Psychological Contract Violation: Impacts on Job Satisfaction and Organizational Commitment Among Australian Senior Public Servants

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In a world of ongoing organisational transformation, the psychological contract between the employer and the employee is open to violation. It is imperative that senior managers, as change agents, have a good understanding of the psychological contract and how it influences employee behaviour and attitudes towards their job and their organisation. This paper explains the concept of psychological contract violation and presents the results of a survey of executive management personnel from the Australian Public Sector. The results of the survey revealed a negative relationship between psychological contract violation and both job satisfaction (r = -.77) and organisational commitment (r = -.67). Recommendations are given on how an organisation can minimise perceptions of violation through human resource strategies, policies and procedures that foster open communication and are reflective of distributive, procedural and interactional justice.

A WIDE CROSS-SECTION of organisations, within both the private and public sectors, are constantly being challenged by global competition, advancing technology, the utilisation of a diverse workforce, and the provision of high-quality products and services (Karpin, 1995; Noe, Hollenbeck, Gerhart & Wright, 1997). In the face of such challenges, many organisations reinvent themselves through such processes as reengineering, restructuring and downsizing. These transformations usually involve the renegotiation and alteration of the employment agreement to fit changing circumstances (Guzzo & Noonan, 1994; Lucero & Allen, 1994; McLean Parks & Kidder, 1994; Morrison, 1994; Sims, 1994). Although such change is crucial to the survival of the organisation, it is the way in which change is executed that often results in the violation of psychological contracts. As McLean Parks, Kidder, and Gallagher (1998) so aptly point out, "It is their perception of reality, not any so-called 'objective' reality, that shapes their expectations, their attitudes, and their behaviors. Consequently, to understand employee attitudes and behaviors, it is necessary to understand their perceptions—their reality" (1998, p.697). It is imperative that senior managers, as change agents, understand the process of the psychological contract and how it influences employee behaviour and attitudes towards their job and their organisation. It is essential that management and the employee have a shared perception of what they believe to be the obligations of each party.

THEORETICAL BACKGROUND

The origins of the psychological contract date back to the writings of Argyris (1960) and Schein (1980). It can be defined as a set of individual beliefs or perceptions regarding reciprocal obligations between the employee and the organisation (Robinson, Kraatz, & Rousseau, 1994; Wolfe Morrison & Robinson,

1997). Some of these obligations are recorded in the form of a written formal contract of employment, but largely they are implied and not openly discussed (Anderson & Schalk, 1998). For example, the employee has expectations in the areas of promotion, pay, training, job security, career development, and support with personal problems. In return, the employer expects the employee to be willing to work extra hours, be loyal, volunteer to do non-required tasks, give advance notice when quitting, be willing to accept transfer, to refuse to support competitors, to protect company information, and to spend a minimum of two years with the organisation. These obligations are perceived promises that both parties believe have been made and accepted by both parties. However, the employee's understanding of the employment relationship may be different from that of the organisation (Robinson, 1996; Wolfe Morrison & Robinson, 1997). It is this perceptual and idiosyncratic nature of the psychological contract that distinguishes it from other forms of contracts (Robinson et al., 1994).

Violation of the psychological contract occurs when one party perceives that the other has failed to fulfil its obligations or promises. The employee's perception that the organisation has failed to fulfil one or more obligations relating to the psychological contract represents the cognitive aspect of violation - a mental calculation of what the employee has received relative to what was promised. However, there is also an emotional state that accompanies violation - the feelings of betrayal, distress, anger, resentment, a sense of injustice and wrongful harm (Wolfe Morrison & Robinson, 1997). This emotional experience culminates in attitudinal and behavioural responses, such as, job dissatisfaction and lowered organisational commitment.

Job Satisfaction

Job satisfaction is an attitudinal variable that reflects how people feel about their jobs. It emphasizes the specific task environment where an employee performs his/her duties and reflects the more immediate reactions to specific tangible aspects of the work environment (Mowday, Porter, & Steers, 1982). There are many facets of job satisfaction, with common classifications being pay, promotion, benefits, supervision, coworkers, job conditions, the nature of the work itself, communication and job security. When an employee experiences a discrepancy between what was expected and what was received in one or more of these facets, the employee may experience a decrease in job satisfaction - especially if these facets were viewed as important by the employee (Robinson & Rousseau, 1994). Similarly, the theoretical model of psychological contract violation (Wolfe Morrison & Robinson, 1997) proposes that when an employee perceives a discrepancy in the reciprocal promises made between the employee and the organisation, their response may manifest as job dissatisfaction, with resultant increases in absenteeism and turnover (Griffeth, Hom, & Gaertner, 2000; Hackett, 1989). If dissatisfied employees remain in the organisation they may engage in counter-productive behaviours such as poor service, destructive rumours, theft and sabotage of equipment (Spector, 1997). Turnover, absenteeism and counter-productive behaviour results in a financial cost to the organisation in terms of lost productivity and replacement costs. Dissatisfied employees have also been found to report such physical symptoms as tension, anxiety, disturbed sleep patterns, tiredness, depression (Frese, 1985; O'Brien, Dowling & Kabanoff, 1978; Spector, 1997) and stiffness in muscles and joints

(O'Driscoll & Beehr, 1994). These represent a very significant cost to the psychological and physical well-being of the employee, and an indirect financial cost to the organisation in terms of sub-optimal performance and sick leave.

Organisational Commitment

Organisational commitment is defined as a strong identification with and involvement in the organisation. Commitment is reflected in the employee's acceptance of organisational goals, willingness to work hard for the organisation, and the desire to stay with the organisation (Mowday et al., 1982). Commitment develops slowly and consistently over time as a result of the employer/ employee relationship (Mowday et al., 1982). These attitudes are strongly influenced by the employee's perceptions of distributive and procedural justice within the organisation (Cropanzano & Folger, 1996; Dailey & Kirk, 1992; Fahr, Podsakoff, & Organ, 1990; McFarlin & Sweeney, 1992; Tang & Sarsfield-Baldwin, 1996). When employees perceive the outcomes of their interpretations of events as fair, or perceive the process by which outcomes are allocated as fair, they are more likely to engage in a relationship of social exchange that exceeds 'normal' expectations of their performance (Brewer, 1998). However, when employees perceive the outcomes as unfair, as in the case of psychological contract violations, they are likely to engage in behaviours such as voice, compliance and resistance - behaviours that are unproductive and costly to the organisation.

Low levels of commitment have been associated with increased incidences of absenteeism, tardiness and turnover which elevate expenses and lower productivity (Cooper-Hakim & Viswesvaran, 2005; Farrell & Stamm, 1988; Mathieu & Zajac, 1990). Low commitment is also linked to decreased motivation, low levels of morale (DeCotiis & Summers, 1987), decreased measures of altruism and compliance (Schappe, 1998), impoverished feelings of belonging, security, efficacy, goals and purpose in life, and a negative self-image (Mowday et al., 1982). In addition, non-committed employees may describe the organisation in negative terms to outsiders, inhibiting the organisation's ability to recruit high-quality employees (Mowday et al., 1982).

Relationship between Satisfaction, Commitment and Violation

Job satisfaction and organisational commitment share many common antecedents; however, whether satisfaction influences commitment, or whether commitment to the organisation results in job satisfaction, is an area of contention among researchers. Some studies suggest that commitment is an antecedent of satisfaction (Bateman & Strasser, 1984; Vandenberg & Lance, 1992), some studies view satisfaction as an antecedent of commitment (DeCotiis & Summers, 1987), while other studies view satisfaction and commitment as correlates (Mathieu & Zajac, 1990). The position taken in this study is to view job satisfaction as an antecedent of organisational commitment. This is based on the argument that job satisfaction is derived from only a subset of the personal and organisational factors (e.g., job and job facets) that determine organisational commitment. As such, it is a micro determinant of commitment which is seen as more macro in its orientation of the individual to the organisation (Williams & Hazer, 1986). Furthermore, job satisfaction reflects immediate affective reactions to the job and job facets and forms soon after organisational entry.

Organisational commitment, on the other hand, develops more slowly after the individual possesses a firm understanding of not only the job and job facets, but also the organisation's goals and values, performance expectations and their consequences, and the implications of maintaining organisational membership (Mowday et al., 1982). The type of understanding underpinning organisational commitment is not immediate; it requires exposure to a variety of organisational components outside of the job itself. Consequently, organisational commitment is seen as forming and stabilising sometime after organisational entry, with the more immediate formation of job satisfaction acting as one of its many determinants (Vandenberg & Lance, 1992).

Job satisfaction and organisational commitment also relate to different aspects of workplace justice, with satisfaction being associated with distributive justice, while commitment is more strongly associated with procedural justice (Dailey & Kirk, 1992; Sweeney & McFarlin, 1993). Turnover intentions are more strongly related to organisational commitment than to job satisfaction (McFarlane Shore & Martin, 1989).

Violation of the transactional obligations of the psychological contract (e.g., pay, benefits and promotion) results in a decrease in job satisfaction, while violation of relational obligations (e.g. loyalty and support) resulted in a lowering of organisational commitment (Anderson & Schalk, 1998; Guzzo & Noonan, 1994; Robinson et al. 1994; Rousseau, 1990). Because of the similarity of the consequences of job dissatisfaction, organisational commitment and psychological contract violations, Turnley and Feldman (2000) suggest that satisfaction partially mediates the relationship between violation and commitment.

THE CURRENT STUDY

The primary aim of our research was to examine the relationship between psychological contract violation, job satisfaction and organisational commitment, in order to produce human resource management recommendations based on the findings. Thus there were four major hypotheses:

> *H1: The level of psychological contract violation will be negatively related to job satisfaction.*

> *H2: The level of psychological contract violation will be negatively related to organisational commitment.*

> *H3a: The level of organisational commitment will be positively related to the level of job satisfaction.*

> *H3b: Job satisfaction will mediate the relationship between psychological contract violation and organisation commitment.*

METHOD

Subjects and Procedure

Twenty-four State Government Departments in Queensland, Australia, were invited to participate in this study. Thirteen departments agreed to participate and participants were drawn from executive management personnel who were responsible for the administration of the separate divisions, branches and units, across these departments. Data were collected using the four-stage mailing strategy recommended by Mangione (1995). Of the 387 managers eligible to participate, 310 received the questionnaire, yielding a 80.1% distribution rate. Completed questionnaires were received from 251 subjects, yielding a 80.9% response rate, with 65.2% of respondents requesting a copy of the research findings. An additional 12.2% of the sample advised that they did not wish to participate.

Materials

The individual scales used in the present study were presented together in a single questionnaire containing 42 questions. To control for question order effects, a system of random ordering was used (Mangione, 1995), and the questions were reformatted, where necessary, to enable the three categories to be rated on the same scale. The measures used were as follows.

Psychological Contract Violation Scale

A measure of psychological contract violation was based on the nine areas of violation most relevant to managerial samples (Robinson & Rousseau, 1994; Robinson & Wolfe Morrison, 1995; Rousseau, 1990). The 9-item scale measured the respondents perception that their employer had fulfilled its obligations and/or the promises made in relation to training and development, compensation, promotion, the nature of the job, job security, feedback, management of change, amount of personal responsibility, and the expertise and qualities of co-workers. The responses were rated on a 5-point scale ranging from 1 (strongly agree) to 5 (strongly disagree).

Job Satisfaction Scale

The O'Brien Scale, developed by Australian researchers in an Australian context and used successfully in a variety of Australian organisations (O'Brien et al., 1978; O'Brien & Dowling, 1980, 1981), was used as the measure of job satisfaction. This 18-item scale measures the employee's perception that their job allows the fulfillment of their important job values. It covers job facets such as supervision, coworkers, pay, variety, skill level, opportunities for learning, influence, pressure, feedback, promotion, physical conditions, challenge, and opportunities for growth. In the present study, respondents were asked to rate their degree of satisfaction on the 18 items, on a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Organisational Commitment Scale

The Organisational Commitment Questionnaire (OCQ), developed by Mowday, Porter and Steers (1982) and widely used in previous studies to measure commitment (Dailey & Kirk, 1992; Schappe, 1996, 1998; Tang & Sarsfield-Baldwin, 1996), was used to measure organisational commitment. This 15-item scale measures the employee's perceived acceptance of organisational goals, willingness to work hard for the organisation, and desire to stay with the organisation. In the present study, respondents were asked to rate their degree of commitment on the 15 items, on a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree).

RESULTS

Scale Reliability

All three scales had a high level of reliability: job satisfaction (Alpha = .87), organisational commitment (Alpha = .90), and psychological contract violation (Alpha = .84).

Demographic Analysis

A breakdown of the demographic data revealed a composite of 78.4% men and 21.6% women The subjects ranged between 30 and 62 years of age (M = 47.54, SD = 6.23). The highest traditional level of education was High School (6.4%), TAFE (4.4%), University undergraduates (32.4%) and University postgraduates (56.8%). The percentage of subjects working in Head Office was 64.4%, while 35.6% worked in Regional Offices. The length of tenure with the department ranged from <1 to 40 years (M = 15.44, SD = 10.47).

Levels of Satisfaction, Commitment and Violation

The results of the frequency distributions relating to the levels of job satisfaction, organisational commitment and psychological contract violation are set out in Table 1. The results revealed that 66.4% of respondents reported moderate levels of job satisfaction, while a further 26.8% reported high levels of satisfaction. In relation to organisational commitment, 61.2% or respondents reported moderate levels of commitment, while a further 22.4% reported high levels of commitment. In relation to psychological contract violation, 62.0% or respondents reported low levels of violation, while a further 25.6% reported very low levels of violation.

The scores for job satisfaction (M = 67.98, SD = 8.62) ranged from 41 to 88, from a possible range of 18 to 90. The scores for organisational commitment (M = 53.57, SD = 8.81) ranged from 27 to 75, from a possible range of 15 to 75. The scores for psychological contract violation (M = 21.69, SD = 5.23) ranged from 10 to 41, from a possible range of 9 to 45.

Table 1
Levels of job satisfaction, organizational commitment, and psychological contract violation

Variable	Range of Scores	Level of Variable	Respondents %
Job Satisfaction	18 - 36	Very Low	0.0
	37 - 54	Low	6.8
	55 - 72	Moderate	66.4
	73 - 90	High	26.8
Organisational Commitment	15 - 30	Very Low	0.8
	31 - 45	Low	15.6
	46 - 60	Moderate	61.2
	61 - 75	High	22.4
Psychological Contract Violation	9 - 18	Very Low	25.6
	19 - 27	Low	62.0
	28 - 36	Moderate	11.2
	37 - 45	High	1.2

Percentage Analysis

In relation to psychological contract violation, respondents reported that the organisation had not kept its promises in relation to pay, benefits and bonuses (10.8%), opportunities for responsibility and challenge (4.4%), training and development (18.7%), performance feedback and reviews (32.3%), promotion or advancement schedules (10.8%), or the nature of the job and the organisation itself (19.5%). Respondents also reported the organisation had misrepresented of the degree of employee input involved in the management of change (14.8%), the expertise, workstyle or reputation of the organisation or its workers (9.6%), and in the degree of job security (3.6%).

Analysis of Dichotomous Variables - Sex and Job Location

The results of the *t*-tests for independent samples indicated that there was no significant difference between men ($M = 68.13$, $SD = 8.74$) and women ($M = 67.40$, $SD = 8.17$) in relation to job satisfaction. There was also no significant difference between men ($M = 53.43$, $SD = 8.91$) and women ($M = 54.05$, $SD = 8.49$) in relation to organisational commitment. In relation to job location, there was no significant difference between head office ($M = 67.98$, $SD = 8.77$) and regional offices ($M = 67.96$, $SD = 8.36$) in relation to job satisfaction, or between head office ($M = 52.90$, $SD = 8.80$) and regional offices ($M = 54.77$, $SD = 8.75$) in relation to organisational commitment.

Correlational Analyses

As shown in Table 2, the results indicate that there were no significant relationships between job satisfaction and education, age or tenure and no significant relationships between organisational commitment and education or age. However, there was a small positive relationship between organisational commitment and tenure ($r = .13$), indicating that as the length of tenure increases so does organisational commitment.

Table 2
Correlation coefficients (n=250)

Variable	Descriptive Statistics		Correlations	
	Mean	SD	Job Satisfaction	Organisational

				Commitment
Education			- .057	- .057
Age	47.54	6.23	.056	.060
Tenure	15.44	10.47	.079	.133*
Job satisfaction	67.98	8.82		.684
Organizational commitment	53.57	8.81	.684**	
Psychological contract violation	21.69	5.23	- .765**	- .669

*$p < .05$ ** $p < .01$

There was a strong positive relationship between job satisfaction and organisational commitment ($r = .68$), indicating that as the level of job satisfaction increased so did the level of organisational commitment. There was a strong negative relationship between psychological contract violation and job satisfaction ($r = - .77$), and between psychological contract violation and organisational commitment ($r = -.67$), indicating that as the level of psychological contract violation increased, the levels of job satisfaction and organisational commitment decreased.

Regression Analyses

Based on the results of the correlation analyses, hierarchical regression analyses were carried out to determine the true relationship between psychological contract violation and organizational commitment. A summary of the regression results are set out in Table 3. After step 3, with all independent variables in the equation, $R = .723$, $F (3, 246) = 89.628$, $p < .001$.

In Model 1, tenure explains 1.8% of the variance in organizational commitment. In Model 2, the addition of psychological contract violation resulted in a significant increment, explaining an additional 43.3% of the variance. In model 3, the addition of job satisfaction also resulted in a significant increment, explaining an additional 7.2% of the variance. The beta weights for these three models are shown in Table 4.

Table 3
Summary of Hierarchical Multiple Regression Analysis for Variables Predicting Organisational Commitment ($N = 250$).

Model	R	R^2	F(Eqn)	R^2Ch	FCh
1: IN: Tenure	.133	.018	4.444 *	.018	4.444 **
2: IN: Psychological Contract Violation	.671	.451	101.255 ***	.433	194.596 ***
3: IN: Job Satisfaction	.723	.522	89.628 ***	.072	36.922 ***

* $p < .05$** $p < .01$ *** $p < .001$

Table 4
Summary of Hierarchical Multiple Regression Beta Coefficients for Variables Predicting Organisational Commitment ($N = 250$).

Model	**Variable**	**Beta**	**t**

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1	Tenure	.133	2.108*
2	Tenure	.057	1.196
	Psychological Contract Violation	-.662	-13.950***
3	Tenure	.061	1.366
	Psychological Contract Violation	-.344	-5.004***
	Job Satisfaction	.416	6.076***

* p < .05** p < .01   *** p < .001

In Model 2, psychological contract violation had a strong correlation with organizational commitment, while tenure was no longer a significant predictor. In Model 3, although psychological contract violation remained a significant predictor of organizational commitment, its beta weight significantly decreased and was smaller than the beta weight for job satisfaction. This suggests that although violation remained a significant predictor of organisational commitment, job satisfaction partially mediated the relationship between violation and commitment. The results of the Sobel Test (Preacher & Hayes, 2004), confirmed that job satisfaction was a significant mediator of organizational commitment,
$z = -19.697, p < .001$.

DISCUSSION

The results of our research indicated that 66.4% of respondents scored within the moderate range of job satisfaction, while an additional 26.8% scored within the high range. Only 6.8% of scores fell within the low satisfaction range. The level of job satisfaction did not differ in relation to gender, age, educational level, tenure, or job location. In relation to organisational commitment, 61.2% of respondents scored within the moderate range, while an additional 22.4% scored within the high range. Only 16.4% of scores fell within the ranges of low and very low commitment. The level of organisational commitment did not differ in relation to gender, age, educational level, or job location, however, higher organisational commitment was found among long-term employees.

In relation to psychological contract violation, the results of the study revealed that 62.0% of respondents reported low levels of violation, while a further 25.6% scored in the very low violation range. Only 12.4% of scores fell within the ranges of moderate and high violation. It was interesting to note that only 14% of respondents perceived that their psychological contract had not been violated in any way. The level of psychological contract violation did not differ in relation to gender, age, educational level, tenure, or job location. The most salient areas of actual and potential violation identified in this study are associated with performance feedback, promotion, training and development, and the organisation's misrepresentation of the nature of the job.

Given the empirical relationship between violation and job dissatisfaction, these violations may have directly contributed to employee feelings of job dissatisfaction through the non-delivery of knowledge and skills that may have enabled the employee to feel less pressure and stress in their job. The dissatisfaction resulting from violation can be explained by the similarity of the transactional components of the psychological contract (see, for example, Wolfe Morrison & Robinson, 1997) that overlap areas of job satisfaction. When the

employee experiences a discrepancy between what was promised and what was received, in relation to any facet that influences job satisfaction, it will result in a lowering of job satisfaction - whether or not the employee has an accurate or misguided perception of the violation. While violation in many of these areas was low, the results must be considered in conjunction with the additional 15.5% to 41.8% of respondents who rated themselves as neither agreeing nor disagreeing on these issues. These latter percentages represent a group of employees who are still undecided on the status of their psychological contract - an area of potential violation.

Other salient areas of violation occurred in the area of the organisations' misrepresentation of the employee's involvement in the management of change, and misrepresentation of the expertise, workstyle or reputation of the employees and the organisation itself. Given the empirical relationship between violation and lowered commitment (see, for example, Robinson et al., 1994), it is suggested that this misrepresentation of information may have contributed to indecision or disagreement on organisational employee policies, and incongruence between personal and organisational values. In addition, there were areas relating to the employee's attachment to the organisation that suggested 40% of employees disagreed or were undecided about the advantages of staying with the organisation. An employee's commitment attitudes are strongly influenced by perceptions of distributive, procedural and interactional justice within the workplace (see, for example, Cropanzano & Folger, 1996; Fahr, et. al., 1990). If an employee perceives an outcome as unfair, as in the case of psychological contract violations, the employee may experience feelings of disappointment, frustration, distress, anger, resentment, hostility, betrayal or mistrust towards the organisation (Wolfe Morrison & Robinson, 1997). These feelings are likely to lead the employee to engaging in exit, voice, compliance and resistance behaviors (Brewer, 1998; Rousseau, 1995). Again, these results must be considered in conjunction with the 13.9% to 25.2% of respondents who rated themselves as neither agreeing nor disagreeing on these issues, and these percentages must also be viewed as levels of potential violation.

In terms of the relationship between psychological contract violation, job satisfaction and organisational commitment, the results indicate that the experience of violation creates a sense of job dissatisfaction, and it is this sense of dissatisfaction which, in turn, leads to a lowering of employee commitment.

Recommendations for Human Resource Management

Given these results, the empirical research that links psychological contract violation to job satisfaction and organisational commitment, together with the negative consequences of dissatisfaction and non-commitment, the following recommendations in the area of human resource activities are offered to assist management to clarify and sustain the psychological contract.

Recruitment and Orientation

During recruitment interviews, HRM personnel should clearly and honestly communicate the responsibilities and expectations of the employee, as well as those the organisation will give in exchange. Only 45.8% of respondents

agreed that the nature of their job was how the organisation promised it to be, and only 66.4% perceived that the organisation had not misrepresented the expertise, work style or reputation of the organisation or its employees. As the psychological contract begins its formation during the hiring process, it is important that the organisation does not "over-sell" the job, thereby setting up unrealistic expectations which, when violated, may result in dissatisfaction and lowered commitment (Makin, Cooper & Fox, 1996; Rousseau, 1995; Schuler, Dowling, Smart & Huber, 1992; Sims, 1994; Singh, 1998). Once the new employee enters the organisation, it is important that they do not misinterpret obligations and entitlements. Incongruence is one of the major contributors to psychological contract violation (Makin et al., 1996; Morrison, 1994; Rousseau, 1995; Sims, 1994). Ambiguously worded passages in human resource manuals and policy documents may widen the interpretation of obligations and entitlements, creating greater potential for misunderstanding and perceived violation (McLean Parks & Schmedemann, 1994). Realistic job previews that contain a detailed description of relevant job aspects, including negative as well as positive features, will contribute to the formation of pragmatic psychological contracts and reduce turnover (Bretz & Judge, 1998; Meglino, Ravlin & DeNisi, 2000).

Organisational Rules, Policies and Procedures

The organisation's rules, policies and procedures should be based on the foundation of distributive, procedural and interactional justice. Any perceived inequity in the distribution of rewards, any perceived injustice in decision-making processes, or any perception that one has been treated with disrespect or in an undignified manner, may lead to unmet expectations becoming violations of the psychological contract (McLean Parks & Kidder, 1994; Robinson, 1996). This is an important issue as only 47.4% of respondents agreed that the organisation had fulfilled its promises regarding their promotion or advancement schedule, only 40.2% perceived that the organisation had fulfilled promises in relation to performance feedback and reviews, and only 58.2% perceived organisational fulfillment of promises in the area of personal training and development. Employees will interpret these violations in terms of whether they were dealt with honestly and respectfully, whether they received adequate justification for these non events, and whether the violations were consistent with the prevailing social contract (Wolfe Morrison & Robinson, 1997). A belief in the fairness of organisational procedures (Cropanzano & Folger, 1996; Fahr et al., 1990) will minimise the incidence of violations and heighten the level of job satisfaction and organisational commitment (Daily & Kirk, 1992; McFarlane Shore & Martin, 1989; Sweeney & McFarlin, 1993).

Performance Reviews

The organisation must ensure that performance reviews are conducted on a regular basis. Performance reviews are important as they offer an opportunity for the employee to receive accurate feedback on their performance and may help dispel any false beliefs, of either party, that they have fulfilled their part of the psychological contract (Makin et al., 1996; Rousseau, 1995). An unrealistic self-assessment by the employee will impact on the comparison process because,

without accurate feedback, there is the potential for the employee to misperceive the balance between the fulfillment of their obligations against those of the organisation (Wolfe Morrison & Robinson, 1997). In addition, the performance review offers an opportunity for the organisation and employee to review and agree upon future opportunities for responsibility and challenge, and any prospective involvement in the management of change. Reviewing and renegotiating such aspects of the psychological contract on a regular basis will reduce psychological contract violations that are caused by incongruence or misunderstanding between both parties (Makin et al., 1996; McLean Parks & Schmedemann, 1994; Morrison, 1994; Rousseau, 1995; Sims, 1994).

Training and Development

Organisations should ensure employees have the opportunity for on-going training and development. The provision of training and development sends a message to employees that the organisation cares about them and supports them (Eisenberger, Huntington, Hutchinson & Sowa, 1986). Any unmet promises in this area will reduce management credibility (King, 2000; Singh, 1998) and lower the trust that the employee has in the organisation (Robinson, 1996). This, in turn, will increase the vigilance of the employee in monitoring how well the organisation has fulfilled its obligations and promises in other areas, and increases the chances that the employee will perceive future unmet promises as violations (Wolfe Morrison & Robinson, 1997).

Communication

The organisation should ensure that they have effective channels of communication. One of the keys to the successful development of mutually beneficial psychological contracts is open communication (Argenti, 1998; Rodwell, Kienzle & Shadur, 1998; Singh, 1998). Clear and honest discussion of mutual obligations will facilitate the understanding of expectations, organisational culture, employee development, compensation and benefits. If the organisation gives adequate explanation and justification for unmet promises, it will heighten the employee's level of trust and credibility in the organisation. This, in turn, will lead to the employee being less likely to perceive an unmet promise in the first place, and they will be more likely to retain their trust and credibility in the face of an actual or perceived violation (Robinson, 1996). In times of organisational change such as the announcement of restructuring or strategic shifts (Morrison, 1994; Rousseau, 1995), or when revisions are to be made to employee benefits (Lucero & Allen, 1994), it is imperative that the organisation gives adequate explanation and justification for unmet promises. Employees will then be more likely to retain their trust and credibility in the face of actual violations (Robinson, 1996).

Conclusion

In conclusion, we recommend that organisations ensure that human resource strategies, policies and procedures are reflective of distributive, procedural and interactional justice, and that organisations communicate honestly

and openly with employees, in order to minimise misunderstandings that may result in perceived violations. These principles of workplace justice and effective communication need to become embedded in the organisation's culture and be reflected throughout all human resource activities.

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