional, motivational and spiritual) states, as well as traits, attitudes and other behavioural
dispositions. $E$ represents all the causal factors that reside in the world outside the individual, including aspects of the physical ecology and the sociocultural ecology (e.g., the presence and behaviour of other people, constraints imposed by social structures, social roles, situational demands and expectations, social incentives).

The differentiation between types of fit is especially important for the purpose of this paper. Cable and Edward (2004) differentiate between complementary and supplementary fit, as it represents two distinct traditions within the person-organisation fit paradigm. Grobler (2014) postulates that too much emphasis is placed on the so-called complementary fit, with the neglect of supplementary fit. Complementary fit means that an employee has a skill set required by an organisation, and it consequently means that an organisation offers the rewards that an individual wants. This type of fit is based on the theoretical underpinning of psychological need fulfilment (Cable and Edward, 2004; Ostroff and Schulte, 2007) and the conception of objective fit according to Kristof-Brown and Jansen (2007). In other words, the individual has the correct skills, attitude and ability to do what is expected, and the organisation remunerate accordingly – according to Grobler (2014), this falls typical of the utilitarian domain, and it is often regulated by the written employment contract. Complementary fit is easy reckonable, as it is based on a true transaction (Grobler, 2014).

The supplementary fit tradition is most typically represented by research examining value congruence between the individual and the organisation, often the unwritten rules and based on the bi-directional expectations and dissonance between individual and organisation vales, morals and principles (Cable and Edward, 2004), or subjective fit (Kristof-Brown and Jansen, 2007).

Supplementary fit is more related to the deontological approach (Grobler, 2014), and is directly related to the notion of the psychological contract, and spirituality in the workplace.

The ice berg model is often used as allegorical image describe and elucidate these dimensions related to organisational behaviour in general. The of an iceberg is ideal for describing organisational behaviour since much of what is expected by both employers and employees 'lurks below the surface' so to speak and is not written into a formal contract (Chapman, 2010). It is often the case that the expectations of employers and/or employees are neither, transparent enough nor even remotely discernible. The iceberg thus indicates both the formal written or implicit agreements or expectations and the contributions expected of employees and the rewards made to them by their employers.

The iceberg consists of 2 horizontal levels, (i) above the surface (often just 10%), which include the formal arrangements, agreements which is mainly based on the complementary or objective fit / need fulfillment paradigm and utilitarian approach, with (ii) the below the surface the unwritten, implicit expectations of employees and the organisation, which is related to the supplementary or subjective fit / value congruence paradigm and the deontological approach (Grobler 2014).

The ice berg consists of two sides on the vertical level representing the continuous process of multidirectional interaction or feedback between the individual. The left side of the iceberg represents the employees’ contributions and to an extent also their needs and expectations, which could be visible and have contractually, been agreed upon between them and their employer. It could also be the unofficial, apparent, or
contingent aspects, and thus be part of the unwritten and informal expectations that employees have depending on their performance and opportunities, which need not be applicable to all employees or their organisation.

On the right side of the iceberg we find the usual examples of rewards that may be given by the organisation. These are simultaneously the employee expectations or needs, which again may be visible and have been contractually agreed upon, or have otherwise been perceived, contingent or anticipated. In this instance they would usually be unwritten. The iceberg model was first introduced as a metaphor to elucidate the various dimensions of the psychological contract by Chapman (2010).

Effective psychological contracts are an essential aspect within the workplace, considering the notion of supplementary or subjective fit of the individual to the organisation. The nature of such informal and unofficial contracts is implicit and not legally binding and often broad in orientation. This makes them susceptible to a wide range of interpretation. When leaders make promises to employees as ‘contract makers’ they need to demonstrate credibility and integrity as they are seen to deliver on their obligations and promises. They thus impact on the psychological contract and what they do in their relationship with employees has consequences. Likewise employees too have obligations to fulfill. This is in line with the basic propositions of the interactionist approach, as it is based on continuous, multi directional interaction between the parties (employees and organisation).

Work has traditionally been to all intents and purposes a material activity, as opposed to a spiritual one (with the focus on complementary/objective and supplementary/subjective fit respectively). The shift to the notion of the meaning of work (not only on material level) (Vondracek and Porfeli, 2007) led to the psychological contract becoming an increasingly powerful concept in the workplace context. The UK Chartered Institute of Personal Development defined the concept of psychological contract in 2010, 16 and stated: "...It has been defined as ‘…the perceptions of the two parties, employee and employer, of what their mutual obligations are towards each other’. What the obligations would be is difficult to describe since these could be statements or inferences based on precedents set. Certain of the obligations could be viewed as either expectations that may exist or promises made but either way, an employee may consider these to be binding in their relationship with the employer and once they are not met then the psychological contract is breached.

Interestingly, the linkages between spirituality and the workplace have developed considerably lately. An important question to consider is how employers and employees are able to arrive at their mutual expectations of inputs and expected outcomes in the workplace. There is generally a perception that the psychological contract is for example, viewed from the subjective perspective of employees, and they will constantly evaluate the congruence between what they expect and what the organisation provides (and vice versa) (Hartung and Subich 2011; Vondracek and Porfeli 2007). The labour legislation and other applicable legislation regulates the fair treatment of employees treated fairly in terms of their contracts of employment, but the question remains: Does the psychological contract in the workplace represent the full gambit of mutual beliefs and perceptions, as well as informal obligations between the
employer and the employee? Are employees afforded space to exercise a spiritual growth that uncovers their transcendent element? These are critical considerations since they set the tone for the relationship that exists and also defines the detailed aspects of what is expected in terms of work to be performed by the employee. Unlike the formal employment contract which identifies duties to be carried out by the employee, the psychological contract extends way beyond this limited scope.

Blustein (2006) is of the opinion that work has the potential to allow for expression of one’s inner attributes (values, beliefs and interests) and not only one’s skill and ability in the work context. It is therefore that the informal or psychological contracting, with specific reference to supplementary fit and value congruence, extremely important and dynamic is, and that it unfolds over time (Ostroff and Schulte, 2007). Individuals change to suit the environment and the environment can change through the changing demand of those operating within it (Savickas, 2011). Moynagh and Worsley (2005) posit a useful background to the altering character of work in the 21st century that requires consideration. Firstly they state that as people move up the value chain, new kinds of employment will be created these will invariably transform the way people approach their occupations. Secondly, tight labour markets will undoubtedly persuade employers to seek new skilled human resources that will make them more competitive. Thirdly there will be changes in the way people work and many employees will become more mobile in their work forms. Fourthly, management will embrace new typologies which will probably include innovative approaches to compensation and incentives, as well as the manner in which performance is measured and employees will be encouraged to become more ‘responsible’ and thus also have greater independence in their endeavors to promote the organisational objectives.

Very often employees expect to be paid more than the going rate for their commitment, or have opportunities for promotion, training and flexible work hours. Many hardworking employees tend to believe that there is a conditional promise for what they do as model employees that deserve greater reward. Such beliefs could be inferred from what they see around them or it may be that they deem this to be fair. It is often the case that new employees often have high expectations of the psychological contract. They may later see that their job is not as great as they imagined it to be when they were initially interviewed for a position and re-adjust their expectations of the psychological contract as they first perceived it to be – this phenomenon is well explained by the Theory of Work Adjustment (TWA) (Dawis and Lofquist 1976, 1978, 1984), where the emphasis was placed on the dynamic interaction between employees and their work environment, with both parties being mutually responsive (Grobler, 2014). The rationale for these changes by the individuals or the organisation is to maintain correspondence with the working environment (Ostroff and Schulte 2007), as cognitive dissonance theory suggests that the individual employs ways to reduce dissonance (and subsequently the state of tension).

Where the psychological contract is in place and where employees experience congruence between their expectations and what the organisation offer, they tend to be more loyal and may thus work harder than expected thus exceeding expectations. The psychological contract is a good way to understand the behavior of employees in the workplace but it is critical that HR practitioners and
even recruiters, managers and mentors should play a pivotal role in communicating the reciprocal obligations that are expected of employees and in particular, what the line manager or supervisor may expect (Guest and Conway, 2000). When promises are broken there is invariably a breakdown in trust in the relationship. Employees feel betrayed and work less enthusiastically and tend to cooperate less and many often seek other employment. The beach in the psychological contract might lead to a negative perception in terms of the prevailing organisational climate, and specifically the ethical climate. The ethical climate in an organisation can be defined as: “the shared perceptions of what is regarded ethically correct behaviours and how ethical situations should be handled in an organisation” (Victor and Cullen 1987: 51).

The concept of psychological contracting is unfortunately not well comprehended in other parts of the social order where other stakeholders connect with organisations and this is indeed a pity since psychological contracts per se are potentially very useful to adhere to. Organisations will need to develop carefully crafted policies to retain employees and listen to their workers needs and wants carefully. It is therefore the responsibility of organisations to ensure congruence between employee expectations and what the organisation is prepared to offer. This can be achieved through effective selection systems (being realistic, not creating any unrealistic expectations), ethical leadership and climate (ensure congruence between the espoused and the enacted), training and development of employees (Grobler, 2014).

An enhanced sense of spirituality in the workplace is desirable since this will bring spirit, life and livelihood back together (Van Ness, 1996). When one speaks of spirit it also implies life. All people seek to live a life of quality with purpose and meaning and where they are able to contribute to society. When we thus speak of spirituality in the workplace, it is important to consider how daily life and making a decent living can be improved in terms of the human spirit (Fox, 1994). There are two elements which create spirituality in a workplace, these are the humanistic aspect in which relationships and associations with others in the workplace are valued and there is also a transcendent aspect of valuing a supreme creator being or God (Neal, Lichtenstein & Banner, 1999). Where there is spirituality in the workplace, it is less likely that the psychological contract will be breached between employers and employees.

Religion per se, is a very important cause of spirituality for most people it is not the only starting place. While religion as generally institutionalized and founded on agreed sets of dogmas and beliefs, and a collective notion, spirituality tends to be far more highly personal in orientation (Hawley, 1993). There has recently been a marked increase in the writings on spirituality and leadership and on the issue of what is termed the ‘corporate soul’ and spirituality in the workplace (inter alia, Graves and Addington, 2002; Kim, 2002; Batstone, 2003; Mitroff and Denton, 1999). This construct is closely related to an ethical organisational climate and culture. Climate is defined locally, in other words, the climate of an organisation is what the people inside the organisation say it is, rather than what people outside the organisation say or think it is, or wish it would be (Dickson, Smith, Grojean and Ehrhart, 2001). It is therefore the actual

**Spirituality in the workplace as opposed to workplace spirituality**
experience and perceptions of the employees of an organisation. The close relationship with spirituality is evident in the definition of the profound scholars on ethical climate, namely Victor and Cullen (1987). They define ethical climate as “the shared perceptions of what is regarded ethically correct behaviours and how ethical situations should be handled in an organisation” (Victor and Cullen, 1987: 51).

Spirituality in the workplace is an expression occasionally used by religious people to describe their own faith which is acknowledged in their workplace in the way in which the organisation operates and its mission statement. It also encapsulates the notions that for example, the workplace acknowledges and facilitates their own religious or spiritual beliefs and that there is indeed some measure of alignment between their personal religious beliefs and the purposes of the organisation in which they are employed (person-organisational fit [supplementary / subjective], value congruence (Chatman, 1989; Kristof, 1996). Gibbons provides a definition of spirituality in the workplace: ‘A journey toward integration of work and spirituality, for individuals and organisations, which provides direction, wholeness and connectedness at work’ (Gibbons, 1999). The organisation thus plays a huge role in the attitude, experiences, sense of security and contentment of the individuals that serve in it. Spirituality in the workplace also then impacts on the employee’s perspective of work as a place where one can live ones spirituality and be motivated, as well as forge meaningful relationships, or if is merely a place where one simply makes a living. Critically, it thus informs the fit to the organisation, with specific reference to person-organisational fit (supplementary / subjective), value congruence (Chatman, 1989; Kristof, 1996), and ultimately the psychological contract. Where there is spirituality in the workplace this has been associated with ethics and values (Cavanagh and Bandsuch, 2002), while the similarity between these constructs and true person-organisational fit is evident in the definition of person-organisational fit according to Chatman (1989: 339). It is “the congruence between the norms and values of organisations and the values of persons”. Values are trans-situational goals that serve as guiding principles in people’s lives (Schwartz 1992). Individuals use their personal values as criteria to select and justify actions and to evaluate people and events (Schwartz 1992).

The term workplace spirituality has been described in general terms as “a framework of organisational values evidenced in the culture that promote employees’ experience of transcendence through the work process, facilitating their sense of being connected to others in a way that provides feelings of completeness and joy” (Giacalone and Jurkiewicz, 2003). There are however researchers who accentuate the need for all to be incorporated into the psychological contract between an organisation and its employees, and other stakeholders in a spirit of corporate social responsibility, sustainability and ethical practice (Burr and Thomson, 2002). It is also intended that spirituality in the workplace promotes a strong sense of individual significance and unity (Geroy, 2005).

From a social learning theory perspective (Bandura 1986), it is reasonable to expect that the ethical climate / culture as well as spirituality in the work place would play an influential role in the person-organisation fit, including unity between employees, specifically in terms of modelling. The research findings of Sims and Keon (1997) in their investigation into the
effects of an ethical climate / culture on the person-organisational fit concluded that persons whose ideal preferences of ethical climate / culture matched with the actual ethical climate / culture in their organisations were more likely to be committed to their organisations, resulting in positive organisational behaviour.

Workplace spirituality then typically refers to the intention of types of work or to the apparently intrinsic sense of a spiritual ambience, which almost mimic a religious site that are exuded in certain workplaces. It includes in this sense the quality of the inter-employee relationships and those between employees and all the stakeholders of the organisation. Where spirituality in the workplace exists, it often affords employees the opportunity to align their values and philosophical and religious backgrounds with the values of the organisation (Weston, 2002) and this leads to a greater sense of partnership and collaboration.

The psychological contract

The initial definitions of the psychological contract developed in the 1960s, more especially by Argyris and Schein the renowned organisational and behavioural theorists. The psychological contract concept has a plethora of interpretations and it basically refers to the relationship between an employer and employees. It primarily focuses on mutual expectations of employee inputs and the outcomes thereof. When we interrogate the issue of organisational analysis in the relevant literature, we find that social exchange constructs are in evidence as early as the 1960s and in particular in the work of Argyris (1960), Levinson, Price, Munden and Solley (1962) as well as Schein (1965). It was indeed Argyris who in 1960 coined the phrase psychological contract to express his views on the importance of the influence of perceptions of employees in the workplace setting and the values espoused by both the employer and the employee in terms of the understanding of their relationship. The psychological contract was perceived by Levinson et al. (1962) to be a series of shared expectations between employer and employee which neither may in fact be aware of but which nevertheless direct their relationship.

It was Schein (1978), who took the notion further and who unpacked the expectations between employer and employee to be aspects beyond the mere scope of how much work is to be carried out and for which rate of pay. He went thus beyond the complementary or objective fit/ utilitarian (need fulfillment) perspective of work to the supplementary or subjective fit/ deontological (value congruence) perspective (Grobler, 2014). He included the obligations of both parties, the privileges accrued as well as the rights of each partner in the workplace relationship. He also postulated that when the psychological contract was in a sense violated in the minds of the employees, their dissatisfaction would mount and such unhappiness could for example lead to industrial action on their part in an effort to redress perceived or real wrongs. It may also lead to a range of reactions, such as turnover, dysfunctional (often deviant) organisational behaviour, and it will ultimately have a negative impact on the wellbeing of the individual (Grobler, 2014). Rousseau (2001) has also had a great impact on the literature of the psychological contract and Blau (1964) and Gouldner (1960) have been seminal co-creators in the theory that social relationships per se always include a range of implicit obligations and the distribution of imbalanced power resources, which is in line with many of
the social psychological theories for example cognitive dissonance (Festinger, 1957), similarity-attraction paradigm (Byrne, 1971), reactance theory (Wortman & Brehm, 1975), balance theory (Heider, 1958) and equity theory (Adams, 1965). These theories have to do with the individual’s interaction with their external world (perceived balance, dissonance, equity), the rational evaluating of their actions (alternatives and decisions) and lastly, the analysis of attitudes, values and abilities related to the conditions (organisational realities) under which the behaviours are performed where different perceived levels of balance and equity exist (West & Wicklund, 1980).

Fox (1974) maintained that employment relationships are molded by social and economic exchanges.

How are psychological contracts created?

Rousseau (2001) suggested that psychological contracts are firmly positioned in the individual employee’s representation of the relationship with an employer, which tends to gradually develop in an individual’s life when universal values about mutual benefits and commitment to work are for example influenced by family, school, religion, peers and the interactions with employed individuals such as parents and family members (Morrison and Robinson, 2004). The psychological contract is further closely aligned to the Expectancy theory which explains that employees are motivated by their expectations about their capacity to work effectively and about the types of rewards they expect to receive if they are effective (Lawler, 1973). This theory postulates that managers can greatly influence the motivation of employees by altering the rewards that are usually available to them, but the manager must first ascertain which outcomes have the highest valence or degree of satisfaction that an employee anticipates they will experience when they attain some outcome. The manager must then strive to make the attainment of these outcomes contingent on effective workplace performance (Pecotich and Churchill, 1981).

Prior to becoming initially employed, potential employees have assumptions concerning what they should be doing at work and what they should be receiving. This is the essence of the attraction-selection-attrition (ASA) model, suggesting that people are attracted to and selected into organisations and/or work groups based on the fit between their personal preferences, characteristics and the attributes of the organisation/group. An individual assesses the degree of congruence (or cognitive balance between dyads – balance theory of Heider (1958) of their own values and personality in relation to the values and tasks of the organisation; this determines whether or not a person will apply, and accept an offer from a given organisation. This generally results in the creation of an entitlement being engendered which tends to adversely influence how the potential employee, once employed tends to make inferences around the signals he or she may receive from their employer. De Vos, Buyens and Schalk (2003) discovered that new employees tended to alter their perceptions of which obligations the employers should honour based on the incentives they received. This is a neutral process, well defined and explained by the Theory of work adjustment (TWA) (Dawis and Lofquist 1976, 1978, 1984). They also tended to alter perceptions of what they had undertaken to do based on what they had in fact contributed. If an employee has however preconceived notions of what the workplace represents and how things will be done (often as a result of unrealistic expectations created during the recruitment, selection and induction
process) it creates within them a deep resistance to perceived or real changes.

Dulac, Coyle-Shapiro and Delobbe (2006) demonstrated that new employees with hands-on approaches and with easy socialization approaches were significantly influencing the appraisal of their psychological contract in the initial year of employment. Transactional and relational type contracts are able to be differentiated based upon their unique focus, time frames, stability, range and scope as well as their concrete or tangible nature. The transactional contracts invariably have tangible exchanges that are economically motivated, and fall within the complementary / objective fit, need fulfillment and utilitarian paradigm (Grobler, 2014). By means of contrast, relational contracts have tangible and intangible exchanges and are open-ended with dynamic terms (supplementary / subjective fit, value congruence and deontological paradigm). Rousseau (1990) asserts that each type represents distinct anchors on a band to an extent that a psychological contract can become either less transactional or more relational or the other way around. Relational contracts are negatively linked with an employee’s intent to leave an organisation (O’Leary-Kelly and Schenk, 2000). Sels, Janssens and Brande (2004) on the other hand found that the elements of a long-term time frame at work, an unequal employment relationship and a collective contract level were all positively linked with an emotional commitment to the workplace. Millward and Brewerton, (2000), describe the psychological contract as: “the individual’s belief in mutual obligations between that person and another party such as an employer ... this belief is predicated on the perception that a promise has been made (e.g. of employment or career opportunities) and a consideration offered in exchange for it (e.g. accepting a position, foregoing other job offers), binding the parties to some set of reciprocal obligations” (Rousseau and Tijoriwala, 1998).

In essence a psychological contract is created when an employee perceives that his or her contribution is so good that an employer is obliged to respond positively or where the employer is so good that the employee feels a need to perform better. The contract thus represents the employee’s belief that there should be employer reciprocity for work well done (Rousseau, 1995). In the interpretive framework, the nature of the involvement that is expected in the psychological contract is construed to be either economic i.e. transactional or socio-emotional or relational. The prospect that an employee’s offerings may take on a non-material appearance, and for example be an ideological, spiritual or religious contribution which emanates from the employee’s desire to advance a valued social cause or belief which goes further than mere self-interest often tends to be disregarded (Thompson and Bunderson, 2003). Unfortunately, the interpretive framework in many organisations fails to recognize the emergent significance of the interconnectedness of the psychological contract within the social milieu of the employee and employer (Coyle-Shapiro, Shore, Taylor and Tetrick, 2004).

It is logical for the emphasis to fall on an individual’s cognitive-perceptual understanding and the recognized approach for operationalising the psychological contract is the employment of a transactional and relational interpretive framework to distinguish contract types based on content-based assessment (Rousseau, 1995). Many individuals strive to promote the notion of psychological contracts that allies the transactional
“what’s in it for me”, and the relational “what’s in it for us”, with the transpersonal “what fits with me, how do we work together in the organisation, and where is the fit with me, us, and the rest of society” (Burr and Thomson, 2002). Given the desire of many employees to experience a degree of spirituality in the workplace, it is important that workplaces should strive to transition from the transactional psychological type contracts to types that are more relational and spiritual-psychological in orientation. This is supported by the notion of Blustein (2006) that work has the potential to allow for expression of one’s inner attributes (values, believes and interests) and not only one’s skill and ability in the work context.

Rousseau (1990) established that the relational employer obligations are linked with employee relational obligations such as job security in return for commitment and loyalty and transactional employer obligations are linked with transactional employee obligations such as higher levels of pay for top performance. It thus appears that the structure of the psychological contract is substantial when it comes to defining the possible resources to be exchanged and the kind of resources. Nonetheless there are numerous descriptions of the psychological contract which minimize the notion as simply an addition of ethereal employee/employer reward features including commitment, loyalty, job satisfaction and job security to the employment basic incentives including salary, bonuses, additional perks and hours served at work per day. In the employment relationship there are however numerous additional aspects such as the expectations that employees and employers have concerning their relationship with one another. Work takes up a major share of most people’s daily lives, and more often than not forge a big part of the human identity. The relationship between the employer and employees is very important and the relationship is termed a psychological contract. The notion revolves around the sense of relationship, trust or appreciation which exists for employees and it is a critical feature of the relationships which exist in the workplace. The psychological contract essentially then, fundamentally represents the obligations, rights, justice, fair play, rewards, etc., that employees believe are due to them by the employer in return for their work, commitment, responsibility and sense of loyalty to the organisation. Psychological contract refers to an employee’s relationship with an employer but can also refer to the whole workforce’s relationship with the employer. It is thus a collective sense of feelings even though each employee may have their own viewpoint of what the psychological contract means. Generally speaking, leaders of organisations tend to take a collective approach when it comes to the psychological contract.

The idea of the psychological contract in business, work and employment is exceedingly elastic and virtually immeasurable, unlike the qualifications of employees, salaries and pay packages which may be compared to going market rates. The psychological contract thus has a relatively large scope. In the first instance the employer and employee have numerous mutual obligations including the intangible factors that cannot strictly speaking be quantified. Secondly the contract is dynamic based on a multiplicity of internal and external influences affecting an organisation. The employee could for example be facing psychological, social and emotional stress at home. Thirdly, it is not necessarily between an employer and one employee but may rather involve a large number of employees. Fourthly the contract is never a formal
written document and it is thus not easy to manage it, and so mutual trust becomes crucial. Fifthly, it is based on perceptions which are by their very nature highly subjective variable. Individual thoughts could vary immensely with what the organisation means by its actions. In the sixth instance, the thoughts and attitudes of the leaders are also subjective to an extent. Seventh, the organisation may have different needs based on its performance in a turbulent marketplace and these may differ with what employees expect as they view the situation from a different vantage point. Eighth, the governance of the organisation and its corporate configuration including the degree of separation or alignment between employees and the organisation in terms of its mission and vision, purpose, ownership, rules, policies, profit, performance, growth, reward, strategies and whether or not employees are stakeholders.

Work for many employees is no longer a mere matter of hours in the workplace in return for a salary. It is now far more complex which means that there are now differences in the very nature and connotation of a psychological contract between employer and employee.

**Ethics and psychological contract violations**

The employee’s discernment of a violation of the psychological contract is persuaded by three issues namely the source from which the employee obtained the expectations that they harbor, the character of the precise contribution in which an inconsistency has been observed, and the distinctive features of the inconsistency (Turnley and Feldman, 1999). Where there is a strong ethical climate in place, this will tend to reveal the degree to which the ethical elements of the organisations culture have been socially entrenched in both employer and employee behavior and consequently that “employees perceive the existence of normative patterns in the organisation with a measurable degree of consensus” (Victor and Cullen, 1988). It is important for employees to recognize some degree of congruence between their ethical beliefs and the perceptions they harbor of the organisation’s expectations of them and/or the ethical climate. These impacts the opinions employees may have concerning whether or not the employer has breached the psychological contract that exists. Where employees feel hard done by they may resort to ‘whistleblowing’ or simply begin to spread malicious rumors whether well founded or otherwise. Even if there is a breach of the psychological contract between an employer and an employee, this will not be viewed as seriously if there is congruence between the employee’s ethical values and those of the employer. In this case, the psychological contract is ‘salvageable’.

Robbins (2005) asserts that “Individuals enter an organisation with preconceived notions of what ‘ought’ and what ‘ought not’ to be. Of course, these notions are not value-free. On the contrary, they contain interpretations of right and wrong.” This situation is not always helpful for the employer as the business could be disrupted once socialization efforts fail due to the intransigence of an employee based on religious or cultural narrow-mindedness. Organisations must espouse transparent ethical business practices that embrace the same values of employees and the employees should be thus carefully recruited and appointed to positions. In any event training should be in place concerning ethics in the workplace (Rossouw and Van Vuuren, 2003) as this will tend to support the psychological contract once employees know what is expected of them.
How spirituality can promote the psychological contract

Literature is clear on the relationship between person-organisational fit, specifically the so-called supplementary or subjective fit, which falls pertinently within the value congruence paradigm. It is further closely related to the corresponding, interrelated constructs of ethical climate / culture and spirituality.

It is apparent in the current workplaces that there is an increasing interest in the issue of spirituality in the workplace. The literature suggests that many employees would like to experience more spirituality in their place of employ. Research conducted by Mitroff and Denton (1999) to ascertain the extent of spirituality in the United States uncovered that employees do not have widely differing interpretations of spirituality. Many employees believe that spirituality will indeed have a positive effect in a workplace and would like to have open lives as opposed to being 'pigeon-holed' in the workplace. Interaction is important for them and religion and spirituality were generally viewed as being distinct from one another. The former was considered to be incongruous with the workplace. What employees desired to see in the workplace was a model of spirituality that would not in any way offend co-employees. Many felt that it was unfortunate that they did not have good spirituality role models to look up to at work. It was evident that there were not many possible models to use to make spirituality practicable in the workplace. It suggests that when there are role models in the work environment, individuals will strive to emulate these models. Such role models include the leader and other employees in the work group. Further, employees in a work group are affected similarly as they witness rewards and acknowledgement for positive behaviour. Thus, employees will tend to model the behaviour of their supervisor and other employees to ensure that their behaviour is in line with accepted behavioural norms within the organisation (West & Wicklund 1980).

Many employees are values-driven and seek to grow as individuals in the workplace while others are mainly concerned with corporate social responsibility issues, corporate citizenship and environmental sustainability protection issues. Schaefer and Darling (1997) uncovered that contemplative spiritual practices in the workplace creating a sense of positivity in the employees and encouraged them to serve with more commitment and thus to greater effect.

The importance of the psychological contract is important in wider society, as what employees seek is generally reflected from the perspective of society on issues in the workplace. If organisations embrace these values and seek to meet the expectations of employees as realistically as possible, then society in general is strengthened. The organisation is also likely to be far more successful in its endeavours.

Conclusion

The interactionist approach in the critique of the notion of the psychological contract and spirituality in the workplace, and discusses the dire need for their existence operationalisation at a time when global workplaces are generally bent on merely improving their financial bottom-lines. The relationship is dynamic, fluid and bidirectional, is often used to understand the person-organisation fit phenomenon. The psychological contract that can be defined as the relationship between an employer and its employees, and specifically concerns mutual expectations of inputs and outcomes, often refer to as a dynamic and reciprocal deal that is concerned with
the social, emotional and spiritual aspects of the exchange.

The psychological contract is related to the supplementary fit or subjective, more aligned to the deontological approach (value congruence); while the employment contract (which is often over emphasised to the neglect of the psychological contract) is related to the notion of complementary or objective fit which is aligned to the utilitarian approach (need fulfilment).

The employment contract, as well as complementary fit is simpler to assess, as it relates to the contract between the individual and the organisation in terms of skills, knowledge, ability and ultimately performance from the individual’s side, and the remuneration and acknowledgement from the organisation’s side; a true transaction.

The psychological contract and fit on supplementary level is more complex and dynamic, as it is based mainly on value congruence and correspondence; it is very subjective and the fit is assessed by an individual, based on their subjective experience. The individual will constantly evaluate the fit in the organisation, initially when applying and joining the organisation (in accordance with the attraction-selection-attrition model (ASA), and will adjust to or decide to confront or to leave the organisation, should there exist no congruence or dissonance on the supplementary fit level (value congruence). This phenomenon is supported by the social learning theory (SLT), theory of work adjustment (TWA) as well as other social psychological theories (balance theory, equity theory, attribution theory as well as reactance theory).

The psychological contract represents basically the expectations by both employers and employees ‘lurks below the surface’ (according to the ice berg metaphor) so to speak and is not written into a formal contract.

The value of the formal employment contract can never be underestimated and consists of what have been contractually agreed upon between the individual and the organisation.

The concept of psychological contract is generally viewed as a matter of perception and expectations and remains so until there is more elucidation. The employee’s perceptions are crucial, as it tends to influence the interpretation of the psychological contract.

Spirituality in the workplace is all about the purpose, quality and meaning of work, and specifically related to the humanistic aspect in which relationships and associations with others in the workplace are valued, and the way individuals feel that their values are respected on various levels. The issue of value congruence and dissonance is therefore, just as with the psychological contract an essential component to spirituality in the workplace (and the perceived ethical climate / culture), and supports the notion found in literature of supplementary or subjective fit, and the negative behavioural consequences if incongruence are perceived by the individual.

Where there is spirituality in the workplace, it is less likely that the psychological contract will be breached between employers and employees.

Effective organisations have enhanced understanding of the psychological contract and often offer training programmes to allow their managers and other employees to better understand each other’s needs. Employees possess internalized knowledge including their personal values and beliefs systems as well as prior and current employment practices,
and to an extent some understanding of the values, belief systems and likely conducts of co-employees and training programmes would enhance this understanding. Being cognizant of the varied psychological needs of people employed in an organisation is fundamental to the issue of lower staff turnover and indeed providing optimal working conditions and thus promoting the general psychological welfare of the employees. However even if there are organisation al socialization practices, if there is apparent incongruence between an employee’s ethical beliefs and the apparent ethical climate of an organisation, there will be heightened cognitive dissonance. In such a scenario the employee’s personal ethical values may dominate over the organisation’s expectations and may be an important persuasive factor and be viewed as an infringement if the negative impact is deemed to be considerable by the employee.

It is clear that organisations need to adjust their strategies vis-à-vis employees if they are to meet the needs of the modern workforce. The modern organisation is able to derive huge benefit from making use of the iceberg model to in its efforts to better manage its relationship with its most important stakeholders namely its employees. Where there is a good psychological contract in place and it is one in which there is transparency, mutual appreciation and understanding between employer and employees, an organisation is likely to be more effective.

Future research
The research that has been done on psychological contracts and spirituality has mostly been reported in ethics journals, and was done mainly from an ethics/spiritual perspective. A contemporary, business management, organisational behaviour research lens should be placed on the theories and models discussed in this paper to determine its relevance in the modern work life, especially in terms empirical research to determine the relationship between the psychological contract, spirituality in the workplace, ethical climate, person-organisational fit (on supplementary or subjective level), and further organisational behaviour constructs, such as organisational citizenship, organisational commitment and dispositional variables, such as sense of coherence, locus of control and self-efficacy. A further demographic lens should be placed on the research, to identify the impact of differentiated work place practices on individual behaviour, in order to empower organisations and practitioners to develop need based strategies and processes to facilitate, enhance and ensure positive organisational behaviour.
References


of Organisational Behavior, 24: 537-559.


Hawley, J. (1993). Reawakening the spirit in work: The power of Dharmic management, San Francisco (CA0, 12-16.


UK Chartered Institute of Personal Development. (2010)


