

Psychological contract as a structure for explaining career commitment and career advancement: A Research Agenda

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Abstract

In the fast-changing turbulent business environment the term psychological contract has been viewed differently by research scholars. Conventionally loyalty to an organisation and continuance commitment were seen as important dimensions for career growth and advancement. But in the changing context, employment relationships are changing where the responsibility of career growth is viewed as the responsibility of an individual employee. There are two important related aspects, first is whether with an increased focus on self-serving individual career management strategies, does the concept of psychological contract still hold good and second is how the emerging psychological contract has changed in its essence in terms of the elements constituting it. In the background of the changed Psychological Contract, understanding the linkage between the Psychological Contract, Career Commitment and Career Advancement of employees in order to bring about a conceptual structure to understand these interrelationships becomes imperative.

Introduction

Career has been portrayed as a vertical progression with a rising level of economic advantages, power, social position and security (Hall, 1996). Career is depicted as a series of progressive milestones within the skilled journey that someone undertakes throughout the tenure of his work and it is usually perceived as a phenomenon describing the transition from one stage of work life to the next stage (Callanan and Greenhaus 1999).

Traditionally careers were generally viewed and expressed as a relationship of an employee with its employing organization in a very linear manner.

The operational working environment within the new age organizations has been radically reworked owing to the factors like dynamic economic environment, technological advancement, increased participation of female employees across all the industrial sectors and geographies, twin career couples and work force diversity (Coovert, 1995; freewoman, Soete, & Efendioglu, 1995; Howard, 1995; Rosenthal, 1995).

These changes have forced the organizations to adopt versatile structures breaking the rigid hierarchies to cope up with the challenges presented by this volatile and ambiguous business environment.

All these factors have led to the different kinds of work arrangements which has further given birth to new career types such as the boundary less career (Kotter, 1995; Arthur and Rousseau, 1996), the post-corporate career (Peiperl and Baruch, 1997) and the protean career (Hall and Moss, 1998).

Opportunities for career growth are very important for ambitious employees as they enter into a corporate life. Career growth and progression can be understood in two dimensions which are objective and subjective. The objective criterion entails a rise in the level of authority and responsibility, an increment in remuneration or increase in financial benefits and number of promotions over a span of time (Whitely et al., 1991). Subjective

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criterion includes career behaviours such as career satisfaction and career engagement. Apart from this, there are situational and personal characteristics that influence career advancement prospects of an individual (Tharenou et al., 1994).

Fulfilment of Psychological Contract

The psychological contract offers a framework for understanding the behaviour and attitudes of employees on those dimensions that have an influence on job performance (Chartered Institute of Personnel and Development (CIPD), 2010). The early approaches of Argyris (1960), Levinson (1962) and Schein (1965; 1980) towards conceptualizing the psychological contract from a sociological perspective relied upon the necessity to know the relevance of intuitive, general and unspecified inter communication between the employer and employee. The expectations of both parties and also the level of mutuality and reciprocity required to be thought-about jointly so as to clarify the sources of agreement and inequality (Cullinane & Dundon, 2006).

The notion of psychological contract refers to perceptive employee attitudes and behavior that influence work performance of an individual employee. Psychological contract has been viewed as the depiction of a reciprocal relationship between an employee and employer (Schein 1980). Three dimensions, namely, promise, payment and acceptance represent the essential components of Psychological contract (Rousseau, 1998). From the perspective of worker, psychological contract springs out of the anticipated promises created by the employer to the worker. Once the employer fulfils these perceived guarantees, this constitutes the payment. The set of expected guarantees and fulfilment of these guarantees leads to emergence of a psychological contract that once profaned might lead to sturdy negative feelings. Third component is acceptance which means that the employer and the worker are reciprocally accountable to fulfil the obligations underlying the psychological contract (Rousseau 1989). This contract is taken into account as a crucial variable exerting a major influence on career growth and advancement. (Turnley & Feldman, 1999; Coyle-Shapiro et al., 2000; Rousseau, 1995).

Psychological contracts can be explained as individual beliefs and perceptions relating to reciprocal obligations. Beliefs get translated into contracts once a person expects higher level of economic returns and opportunities for career growth and progression in part of the efforts that he puts in to realize the structure outcomes (Rousseau, 1995). Rousseau (1995) so describes that the interpretation of psychological contract is subjective to perception that differs between people. Second, the psychological contract is dynamic, which implies it changes over a period of time because the employment relationship grows between the employer and worker. Third, the contract considers mutual obligations, supported given guarantees, within which both parties invest in their relationship hoping to realize higher career outcomes and effective structure performance. (Anderson & Schalk, 1998).

Scholars have conducted varied research studies within the concept of psychological contract and have derived interpretations from completely different views (Roehling, 1997). The common theme of all the explanations of the term Psychological contract consists of components like values, beliefs, expectations and reciprocal obligations of the worker and employer (Middlemiss, 2011). Additionally, it can be seen that the Psychological Contract sets out mutual obligations arising out of the expectations that need employers and also the workers to speculate during this work relationship for positive outcomes (Anderson & Schalk, 1998).

Establishing Linkages between Fulfilment of psychological contract, Career Commitment and Career Advancement

Career growth and progression is impacted by a number of variables comprising of Job performance; social and human capital factors ; Gender; Characteristics of human capital; Mentoring and networking relationships; proactive career behaviours like commitment and career engagement; contentment with the fulfilment of obligations arising from psychological contract, recruitment and selection practices and organizational structure concepts which are oriented towards continuous learning and flexibility to cope up with career challenges posed by radically changing work environment.

This paper is aimed at reviewing the existing research studies on the important dimensions of Psychological Contract, Career Commitment and Career advancement to develop a framework depicting interlinkages of these factors. Career behaviours like commitment and responsibility towards managing one's career and a focused orientation towards career development are crucial personal variables that influence career progression. Actively participating in various learning and development initiatives, upgrading skills and abilities are the behaviours undertaken by an individual in order to grow in career (Munjuri, 2011). Research scholars have outlined the role of work-related commitment as it leads to certain career related outcomes like performance enhancement, reduced turnover and absenteeism resulting in career benefits for employees and organizations. Responsibility towards managing career or commitment is a longitudinal metric that is mapped over a time period and is therefore considered as an important parameter to understand the career growth and development of an individual. A career is often viewed as a ladder having certain progressive steps that an individual undertakes in his or her professional journey (Hall, 1976; Solomon et al., 1986), therefore the concept of career commitment seems to be a very apt measure determining career progression or development.

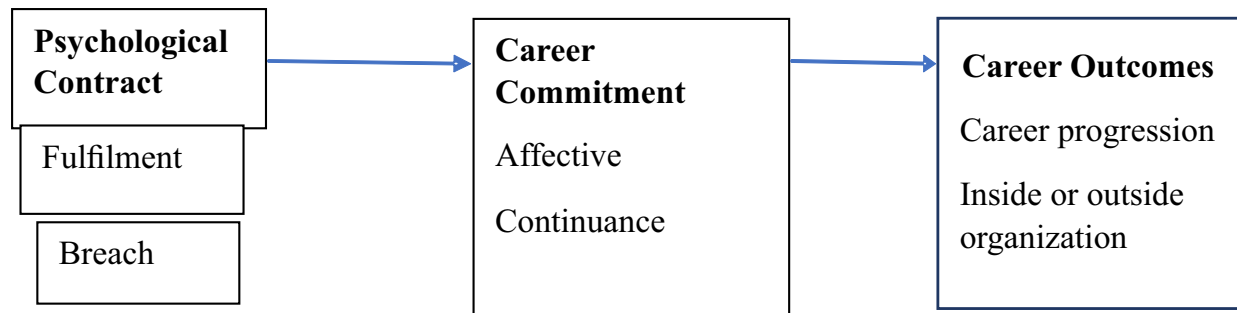
From the viewpoint of an employee and employing organization, career commitment holds relevance in the practical sense as it helps an individual in undertaking continuous efforts to develop specialised skills and competencies desired for moving up in the organizational hierarchy (Perrow, 1986). Career commitment facilitates nurturing work relationships which are utilized for trading favors, exchange transactions and services (Kaplan & Mazique, 1983), and also serve as sources of information. In the radically transforming information age, career commitment may be all the more crucial for the growth of an individual as well as organization (London & Stumpf, 1986).

In the changing organizational landscape characterized by downsizing, rightsizing and movement towards flat hierarchies and project-based structures to cope up with the demands of the dynamic work environment, the form and content of psychological contract is also altered. New career environment requires individuals to be proactively engaged in managing their careers. Therefore, the new psychological contract includes the proactive career management strategies of individuals and the expectations about career support to be provided by the organizations (Cavanaugh & Noe, 1999). Earlier employees anticipated that their jobs are secured and as the organization progresses, it will naturally result in opportunities for career growth and therefore tenure of employees and stability in an organization was valued. Now, as the career trajectories of an individual changes with the non-linear career paths gaining popularity, more so for women employees, these expectations have also undergone a shift and employees expect upskilling themselves on a continuous basis and enhancing their marketability in context of the careers spanning over multiple organizations. (Altman & Post, 1996; Hall & Mirvis, 1996).

Study by Sturges et al., (2005) on the concept of Psychological Contract with its implications as a framework for career growth found that the individuals undertaking proactive career behaviours and self-promoting receive an increased career management support from organizations. Proactive career behaviour is the expected initiative from the employees and career management support from organizations constitute expected promise of the employer resulting in the fulfilment of the implied expectations of the Psychological

contract. Also, the perceived level of career management support results in an increased level of affective commitment and better performance at workplace. Further it is proposed that affective commitment mediates the relationship between psychological contract and career outcomes. Research studies also reveal that whenever employees experience breach of psychological contract, their commitment is adversely impacted and they start exploring career growth opportunities outside the organization.

Conceptual Framework linking the concept of psychological contract, career commitment and career advancement



Conclusion and Way Forward

The term psychological contract and proactive career behaviours is an area of great interest amongst research scholars as it holds a huge potential to plug an emerging gap in the new paradigm of changing employment relationships. The contemporary perspective moves beyond organizational level focus to consider all the values, behaviours, attitudes and career orientations that form an important component of employer employee relationship.

Researchers have asserted that a “new deal” emerging from employee-employer relationship with a background of the dynamic and radically changing work environment poses a number of challenges for employers as well as employees. The fast-paced volatile business environment does not permit organizations to offer job security and a “career for life”. Need of the hour is on developing and upgrading individual skills to remain adaptable and marketable.

This further implies that the dimensions of career growth are undergoing huge transformation. Traditional linear growth path in a single organization has given way to “boundaryless career” in which individuals will have multiple employment opportunities with a diverse set of employers. Therefore, career advancement will largely depend on the orientation and inclination of an individual to undertake responsibility of career management and continue to add significant value to the existing employer and keep gaining diverse skills to remain employable. The onus of managing individual careers therefore will be on the employee and the organization will assist in this growth path which require changing the terms and conditions of the psychological contract.

A successful integration of the elements of psychological contract into contemporary employment relationships demands more empirical research to explore and appreciate the changing nature of employment relationships in the current business scenario and how the new psychological contract will influence career commitment for various occupations and professions which in turn will determine the Career growth opportunities for an individual.

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