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## Me and my team: the role of social context in psychological contract breach and fulfilment

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The psychological contract—which refers to employees’ perceptions about mutual obligations that exist between them and the organization (Rousseau, 1989)—has been a dominant topic of study in scientific research over the past few decades, and there is conclusive evidence that psychological contracts have an impact on employee outcomes (for meta-analyses see: Bal, De Lange, Jansen, & van der Velde, 2008; Zhao, Wayne, Glibkowski, & Bravo, 2007). The predominant focus of the literature has been on the individual level, for example by focusing on how psychological contract breach or fulfilment might affect individuals’ turnover intentions, organizational commitment, work engagement, performance, and various other individual-level outcomes. As a consequence, we have gathered a wealth of knowledge about how individuals form their psychological contracts, and how fulfilment or breach impacts important work outcomes. At the same time, the almost exclusive focus on the individual is somewhat surprising given that Argyris (1960) originally conceptualized a psychological contract as an implicit agreement between a group of workers and its foreman. Drawing on this idea, as well as other theoretical work on psychological contracts (Morrison & Robinson, 1997), there has recently been an increasing interest in the role of social context in psychological contract formation, fulfilment, breach, and violation (e.g., Akkermans, Bal, & De Jong, 2019; Gibbard et al., 2017; Ho & Levesque, 2005; Ho, Rousseau, & Levesque, 2006; Laulié & Tekleab, 2016; O’Leary-Kelly, Henderson, Anand, & Ashforth, 2014). However, theorizing about social context has thus far mostly focused on idiosyncratic psychological contracts. In addition, the few studies that have specifically focused on shared psychological contracts have mostly done so in relative isolation from more mainstream theorizing. Essentially, this has resulted in separate streams of literature in which certain theories and perspectives apply to individual-level psychological contract processes, whereas another stream of literature aims to capture the

processes related to shared psychological contracts. In this chapter, we provide an integrative overview of approaches that have been applied in the literature thus far, thereby offering a first step in bringing together these different perspectives.

In the emerging research on the social context in psychological contract research, there are several approaches distinguishable. First, scholars have examined individual perceptions of social context, and the role that these perceptions play in psychological contract processes. For example, Kiewitz, Restubog, Zagenczyk, and Hochwarter (2009) and Rosen, Chang, Johnson, and Levy (2009) showed that perceptions of organizational politics are related to psychological contract breach perceptions, and subsequently influence attitudes and behaviours. More specifically, Kiewitz and colleagues (2009) showed that politics impact the psychological contract breach–organizational citizenship relation, and Rosen and colleagues (2009) found that psychological contract breach mediates the association between politics and attitudes (i.e., job satisfaction and affective commitment) and performance (i.e., organizational citizenship behaviours). In addition, Restubog, Zagenczyk, Bordia, Bordia, and Chapman (2015) demonstrated that perceptions of an aggressive culture impact the relationship between psychological contract violation and deviant behaviours. Taken together, these studies emphasize that the individual *perceptions* of the social context have a major impact on sensemaking processes in relation to psychological contracts (see also Chapter 9 by Diehl and Coyle-Shapiro).

The second major approach to studying social context in psychological contract research focuses on a multi-level perspective, that is, on processes that 1) occur at the unit or team level and impact the individual psychological contract, and/or 2) impact psychological contract development and evaluation itself at the unit or team level. To illustrate the former, Ho and colleagues (2006) examined similarities in psychological contract fulfilment evaluations among co-workers, and Dabos and Rousseau (2013) investigated network ties and the psychological contract. In terms of psychological contract evaluation at the team level, Laulié and Tekleab (2016) presented a multi-level theory of psychological contract fulfilment in teams, in which they argued that psychological contract fulfilment can occur both at a shared individual and at a shared team level.

In this chapter, we provide an overview of recent literature on the role of social context in psychological contract research by discussing three main approaches: individual-level, direct consensus, and reference shift. Following this discussion, we particularly discuss the role of leadership as a form of social context, because one of the primary ways through

which psychological contracts are formed is through organizational communication (Conway & Briner, 2005). In this respect, we argue that formal leaders perhaps have the strongest impact on the formation and evaluation of psychological contracts and the extent to which they are shared among members of an organization. Finally, we present an agenda for future research in the area of social context and psychological contracts.

## INDIVIDUAL-LEVEL AND MULTI-LEVEL APPROACHES

Although conceptual work on psychological contracts has long argued that social context has an important role in psychological contract processes (Argyris, 1960; Morrison & Robinson, 1997), empirical studies have only recently started to uncover the role that contextual factors may play in psychological contract dynamics. In reviewing the literature, we argue that most of these studies have adopted an 'individual perceptions' perspective (see Table 8.1) by studying individuals' perceptions of context and their effects on the psychological contract–outcome relationships. These studies have shown that, for example, perceived organizational support (Coyle-Shapiro & Conway, 2005; Kiewitz et al., 2009), perceived organizational fairness (Rosen et al., 2009), organizational identification (Restubog, Hornsey, Bordia, & Esposito, 2008), and perceived ethical climate (Wang & Hsieh, 2014) have an impact on psychological contract fulfilment and breach evaluations and their relationships with attitudinal and behavioural outcomes. The common denominator in these studies is that they measure context in terms of individual perceptions by asking individuals about how they perceived their social context (e.g., whether they perceived an ethical climate in their organization). In other words, these studies assessed individual perceptions of contextual factors, and the impact that those perceived contextual factors have on their own idiosyncratic sensemaking process related to psychological contract fulfilment and breach (see also Chapter 9 by Diehl and Coyle-Shapiro).

While the above-discussed studies take a single-level and perceptual approach to studying social context, we also noted an emerging multi-level (i.e., studies on the team or unit level) trend in the psychological contract literature. Although these studies are still relatively rare, they typically focus on team-level or unit-level phenomena and their impact on psychological contract processes. For example, Jiang, Probst, and Benson (2015) showed that psychological contract breach was related to

*Table 8.1 Overview of approaches to studying social context in psychological contract research*

Level	Type of social context of psychological contracts	Type of construct of psychological contracts	Examples
Individual perception (single-level)	Individual perceptions of elements of their social context.	Individual influence through social networks (Ho, 2005).	Organizational politics (Kiewitz, Restubog, Zagenczyk & Hochwarter, 2009). Organizational fairness (Rosen, Chang, Johnson, & Levy, 2009). Organizational identification (Restubog, Hornsey, Bordia, & Esposito, 2008). Leader-member exchange (Griep, Vantilborgh, Baillien, & Pepermans, 2016; Hill, Morganson, Matthews, & Atkinson, 2016).
Direct consensus (hybrid)	Individual perception scores aggregated to a unit/team level.	Shared individual psychological contract fulfilment (Laulié & Tekleab, 2016). Normative psychological contracts (Rousseau, 1995). Horizontal psychological contracts (Gibbard et al., 2017).	Leadership style (Epitropaki, 2013). Team leader commitment (De Vos & Tekleab, 2014). Social ties (Dabos & Rousseau, 2013). Unit commitment climate (Akkermans, Bal, & De Jong, 2019).
Referent shift (multi-level)	Perceptions of overall social context.	Shared team psychological contract fulfilment (Laulié & Tekleab, 2016).	Team justice climate (Roberson, 2006). Departmental budget cuts (Jiang, Probst, & Benson, 2015).

detrimental job resources, especially in departments with major budget cuts, indicating that the multi-level aspect of having budget cuts in one's team or unit can impact the role of the work context in psychological

contract processes. In addition, Epitropaki (2013) showed that psychological contract breach can mediate the relationship between justice climate and organizational identification, arguing that, in situations of a low perceived procedural justice climate, workers will be especially vigilant for potential breaches, and those breaches will diminish workers' identification with their organization. The main difference between the single-level and multi-level approach of studying context in relation to psychological contracts is that, while the former resides within the perceptions of individuals, the latter more explicitly takes into account the social nature of psychological contracts. In doing so, this approach acknowledges that individual employee attitudes and behaviour are not merely the result of employees' own perceptions but also shaped by what happens in their social context.

### **Hybrid Approach: Direct Consensus**

Direct consensus models use "within-group consensus of the lower level units as the functional relationship to specify how the construct conceptualized and operationalized at the lower level is functionally isomorphic to another form of the construct at the higher level" (Chan, 1998, p. 237). A typical approach to direct consensus models is measures of climate in which individual perceptions of climate are aggregated to the team level (Wallace et al., 2016). For example, individual unit members could all be asked about their perceived psychological safety, and then the psychological safety climate score would be calculated as an overall aggregate score of individual perceptions (e.g., Koopmann, Lanaj, Wang, Zhou, & Shi, 2016). Applying the direct consensus model to the content of the psychological contract, Rousseau (1995) suggested that, when there is agreement about the content of the psychological contract among several individuals, such as members within a team, a *normative contract* can emerge. This normative contract includes beliefs about promised obligations towards individual employees that are shared among the members of a social group. In some ways it could thus be argued that the direct consensus approach is half-way between the individual perception approach and the multi-level approach because it measures the individual perceptions in the team, but then aggregates these perceptions to a higher level in order to create a new higher-order construct. Therefore, we have labelled this approach as a 'hybrid approach' in Table 8.1. Within this approach it is possible to use the *same* items or scales to conduct both individual-level research (i.e., not aggregating the scales) and multi-level research (i.e., aggregating the scales) on the antecedents, processes, and consequences of psychological contracts. Theoretically, the assumption is

that people have individual perceptions, and that the whole of these individual perceptions in teams or organizations matter *beyond* the sum of individual perceptions within a population. Furthermore, an implicit assumption of these studies is that an individual perception of one's job is shared in some way with others within a team or organization.

### **Multi-Level Approach: Referent Shift**

Although similar to direct consensus models, referent shift models aggregate individual assessments of *conceptually different attributes* to higher unit levels (Chan, 1998). For example, instead of asking individual employees about their individual perceptions of justice, the researcher asks about their perceptions regarding the overall justice climate (Colquitt, Noe, & Jackson, 2002; Roberson, 2006) in their team or unit, and these perceptions are then aggregated to the team level. Thus, there is a referent shift from the individual level to the team or unit level *within the actual measurement*. This makes it more difficult to use such data for both individual- and multi-level research, and we have therefore classified it as 'multi-level' in Table 8.1. In the following section, we discuss the more general issues around the psychological contract as an inherently social construct, and thus how it conceptually relates to direct consensus and referent shift models.

## THE PSYCHOLOGICAL CONTRACT AS A SOCIAL CONSTRUCT

### **Idiosyncratic versus Shared Psychological Contracts**

Currently, most empirical work on psychological contracts has investigated the concept as an idiosyncratic perception, where perceptions of both content and evaluations of the contract are assumed to be idiosyncratic and individualistic (see also Chapter 7 by Bal and Hornung). However, there is increasing consensus among psychological contract researchers that interactions through social network ties are also an important driver for the development of the content of individual psychological contracts and perceptions of psychological contract fulfillment (see also Chapter 16 by Vantilborgh). Newcomers in organizations receive information from co-workers and fellow team members during the informal socialization process, shaping their psychological contract (Alcover, Rico, Turnley, & Bolino, 2017). They particularly receive social information, and colleagues serve as the frame of reference with respect

to the information received from other agents. Furthermore, Alcover and colleagues (2017) argue that, owing to the strong identification processes of employees with their work group, relational content of the psychological contract is likely to develop with fellow team members and the team leader, while more transactional content is more likely to develop with other, more distal agents such as higher management. Indeed, Ho and colleagues (2006) showed that, when an individual's friendship network is denser (i.e., the number of friendship ties relative to the number of possible ties), this positively associates with perceiving stronger—both number and extent—balanced and transactional obligations from the organization. These results are further refined by Dabos and Rousseau (2013), who showed that one's position in advice networks is related to beliefs regarding competitive content, while friendship networks are associated with beliefs about non-competitive content.

Interactions with co-workers are also important in evaluations of the psychological contract. Ho (2005) argued that different types of social network ties are important sources for evaluating one's psychological contract. She proposed that employees use structurally equivalent ties (e.g., in similar positions in the organization) as reference for job-related promises, and cohesive ties (with whom individuals have frequent interactions) are used as reference for organization-wide promises. In addition, Ho and Levesque (2005) showed that employees develop similar evaluations of psychological contract fulfilment compared to their friends and substitutes. Thus, their research shows that psychological contract development is essentially a social process, where people form perceptions on the basis of their peers in the organization.

### **Revisiting the Direct Consensus and Referent Shift Approaches**

The above shows that interactions through social ties are important mechanisms underlying both the content and the evaluation of the psychological contract of individual employees. Moreover, these processes of social influence can have an impact on the development of *collective beliefs* about obligations, as well as *collective perceptions* of psychological contract fulfilment. The idea of collective or shared psychological contracts has been raised before (Marks, 2001; Nicholson & Johns, 1985), but only recently have researchers started to further explore this notion (e.g., Gibbard et al., 2017; Laulié & Tekleab, 2016; Sverdrup & Schei, 2015). Building on research that focuses on the role of social context, such as unit climate, psychological contracts in teams can be conceptualized following compositional models of emergence, specifying how lower-level constructs (e.g., individual beliefs and perceptions)

can be aggregated to higher levels (e.g., the team). In this regard, Chan (1998) proposed that collective, compositional constructs can take different shapes. This has important implications for research on psychological contracts, as it implies that the nomological network of psychological contract fulfilment, breach, and violation is not necessarily the same on an individual versus a shared level. In other words, we would argue that the emergence of the psychological contract, as well as its antecedents, consequences, and mediators/moderators, can exist at three levels: 1) individual perceptions; 2) direct consensus between team members; and 3) a shared and collective phenomenon (see also Table 8.1).

Closely related to our reasoning here, and specifically to the direct consensus approach, Laulié and Tekleab (2016) argued that teams can develop shared perceptions about the level of fulfilment of the individual psychological contract (i.e., *shared individual psychological contract fulfilment*). They define shared individual psychological contract fulfilment as “the convergence of team members’ perception of the degree to which employers fulfil their own, individual psychological contracts” (Laulié & Tekleab, 2016, p. 664). In doing so, they are stressing the consensus about individual-level perceptions of psychological contract fulfilment. In their multi-level theory of psychological contracts, Laulié and Tekleab (2016) suggest that team interdependence, team size, team structure, and leader–member exchange differentiation are important determinants of the emergence of shared individual psychological contract fulfilment. Furthermore, they propose that shared individual psychological contract fulfilment can have important implications for team-level outcomes such as team performance, team organizational citizenship behaviours, and team attitudes. In a first test of these propositions, De Vos and Tekleab (2014) used data from teams in Belgium to show that a team leader’s commitment to the team was positively related to shared individual psychological contract fulfilment, and that shared individual psychological contract fulfilment was positively associated with individual-level commitment and employee obligations. Similarly, Akkermans and colleagues (2019) showed that when team members are all highly committed (i.e., a high commitment climate level and strength), this can enhance work engagement and reduce turnover intentions. Furthermore, using data from Chilean teams, Laulié (2017) found that justice climate and perceived organizational support climate were significant positive antecedents of shared individual psychological contract fulfilment. Moreover, she found that shared individual psychological contract fulfilment predicted outcomes such as team organizational citizenship behaviours and team engagement. Hence, the direct consensus approach is valuable in researching

the shared individual psychological contract in two ways. First, it is important because it helps to explain how aggregate consensus of individual perceptions forms a collection of perceptions within a team. Second, the direct consensus approach can elaborate on how this shared individual psychological contract subsequently impacts worker outcomes. In terms of the referent shift approach, both Laulié and Tekleab (2016) and De Jong (2010) proposed that team members can develop beliefs about promised obligations towards their team, giving rise to *shared team psychological contract fulfilment*. When teams engage in relations with these organizational agents, such as team leaders and human resource managers, they enhance their social capital. This group social capital is commonly defined as the capacity to access, through connection to others, potential resources and support that are crucial to team effectiveness (Hackman, 1991; Oh, Labianca, & Chung, 2006). For example, organizational agents can commit to establishing goals, eliminating obstacles to the team, offering evaluative and systematic feedback to the team, developing performance expectations, and ensuring timely access to information (Morgeson, DeRue, & Karam, 2010; Sundstrom, De Meuse, & Futrell, 1990). Moreover, they can offer socioeconomic benefits including access to strategic information, help and encouragement, psychological safety, participation in decision making, autonomy, and recognition (Kirkman & Rosen, 1999; Oh et al., 2006). Based on these promised obligations to the team as a whole, a team can develop a team psychological contract, which can be defined as “a team-level belief structure about promised obligations between team members and organizational agents” (De Jong, 2010, p. 5). In other words, the team psychological contract reflects a shared mental model emerging from the individual beliefs of team members about potential team-related resources and support. Building on the idea that team members can develop shared beliefs about promised obligations towards the team as a whole, Laulié and Tekleab (2016, p. 662) define shared team psychological contract fulfilment as “the convergence of team members’ perceptions of the degree of fulfilment of the obligations that an organization promised to the team”. As with shared individual psychological contract fulfilment, they suggest that factors such as team interdependence and team structure support the emergence of shared team psychological contract fulfilment, and that shared team psychological contract fulfilment has an impact on team outcomes including team performance and team organizational citizenship behaviours (Laulié & Tekleab, 2016).

To summarize, the direct consensus and referent shift approaches have thus far been primarily applied to understanding the role of social context in individuals’ psychological contract sensemaking process (i.e., shared

individual psychological contract), yet can also be used to understand collective psychological contract sensemaking processes (i.e., shared team psychological contract). Besides direct consensus and referent shift, though, a third approach to studying collective psychological contract processes is to look at the exchange relationships of individual team members with fellow team members or the team as a whole. We review this approach next.

### **Teams and Team Members as Agents: Horizontal Psychological Contracts**

Gibbard and colleagues (2017) argue that team members are involved in mutual exchange relationships with fellow team members in which they are likely to reciprocate their contributions in exchange for contributions by their team members. For example, team members may believe that their fellow team members are obligated to help them to get their work done, create a pleasant atmosphere, and allow them to take the initiative (Schreuder, Schalk, & De Jong, 2017). In their case study on team charters, Sverdrup and Schei (2015) found that the contents of psychological contracts between team members have two distinct elements: work effort and work quality. Work effort refers to obligations about the quantity of work, while work quality relates to obligations about the quality of work. With respect to the fulfilment of these 'horizontal' psychological contracts—named thus because of the horizontal exchanges within teams—team members are likely to reciprocate the failure of fellow team members to fulfil these obligations by reducing their efforts for the team. In their study on student teams, Gibbard and colleagues (2017) found that shared perceptions of breached obligations by fellow team members had a detrimental effect on perceptions of person–team fit, and that these perceptions of person–team fit had a negative impact on team output (i.e., the grade for the team assignment and peer-rated team effectiveness). Interestingly, these authors also found that shared breach perceptions do not always lead to poorer team performance, and that this depends on the perceptions of person–team fit, as well as the specific team-level outcome that is studied. Their findings provide further evidence for a strong effect of social context in psychological contract processes. In addition to the study of Gibbard and colleagues (2017), Schreuder and colleagues (2017) showed that fulfilment of obligations by student team members had a positive effect on team commitment. Finally, Sverdrup and Schei (2015) found that fulfilled psychological contracts by team members were positively associated with team functioning, and mainly with cooperation in teams. Overall, this approach to studying psychological

contract processes in their social context contributes to the shared individual and shared team approaches in that it emphasizes the role of exchange relationships and the perceived obligations that other team members have towards an individual team member. Interestingly, studies adopting this approach have thus far used direct consensus models to test the effects of horizontal psychological contracts. A next step in this area might be to adopt a referent shift model and ask individual team members about whether team members generally keep their promises.

Now that we have discussed three central approaches to studying the psychological contract in the social context, we move to a final important topic in this regard, which is the role of leadership as a specific type of social context in psychological contract formation and sensemaking. We discuss this perspective separately because, as we have argued earlier, organizational communication is a key driver of psychological contracts, and the leader is the primary representative of the organization who communicates with employees. Thus, it is a particular form of the role of social context.

## LEADERSHIP AND THE PSYCHOLOGICAL CONTRACT

The starting point for this section on leadership and the psychological contract is the seminal study of McDermott, Conway, Rousseau, and Flood (2013), because this article not only highlights the importance of various forms of leadership in relation to various forms of psychological contracts, but simultaneously embeds both leadership and psychological contracts into their larger organizational setting as shaped by the business and human resource strategies. McDermott and colleagues (2013, p. 291) provide an overview of these features by building on four key ideas, namely: 1) there is no one best leadership style; 2) coherent human resource systems can provide clarity and meaning to leaders and employees; 3) strategically aligned leadership (and human resource systems) affects psychological contracts; and 4) psychological contracts are a key link between human resource and leadership on the one hand and firm performance on the other hand because psychological contracts shape employee attitudes and behaviours. From these four insights, it follows that leadership and psychological contracts need to be aligned to the human resource strategy (which in turn needs to be aligned with the business strategy; Wright & Snell, 1998). When human resource systems are aligned with the business strategy, vertical alignment may be manifested, and when human resource practices within one human resource

system are coherently aligned this is called horizontal alignment (Liu, Combs, Ketchen, & Ireland, 2007). Hence, a key part for getting the desired type of psychological contracts within an organization is to both vertically and horizontally align leadership behaviours with the business and human resource strategies. Furthermore, leaders play another key role, namely via implementing (i.e., putting into daily reality at work) the intended human resource practices. Leaders are important in this respect because if employees perceive that their experienced human resource practices are different from the intended and/or implemented human resource practices this might be a reason for psychological contract fulfilment or breach. McDermott and colleagues (2013) highlight four different types of psychological contracts for which organizations could strive, namely: 1) relational; 2) dynamic; 3) monetary; and 4) external.

The relational psychological contract is appropriate when organizations need employees who are (long-term) committed and engaged with their work and a more transformational style of leadership is therefore considered to be more appropriate. In short, transformational leadership aims to change followers in a positive way and create high engagement in followers by means of the use of idealized influence, inspirational motivation, intellectual stimulation, and individual consideration (Epitropaki, 2013). Similarly, for the external partnership psychological contracts, more transformational leadership behaviours are deemed appropriate, as the employees involved tend to have very specialized jobs which cannot be easily prescribed and assessed.

In contrast, dynamic psychological contracts are advised to have a more transactional form of leadership, with particular emphasis on structuring the tasks and rewarding desired outcomes, while monetary psychological contracts are argued to be better matched by transactional leadership which focuses more on (avoiding poor) performance. The aims for transactional leadership are more instrumental, as the focus is more on getting the job done, and this can be achieved through contingent rewards (i.e., getting a reward in return for reaching certain goals) and/or by passive or active forms of management by exception (Epitropaki, 2013). Hence, the general idea of McDermott and colleagues (2013) is that in order to achieve a specific psychological contract one needs to have specific forms of leadership—and match this with the business and human resource strategies—and their main focus is on two types of leadership, namely transformational leadership and transactional leadership. Although these two forms of leadership are key, there are many others, and below we discuss recent psychological contract research on other leadership styles in order to show that there is more to consider beyond McDermott and colleagues' (2013) framework.

## Recent Leadership–Psychological Contract Findings

Besides the core concepts of transformational leadership and transactional leadership, which focus more on leadership behaviours, there are various other leadership types, and some of those focus more on the relationships between leaders and followers. An example of this is leader–member exchange, in which leaders strive to have high-quality work relationships with each individual follower (e.g., Graen & Uhl-Bien, 1995). Hill, Morganson, Matthews, and Atkinson (2016) showed that high-quality leader–member exchange can reduce employee psychological contract breach perceptions and thereby affect employee work–family conflicts and psychological well-being. Moreover, Griep, Vantilborgh, Baillien, and Pepermans (2016) found that high-quality leader–member exchange can mitigate the otherwise positive relationship between psychological contract breach perceptions and counterproductive work behaviours. Research by Biswas (2016) indicates that the effects of psychological contract violation on organizational citizenship behaviours and workplace cynicism might be moderated by leader–member exchange, such that it suppresses the negative association between psychological contract violation and organizational citizenship, and the positive association between contract violation and cynicism. Additionally, some research has combined transformational leadership and leader–member exchange into one model. For example, Chen and Wu (2017) found that transformational leadership influences leader–member exchange, which subsequently influences psychological contract breach, which ultimately lowers turnover intention. In all, there is clear empirical evidence that relational-focused types of leadership, such as leader–member exchange, also affect psychological contracts in the sense that they can buffer the negative effects of psychological contract breach and violation on outcomes such as turnover and engagement.

Besides relational-focused forms of leadership there has been a rising interest in the morality of leadership. One such form of leadership is servant leadership, which reflects a leader’s prioritization of stakeholder interests over self-interests (Anderson & Sun, 2017; Greenleaf, 1970). These types of leadership have also been related to psychological contract evaluations. For instance, Panaccio, Henderson, Liden, Wayne, and Cao (2015) found that servant leadership’s positive effect on innovative behaviours and the organizational citizenship behaviours of employees was mediated by employee psychological contract fulfilment and that employee extraversion and collectivism moderated these relationships. More specifically, they showed that the positive relationship between servant leadership and psychological contract fulfilment was stronger

when people were low on extraversion and collectivism. Furthermore, Peng, Jien, and Lin (2016) revealed a negative relationship between servant leadership and employee deviance via psychological contract breach and that high psychological contract breach perceptions were even more negatively related to employee deviance when they had an external locus of causality. With regard to benevolent leadership, Erkutlu and Chafra (2016) found that high perceptions of psychological contract breach weakened the positive relationship between benevolent leadership and employee psychological well-being. Lastly, Philipp and Lopez (2013) found that, when ethical leadership was high, the negative relationship between transactional psychological contracts and commitment was weaker. Ethical leadership also affected the relationship between relational contracts and organizational citizenship behaviours, such that this relationship was even more positive when ethical leadership was high. To summarize, recent research indicates that more morally inspired leadership styles, such as servant, benevolent, or ethical leadership, might increase positive employee outcomes, and reduce negative ones, via their effects on psychological contracts.

One of the things which most of the above types of leadership have in common is that they focus on positive aspects of leadership, yet within the leadership literature there is an increasing focus on various forms of destructive leadership (for a meta-analysis see Schyns & Schilling, 2013). The literature on such dark aspects of leadership and psychological contract is less evolved than the more positive-orientated literature, but some studies have related these more negative forms of leadership to psychological contract. For example, Kernan, Racicot, and Fisher (2016) found that abusive supervision increased felt psychological contract violation by employees, and that this was stronger when the organizational climate was supportive rather than tolerant to abuse. Jiang, Chen, Sun, and Yang (2017) found that authoritarian leadership increased employees' deviant workplace behaviours via psychological contract violation and organizational cynicism. Hence, there is some empirical evidence that destructive forms of leadership can cause a deterioration in psychological contracts.

Linking the recent empirical studies to the theoretical work of McDermott and colleagues (2013), it can be concluded that the basic premise—leadership styles are important for psychological contract fulfilment, violation, and breach—is supported. We have tried to add to the work of McDermott and colleagues (2013) by highlighting recent research related to other forms of leadership (i.e., servant, benevolent, ethical, leader–member exchange) than transactional and transformational leadership. Additionally, besides knowing the effects of positive forms of

leadership on the psychological contract, recent research shows that practitioners and scholars should be aware that negative, or destructive, forms of leadership could influence the psychological contract.

## FUTURE RESEARCH AGENDA

Our discussion of the role of social context in psychological contract processes has presented an overview of different approaches to studying the role of social context—via individual-level, direct consensus, and referent shift models—and we have brought these approaches together with theorizing in this area (e.g., shared individual psychological contract fulfilment versus shared team psychological contract fulfilment; Laulié & Tekleab, 2016). Here, we formulate an agenda for future research on these topics to move the field forward.

### **Expanding Multi-Level Research on Psychological Contracts**

Of the three approaches to studying the role of social context in psychological contracts (see Table 8.1), the individual-level approach is clearly the richest one. There is some convincing empirical evidence that individuals' perceptions of their social context—such as perceived organizational support, politics, and fairness—can impact their individual psychological contract interpretation. However, multi-level research on idiosyncratic psychological contract processes is still lagging behind. Some studies have started to tap into this, such as the work of Dabos and Rousseau (2013) on social ties, and the work of Jiang and colleagues (2015) on department-level influences on psychological contract evaluations. Yet we argue that much more empirical work is needed to further explore the role of social context—by using either a direct consensus or a referent shift model—in how individuals form and evaluate their psychological contracts; future research could further explore the role of social context in shared individual psychological contract fulfilment and breach processes, for example by studying how certain team climates (e.g., psychological safety climate, commitment climate, or voice climate) might enhance psychological contract fulfilment evaluations or buffer the negative effects of psychological contract breach. More multi-level research focusing on the role of leadership as a particular form of social context would also be valuable in this regard. For example, it would be interesting to explore whether benevolent types of leadership (e.g., servant or ethical leadership) or dark types of leadership (e.g., abusive

supervision, destructive leadership) can impact idiosyncratic evaluation processes of psychological contract fulfilment or breach.

### **Building a Nomological Network of Collective Psychological Contracts**

As we have argued in this chapter, research on collective psychological contracts has only recently started to emerge, and, as a consequence, a solid nomological network of shared psychological contracts is still lacking (for an elaboration see Chapter 15 by Weinhardt, Griep, and Sosnowska; and Chapter 16 by Vantilborgh). Therefore, we call for research that might build such a nomological network in two ways. First, building on the work of Lauhié and Tekleab (2016) and Schreuder and colleagues (2017), it would be important to build a clear conceptualization of shared team psychological contracts and horizontal psychological contracts (from a referent shift approach), thereby examining core characteristics, commonalities, and differences between these types of collective psychological contracts. Clearly defining and conceptualizing these types of contracts could be the starting point of developing specific measures of shared psychological contracts that go beyond the often used general psychological contract measure of Robinson and Morrison (2000). Until now, most 'social psychological contract research' has used the traditional scales of assessing psychological contract fulfilment and breach, either aggregating this to the team level (i.e., direct consensus) or changing the formulation of the items towards the team level (i.e., referent shift). However, to truly understand the complexities of shared psychological contracts, we argue that tailor-made scales are required to assess shared individual, shared team, and horizontal psychological contracts. Schreuder and colleagues (2017) already proposed items for the latter, and we would urge researchers to build on this by constructing and empirically validating solid measurement instruments that can capture collective processes of psychological contract formation and interpretation.

Second, it would be important to study whether the existing knowledge about antecedents and consequences of psychological contract fulfilment, breach, and violation can be generalized to shared psychological contracts, and thus whether the existing nomological network of individual psychological contract can be 'levelled up' to shared models of the psychological contract. For example, are shared perceptions of psychological contract breach similarly related to turnover intentions, work engagement, and organizational commitment (see Zhao et al., 2007) compared to individual perceptions of breach? Furthermore, future research needs to examine

whether there are unique antecedents and consequences of shared psychological contracts. For example, empirical studies could examine the role of emerging team processes (Marks, Mathieu, & Zaccaro, 2001) and team types (Hollenbeck, Beersma, & Schouten, 2012) in the formation and interpretation of shared psychological contracts.

### **Integrating Theoretical Perspectives on Psychological Contracts**

From the very origin of psychological contract research, there has been a notion of collective or shared psychological contract perceptions (Argyris, 1960). Yet, as argued earlier, theorizing about collective psychological contracts has thus far been done in isolation from more mainstream theorizing. While this stream of research is still quite new and only limited knowledge is available, we argue that, in order to take psychological contract research to the next level, future theorizing would need to integrate these existing streams of literature and reflect on how individual-level and shared psychological contract processes might co-exist and dynamically interact to impact worker outcomes.

One example of such a theory is the recently introduced phase-based model of psychological contracts (Rousseau, Hansen, & Tomprou, 2018). This dynamic theory of psychological contracts focuses on employee and employer obligations and explores the ways in which psychological contracts are formed, maintained, and potentially changed over time. Another theoretical perspective is the post-violation model (Tomprou, Rousseau, & Hansen, 2015), which also takes a dynamic perspective on individual interpretations of psychological contracts by focusing on whether and how individuals can ‘bounce back’ (Solinger, Hofmans, Bal, & Jansen, 2016) from psychological contract breach or violation. Both of these recently developed models have thus far taken an idiosyncratic perspective in which individual trajectories and recovery processes are identified. For future research, it would be fascinating to theorize about the role of collective psychological contracts in, for example, buffering the negative effects of psychological contract breach or violation on an individual’s well-being and performance over time and among different phases. It would be crucial to examine the potential dynamic interplay between individual and shared psychological contracts here, to investigate whether those processes might evolve relatively independently, or perhaps as closely linked and interrelated.

## CONCLUSION

In this chapter, we have presented an overview of different approaches that have been applied to studying the role of social context in psychological contract processes. We have shown that most studies thus far have adopted an individual-level approach and study idiosyncratic psychological contracts. However, recently, some theoretical and empirical work has emerged that studies shared or collective psychological contracts, which might constitute a new way of looking at the formation and evaluation of psychological contracts among individuals and teams. We hope that this chapter inspires those interested in researching psychological contracts, and that it spurs future research in this area.

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