

# The Psychological Contract: The Case of OSE

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## **Abstract**

**Purpose:** The purpose of this paper is to study the psychological contract between individual and organizations under the scope of the six-dimension model proposed by Sels et al (2006) in the public sector.

**Design/Methodology/Approach:** Two variables are examined; job satisfaction and organizational commitment. The study begins by reviewing the psychological contract literature and relates it to change management leading to breach and violation outcomes. A sample of 250 questionnaires were distributed to OSE based on the proposed model of Sels et al (2006).

**Findings:** Hypotheses were not supported in their majority due to insufficient data and inconsistency between answers. Further research is needed to determine results.

**Research limitations/implications:** The results presented in this study should be considered only partial, since no research was conducted prior public sector reform so comparison was impossible.

**Practical implications:** This study measures the psychological contract from both the employer's and employee's perspective. However, the timing may not have allowed for concrete answers so as to compare results between the two parties.

**Originality/value:** The main contribution of this research is that it is unique in its content; hypotheses manifested themselves based on personal assumptions rather than already tested ones. No hypotheses are formed between the two dependent variables of job satisfaction and organizational commitment, or psychological violation/breach with any of the two outcomes-in terms of causality-for they are widely studied and tested in literature.

**Keywords:** psychological contract, job satisfaction, organizational commitment, change, the public sector

## **Introduction**

Today's world calls for organizational efficiency and flexibility. Due to increasing global competition, organizations are compelled to reduce costs and increase efficiency and productivity (Tang et al, 2004). In this respect, the psychological contract can serve as the vehicle to investigate changes within the employment relation, as well as their impact on workplace attitudes (Coyle-Shapiro and Kessler, 2000; McDonald and Makin, 2000; Hallier and James, 1997).

## **Theoretical framework**

### **The psychological contract:**

Grounded on equity and social exchange theory (Robinson and Rousseau, 1994; Roehling, 1997; Suazo, 2009), the psychological contract can be viewed as a "deal" between two parties (Atkinson and Cuthbert, 2006); "mutual agreements" (DelCampo, 2007); a "legal metaphor" of an

exchange relationship (Kingshott and Pecotich, 2007) with its subjective nature (Rousseau, 2000; Freese and Schalk, 2008) and dynamic character (Roehling, 1997; Bellou, 2007) as its key characteristics.

Most practitioners have identified contract breach or violation as the inability of one party to meet expectations or promises made to the other (Robinson and Rousseau, 1994; Pate and Malone, 2000; Freese and Schalk, 2008) and is known as the most prominent outcome of change (Robinson and Rousseau, 1994; Pate and Malone, 2000; Freese et al, 2011). Change is translated as a distinction between "old" and "new" contract (Hiltrop, 1996; Maguire, 2003); the former involving high levels of commitment, security and permanency, while the latter being more flexible, calling for personal effort (Hiltrop, 1996). When confronted with change, parties of the psychological contract expect one another to honor the obligations that have been silently shaped.

### **Change and the psychological contract**

In the contractual level, many researchers have identified a distinction between "old" and "new" contract. The former involves high levels of commitment and security while the latter is more flexible, calling for personal, rather than collective effort (Hiltrop, 1996). Perhaps in other words a "shift" from the relational to the transactional contract is observed (Saunders and Thornhill, 2006; Maguire, 2003; McDonald and Makin, 2000). The shift challenges many of the core perceptions of the psychological contract. In an organizational level, Schalk et al (1998) indicate that organizational change does bring about substantial changes in the psychological contract as well. What is promised is subjected to change, causing uncertainty and disruption in the order.

### **Job satisfaction and organizational commitment**

Identified to be associated with most work-related attitudes, namely turnover and absenteeism (Blau and Boal, 1987; Baker, 2004); pay satisfaction (Saiti and Fassoulis, 2012); organizational justice (Bakhshi et al, 2009; Malik and Naeem, 2011a,b); performance (Yousef, 2000b); intention to leave (Clugston, 2000); stress (Elangovan, 2001) and being interrelated (Yousef, 2000a; Elangovan, 2001), job satisfaction and organizational commitment are negatively associated with breach and violation (Freese et al, 2011; Pate and Malone, 2000). Equity and exchange theory is the link between the psychological contract with job satisfaction and organizational commitment (Suazo, 2009; Pate et al, 2003; Robinson and Rousseau, 1994). Individuals thrive to maintain a stable relation with the organization (Suazo, 2009); form a ratio of input and output predicting the amount they are willing to offer in order to receive (Suazo, 2009); and expect recognition in tangible terms when performing as asked (Pate et al, 2003).

### **Examination of the psychological contract**

Among the numerous attempts to conceptualize the psychological contract, this study adopts six dimensions namely *tangibility*, *scope*, *stability*, *time frame*, *exchange symmetry*, and *contract level* (Sels, et al, 2006).

Tangibility is the degree of explicitness of the contract terms (MacNeil, 1985):

*Tangible* contracts are formal laws and written agreements;

*Intangible* contracts are unwritten, implied elements.

Scope concerns the limits of the employment relation:

Narrow scope involves a clear distinction between job and personal life;

Broad scope requires personal involvement and sacrifice

Stability is translated into endurance towards change:

Stable contracts have high intolerance to uncertainty;

Flexible contracts are open to constant revision

Time frame involves the element of time:

Long-term contracts are characterized by job security and little flexibility;

Short-term contracts are of limitless nature, with greater mobility

Exchange symmetry reflects the perception of inequality:

Equal and unequal relations are determined by hierarchy and behavioral patterns

Contract level is dependent on agreements:

Collective contracts involve uniform system of rules

Individual contracts form exceptions, including regulations for certain individuals.

This study investigates job satisfaction and organizational commitment under the scope of the six dimensions mentioned.

The Hypotheses formed are:

**Hypothesis 1:** affective commitment will be positively associated with dimensions of time-frame (Sels et al, 2006) and stability;

**Hypothesis 2:** continuance commitment will be positively associated with the dimensions of tangibility and contract level;

**Hypothesis 3:** normative commitment will be positively associated with exchange symmetry and scope;

**Hypothesis 4:** job satisfaction will be positively associated with stability, tangibility and contract level;

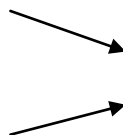
**Hypothesis 5:** pay satisfaction will be positively associated with exchange symmetry, scope and stability.

**Formal contract**

Contract type Contract duration

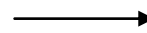
**HR practices**

- Participation
- Internal career ladders
- Job autonomy
- Pay for performance



**Psychological contract dimension**

- Tangibility
- Scope
- Stability
- Time-frame
- Exchange symmetry
- Contract level



**Outcomes**

- Organizational commitment (affective, continuance, normative)
- Job satisfaction

**Figure 2: Nomological network to validate psychological contract dimensions (Sels et al, 2006)**

**The public sector**

Despite the major changes that have taken place in the public sector over the last decades (Bellou, 2007; Spanou, 2008; Koskina, 2008) in order to increase efficiency (Cassar, 2001; Pate et al, 2007) and "decentralize" the system (Spanou, 2008) very little evidence is available in literature (Cassar, 2001; Bellou, 2007; Pate et al, 2007) since the public sector has always been viewed as a unique framework, "job-protected" environment of hierarchical values (Koskina, 2008), *job security, loyalty* and stability (Cassar, 2001); "tenure and red tape," (Bellou, 2007; Spanou, 2008); and political party interference (Spanou, 2008). "Life-long employment, belief in the hierarchy of the system and stable benefits drives personal devotion and sacrifice of public employees (Koskina, 2008).

In this context, OSE is a modern Group of companies for the supply of services of railway transport. Its labor is rewarded according to a universal payroll, which addresses all public employees equally. Pay has been reduced up to sixty per cent in shift-employment, who receive the minimum wage in return for their service. What raises interest here is that OSE remain a public, non-privatized, bureaucratic organization, under the new regulations of the European Union. It is also an employee-intensive organization which helps investigate individual behaviors (Katharaki *et al*, 2009).

### Sample and Procedure

The collection of primary data was the source of this particular research. The total population of OSE in Larissa is 250 people, which determined the population of this survey. It is also worth noticing that due to disperse target population in different regions of Thessaly, the collection of questionnaires became extremely challenging. 250 questionnaires translated in Greek by the author were distributed in person to the headquarters of OSE. Prior to that, information to the researcher were politely given about basic policies and procedures which led to more directed thus fruitful research. Questionnaires, signed envelopes and a box determined the procedure to assure anonymity, after informing participants on the procedure.

58 questionnaires were returned. The demographic characteristics in the current study included Age, Education, Employment experience and Type of Employment. Gender was not included, since the ratio between men and women in OSE is 10 to 1. Work Position was also excluded since employees could have been reluctant to answer questions, which they could easily identify with.

As seen from Table 1, the majority of the employees are between 40-49 years old. The frequency test indicates that a great percentage of them are of a low educational level, but very experienced workers with tenure that exceeds 30 years. Finally, 56,9 % is occupied in circular work (shifts) while 37,9 % work regular clerical hours.

**Table 1: Demographic characteristics of the sample**

Variables	Frequency	Frequency
<b>Age</b>	Numbers	%
22-29	1	1,7
30-39	2	3,4
40-49	31	53,4
50+	22	37,9
<b>Total</b>	56	96,6
<b>Missing</b> 99	2	3,4
<b>Total</b>	58	100,0
<b>Education</b>		
Primary	26	44,8
Junior High School	13	22,4
High School	11	19,0
University	6	10,3
Post/PhD	0	0,0
<b>Total</b>	56	96,6
<b>Missing</b> 99	2	3,4
<b>Total</b>	58	100,0
<b>Working experience</b>		

20-24	6	10,3
25-29	11	19,0
30-35	34	58,6
	51	87,9
<b>Total</b>	7	12,1
<b>Missing 99</b>		
<b>Total</b>	58	100,0
<b>Type of employment</b>		
<b>Shifts</b>	33	56,9
<b>Clerical</b>	22	37,9
<b>Total</b>	55	94,8
<b>Missing 99</b>	3	5,2
<b>Total</b>	58	100,0

## Measures

Items in the current study reflect both employer and employee perspective. Questions reflect the six dimensions of the psychological contract under investigation. A five-point Likert-type scale was used to indicate the extent to which participants agree with items (1=completely disagree, 2=disagree, 3= have no opinion, 4=agree, 5=completely agree) throughout the questionnaire, for avoidance of any misperception.

### ***The psychological contract***

#### Employee perspective:

*Time frame:* includes six items; it concerns the potential expected long-term employment relations A random sample is "I expect from my employer that he/she does everything in his power to keep me employed". *Stability:* the degree to which the employee regards the other party reliable to remain loyal to agreements. A Characteristic item is "I expect from my employer that he/she sticks to agreements despite changed circumstances. *Tangibility:* it reflects the validation of employees' obligations and mutual agreements. "I expect from my employer that he/she unambiguously describes my rights within this firm" is a sample item. *Contract level:* it examines the way in which employees are treated equally. A sample item is "I expect from my employer that he/she regards agreements as applicable to the whole group, department or team". *Exchange symmetry:* it captures the tolerance employees may have against authority and superiority. A sample item is "I expect from my employer that he/she gives differential benefits to superiors and subordinates". *Scope:* it measures the (personal) nature of the employment relation; "I expect from my employer that he/she personally supports me in difficult periods".

#### Employer perspective:

*Time frame:* it shows the extent to which employees feel they are obliged towards the organization. A sample item is "My employer can expect from me that I commit myself to this firm for a long time". *Stability:* it reflects the employees' attitude towards potential changes. A suitable item is "My employer can expect from me that I adjust easily to changes in my work situation". *Tangibility:* it measures the degree to which employees were clear about arrangements. A sample item is "My employer can expect from me that I clearly state what is important to me in my work". *Contract level:* it indicates how equal or unequal treatment of employees is perceived. An item is "My employer can expect from me that have individual demands that are different than those from other employees". *Exchange symmetry:* it is indicative of the degree to which employees accept authority and unequal status treatment. A sample items are "My employer can expect from me that I show respect for my superiors". *Scope:* it explores the

degree to which employees are willing to contribute more in the organization. A sample item is "My employer can expect from me that I am concerned about this firm even outside working hours."

**The written and the psychological contract:** to assess perceptions of the written and unarticulated agreement, an eight-item measure was used, developed by Van Doornmalen (2011), slightly modified by the researcher. A definition of the psychological contract was offered to ensure awareness of the term. A sample items is "To what extend do you consider the written contract to be more important than the psychological contract?"

**Breach of the psychological contract:** A single item was used (Van Doornmalen (2011). A prior definition of breach avoided any misconceptions. The single item was "Do you feel that your contract has been breached?"

**Organizational Commitment:** Unlike the study used for this current research (Sels, et al, 2006), all three types of affective, continuance and normative commitment are studied using a sixteen-item measure, by Meyer and Allen (1990, in Jaros, 2007). A sample item of each is "I would be very happy to spend rest of my career in this organization".

**Job satisfaction:** to evaluate results on satisfaction, an eighteen-item representative measure was adopted by the Minnesota Satisfaction Questionnaire (1967). A sample item is "Overall, I am satisfied with the way my job provides of steady employment".

**Pay satisfaction:** seven items were used to evaluate pay satisfaction. The Modified Pay Questionnaire by Heneman and Schwab (1985) was used. Out of eighteen items seven are used here. A sample is "Overall, I am satisfied with consistency of the company's pay policies".

**Table 2: Kruskal-Wallis Test for Education and Working Experience**

Variables	Chi-Square	df	Asymp. Sig.
Security	11.209	3	0.011
Opportunity	10.141	3	0.017
Remain to org	8.047	3	0.045
Personal involvement	9.161	3	0.027
Willing to remain to org	8.581	3	0.035
Pay variations	6.473	2	0.039

**Table 3: Median Test for Age**

Variables	N	Median	Chi-Square	df	Asymp. Sig
Accept Superiority	55	2.00	8.155	3	0.043

**Table 4: Mann-Whitney Test for Type of Employment**

Variables	Mann-Whitney U	Z	Asymp. Sig. (2-tailed)
Personal Support	203.500	2.925	0.003
Freedom of self	245.500	2.219	0.026
Commitment for long	193.500	1.976	0.048
Respect for Superiors	202.000	2.552	0.011
Not fair to exit org	230.500	2.225	0.026
Different posts salaries	213.000	2.580	0.010

## Results

Lower values demonstrated by primary school graduates indicate that the latter do not have expectations of a long-term relation with their employers, their contribution and overall commitment is relatively low. Literature here presents ambiguity however, since according to Yiing and Ahmad (2009), higher education people demonstrate lower levels of commitment, since their claims are higher than low educated people. Age does not seem to play a significant role in this study, which raises interest, since age has been found to be positively associated with job satisfaction, organizational commitment (Kooij, et al, 2009) and financial reasons have found to be predictors of older workers employment (Templer et al, 2010) according to a part of literature. Hess and Jepsen (2009) also developed a very interesting model with "Baby Boomers"-older workers- demonstrating higher levels of relational psychological contracts with high perceptions of obligations, against latest generations of workers, "Generations X and Y". Interesting results appear with Working Experience; people with longer tenure in the organization accept pay policies and demonstrate higher pay satisfaction values Perhaps this could be linked to what Sundali et al (2008) called "retirement satisfaction", since people closer to retirement seem to favor pay policies more. Finally, most worth-noting results spring from Type of Employment. Interestingly enough, circular workers seem to demonstrate lower values in the written contract, commitment involvement and acceptance of superiority. Consistent with literature, this part of population, being highly-paid in the past and pay being the most important motivator for employment preservation (Heneman and Schwab, 1985) show great levels of pay satisfaction. What we may be witnessing here is a shift from the relational to the transactional psychological contract (Maguire, 2003; McDonald and Makin, 2000). This could also explain that the majority of participants report their psychological contract breached, since the aforementioned transition is yet to be realized, perhaps due to abrupt changes leading to uncertainty (Tseng and Kang, 2008). Unfortunately, those assumptions cannot be evidently stated, since no research was conducted prior the public sector reform.

The Pearson Correlation Test was used for Hypothesis Testing. The findings are of dual importance: no prior research has been done on this particular field (Sels et al, 2006), thus the hypothesis formed are based on the researcher's logical thinking; it explores the psychological contract from both the employees and the employer's perspective, since most studies have failed in depicting both, mainly focusing on employees view (Pate and Malone, 2000).

*From an employer's perspective*, as seen from the table, results are insufficient to verify Hypothesis 1, since only part of Affective Commitment, particularly "I would be very happy to spend rest of my career in this organization" was found to be positively related with the dimension of Time Frame (indicative sig. 0.018, 0.022 <0.05). However, a negative relation was found with Stability (sig. 0.001, 0.011, 0.002 <0.05), refuting the first Hypothesis. Hypothesis 2 was not confirmed; Continuance Commitment was found to be reversely related with Tangibility (indicative sig. 0.020, 0.009<0.05) - yet again results were not whole in their nature- while no correlation was found with Contract Level. Similarly, no correlation has been traced between Normative Commitment, Exchange Symmetry and Scope, refuting our third Hypothesis. Satisfaction was not found to be correlated with Contract Level, while it seems to be negatively related ("I am satisfied with the way I am noticed when I do a good job") with Contract Level ("I expect for my employer that he/she regards

agreements as applicable to the whole group, department or team") (sig. 0.025 <0.05). Again, Hypothesis 4 cannot be supported, since not all elements of variables show correlations. Finally, no correlations were found between Pay Satisfaction, Exchange Symmetry and Stability, refuting Hypothesis 5.

From an employee's perspective, no correlation was found between Affective Commitment and Time Frame; "I really feel as if this organization's problems are my own" is found to be positively related with Stability (indicative sig. 0.001, 0.009 <0.05), so again Hypothesis 1 cannot be fully supported. Continuance Commitment, Tangibility and Contract Level are not related, refuting Hypothesis 2. Normative Commitment is found to be positively correlated with Exchange Symmetry (indicative sig. 0.018, 0.017, 0.010 <0.05) while no correlation was obvious with Scope; hence Hypothesis 3 is partially verified. Satisfaction is found to be negatively correlated with Stability (indicative sig. 0.048 <0.05) refuting Hypothesis 4 while positively with Contract level ("My employer can expect from me that I have individual demands that are different than those from other employees") (sig. 0.040, 0.040 <0.05); again insufficient results lead to not complete verification;. Pay Satisfaction has been found to be both negatively associated with Exchange Symmetry, particularly "Me employer can expect from me that I show respect for my superiors and adopt a formal attitude to my superiors" (indicative sig. 0.010 <0.05) and Stability (indicative sig. 0.003, 0.021 <0.05), not verifying the fifth Hypothesis.

Table 5: Correlation of variable

Variables		Security (TF)	Opportunity (TF)	Commitment (TF)	Not fire (TF)	Sticks to agreements (ST)	Flexible to agreements (ST)	Valid agreements (ST)
ER/AC "rest of my career..."	Pearson Correlation	0.312*	0.296*	0.264*	0.303*	-0.428**	-0.333**	-0.398**
	Sig. (2-tailed)	0.018	0.026	0.048	0.022	0.001	0.011	0.002
	N	57	57	57	57	57	57	57
		Written agreements (TG)	Unambiguous rights (TG)					
ER/CC	Pearson Correlation	-0.270*	-.0310*	-0.347**				
	Sig. (2-tailed)	0.044	0.020	0.009				
	N	56	56	56				
		Applicable to all (CL)						
ER/JS "I am noticed..."	Pearson Correlation	-0.302*						
	Sig. (2-tailed)	0.025						
	N	55						
		Adjust change (ST)	Tolerate change (ST)	Unpredi ctible events	Flexible attitude (ST)	Revised agreements (ST)		



				(ST)				
<b>EE/AC</b> "Problems my own..."	<b>Pearson</b>	-0.443**	0.359**	0.425**	0.432**	0.536**		
	<b>Correlation</b>							
	<b>Sig. (2-tailed)</b>	0.001	0.009	0.002	0.001	0.008		
	<b>N</b>	53	52	52	53	54		
		Respect superiors (ES)	Formal attitude (ES)	Higher status (ES)	Respect superior s (ES)	Formal attitude (ES)		
<b>EE/NC</b>	<b>Pearson</b>	0.320*	0.321*	0.407**				
	<b>Correlation</b>	0.351**	0.351**	0.438**				
		0.355**	0.356**	0.345**				
	<b>Sig. (2-tailed)</b>	0.018	0.017	0.002				
		0.009	0.009	0.001				
		0.008	0.008	0.010				
	<b>N</b>	54	55	55				
		54	55	55				
		54	55	55				
		Adjust to change (ST)	Tolerate change (ST)	Unpredi ctable events (ST)	Flexible attitude (ST)	Revised agreement (ST)	Individu al demands (CL)	
<b>EE/JS</b>	<b>Pearson</b>	-0.273*	-0.313*	-0.315*	-0.315*	-0.275*	0.271*	
	<b>Correlation</b>	-0.369**	-0.301*	-0.334*	-0.334*	-0.270*	0.281*	
		-0.345*	-0.334*	-0.328*	-0.328*	-0.311*	0.281*	
		-0.398**	-0.306*	-	-0.311*	-0.291*		
		-0.339**	-0.401*	0.311**	0.390**	-0.270*		
		-0.339**	-0.401*	-0.390*	0.390**	-0.270*		
	<b>Sig. (2-tailed)</b>	0.048	0.024	0.022	0.022	0.044	0.048	
		0.007	0.030	0.014	0.014	0.049	0.040	
		0.011	0.015	0.016	0.016	0.022	0.040	
		0.013	0.028	0.023	0.023	0.033		
		0.003	0.003	0.004	0.004	0.048		
		0.003	0.003	0.004	0.004	0.048		
	<b>N</b>	53	52	53	53	54	54	
		53	52	53	53	54	54	
		53	52	53	53	54	54	
		53	52	53	53	54		
		53	52	53	53	54		
		53	52	53	53	54		
		Respect superiors (ES)	Formal attitude (ES)	Adjust to change (ST)	Tolerate change (S T)	Unpredic table events (ST)	Flexible attitude (ST)	Revised agreement (ST)
<b>EE/PS</b>	<b>Pearson</b>	-0.348**	-0.349**	-0.318*	-0.315*	-0.353*	-0.319*	-0.337*
	<b>Correlation</b>	-0.282*	-0.283*	-	-0.432**	-0.280*	-0.449**	-0.322*
		-0.398**	-0.399**	0.436**	-0.414**	-0.457**	-0.449**	-0.340*
		-0.424**	-0.425**	-	-0.436**	-0.470**	-0.454**	-0.291*
		-0.424**	-0.425**	0.413**	-0.400**	-0.474**	-0.401**	-0.314*
		-0.323*	-0.324*	-	-0.438**	-0.425**	-0.400**	
		-0.400**	-0.400**	0.429**	-	-0.465**		
				-				
				0.372**				
				-				
				0.408**				
	<b>Sig. (2-tailed)</b>	0.010	0.009	0.020	0.023	0.010	0.020	0.013
		0.039	0.036	0.001	0.001	0.044	0.001	0.018
		0.003	0.003	0.002	0.002	0.001	0.001	0.012
		0.001	0.001	0.001	0.001	0.000	0.001	0.033
		0.001	0.001	0.006	0.003	0.000	0.003	0.021
		0.017	0.016	0.002	0.001	0.002	0.003	
		0.003	0.002			0.001		

<b>N</b>	54	55	53	52	52	53	54
	54	55	53	52	52	53	54
	54	55	53	52	52	53	54
	54	55	53	52	52	53	54
	54	55	53	52	52	53	54
	54	55	53	52	52	53	54
	54	55	53	52	52	53	54
	54	55	53	52	52	53	54

**Note:** ER= Employer Perspective; EE=Employee Perspective; AC= Affective Commitment; CC= Continuance Commitment; NC= Normative Commitment; JS= Job Satisfaction; PS= Pay Satisfaction; TF= Time Frame; ST= Stability; TG= Tangibility; CL= Contract Level; ES= Exchange Symmetry

### Discussion, Practical Implications and Future Research:

This study aims at illuminating a six-dimension schema, proposed by Sels et al. (2006), in an effort to measure the psychological contract. Results indicated no significant correlation between variables and Hypotheses were not possible to confirm due to insufficient results.

The most probable reason for that is that constant and abrupt changes have blurred judgment and made people uncertain and hesitant to express any opinion regarding their employment relation.

This research, as mentioned above, focuses on both employer and employees perspective, trying to offer a holistic view of the reciprocal relationship. However, due to inconsistency of results, no comparison could be made between the two views.

Future research based on the latter could be of great interest, in order to detect differences between the two parties. Also, Hypotheses could be tested in a different time, when employees feel more certain about themselves, since recent change creates obstacles, according to result of this research. Reluctance to answer could be resolved with the conduction of more personal interviews, not merely based on a questionnaire. Finally, a cross-sectional study of the public organization OSE without area limitations would be of great interest, mainly to trace differences between regions, but also due to public sector's unique ground for research.

Regarding limitations, linking to the above, this study focuses on Thessaly only, owing to area limitations and restriction. Furthermore, no research was conducted prior to public reform. Results stem from the period after changes in the public sector so conclusions are unable for comparison.

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## Appendices

Table 1: Descriptive Statistics of Variables: Means and Standard Deviations

Variables	Mean	Standard Deviation	Items
ER Time frame	2.97	1.113	6
ER Stability	2.96	0.808	3
ER Tangibility	2.88	1.105	6
ER Contract Level	2.73	0.799	4
ER Exchange Symmetry	2.95	0.803	2
ER Scope	3.11	0.807	5
EE Time Frame	3.46	0.888	3
EE Stability	2.30	1.093	5
EE Tangibility	3.42	0.936	4
EE Contract Level	2.59	1.091	2
EE Exchange Symmetry	2.28	1.070	4
EE Scope	3.09	1.064	5
Breach	3.46	0.983	1
Written Contract	3.29	0.994	8
Org Commitment	3.32	0.990	16
Job Satisfaction	3.43	0.944	11
Pay satisfaction	3.39	1.039	7

**Table 2: Literature Review of the Psychological Contract**

Six dimensions proposed by Sels et al. (2004)	Tangibility Tangible-intangible	Stability (Stable/flexible)	Exchange symmetry (perceived inequity)	Time frame contractual relationship (short and long term)	Scope (narrow and broad)	Contract level (individual and collective)
Hiltrop, J.M. (1996), "Managing the changing psychological contract", <i>Employee Relations</i> , Vol. 18 No. 1, p. 36-49	Insecurity and distrust (intangible), downsizing (tangible)	Increased flexibility, redefined "job for life"	High inequity	Short-term	narrow	-----
Hallier, J. James, P. (1997), "Management enforced job change and employee perceptions of the psychological contract", <i>Employee Relations</i> , Vol. 19, No. 3, p. 222-247	Satisfaction, betrayal, trust (intangible)	Involuntary flexibility	Inequity strongly perceived	Long-term	broad	-----
Saunders, M.N.K. and Thornhill, A. (2006), "Forced employment contract change and the psychological contract", <i>Employee Relations</i> , Vol. 28,, No. 5, p. 449-467	Insecurity, exit, indifference (intangible), remuneration (tangible)	Flexibility due to downsizing	Equity and inequity	Long-term and Short-term	Narrow and broad	-----
Atkinson, C. and Cuthbert, P. (2006), "Does one size fit all?", <i>International Journal of Manpower</i> Vol. 27, No. 7, p. 647-665	Fairness, trust, the deal (intangible)	-----	-----	-----	Narrow	-----
Kingshott, R.P.J. and Pecotich, A. (2007), "The impact of psychological contracts on trust and commitment in supplier-distributor relationships», <i>European Journal of Marketing</i> , Vol. 41, No. 9/10, p. 1053-1072	Stability, trust, commitment (intangible)	Unstable	Reciprocity disturbed/ inequity	-----	narrow	-----
Bellou, V. (2007), "Identifying employees' perceptions on organizational obligations", <i>International Journal of Public Sector Management</i> , Vol. 20 No. 7, p. 608-621	Wages (tangible), security, recognition (intangible)	Unstable	Inequity (bureaucracy)	Life-long	Broad	Collective
Suazo, M. M. (2009), "The mediating role of psychological contract violation on the relations between psychological contract breach and work-related attitudes and	Satisfaction, commitment, intention to quit, performance (intangible)	-----	Inequity strongly perceived	-----	-----	-----

behaviors, Journal of Managerial Psychology, Vol. 24, No. 2, p. 136-160						
Van Doornmalen, M. (2011), "The effects of organizational change on the psychological contract", <i>Master thesis</i>	Career development, social atmosphere (intangible) rewards (tangible)	Change in contract due to organizational change	Positive acceptance of inequity	Long-term employment	broad	Collective (team)
Freese, C. et al. (2011), "The impact of organizational changes on psychological contracts", <i>Personnel Review</i> , Vol. 40, No. 4, 2011, p. 404-422	Commitment, turnover intentions (intangible), pay system (tangible)	Flexible	Inequity	-----	narrow	-----
Pate, J. and Malone, C. (2000), "Post-psychological contract violation: the durability and transferability of employee perceptions: the case of TimTec", <i>Journal of European Industrial Training</i> , Vol. 24, No. 2/3/4, p.158-166	Financial rewards, promotion (tangible), trust, commitment, loyalty (intangible)	Stability, job for life	Strong distortion of equity	Long-term	broad	collective
Pate et al. (2003), "The impact of psychological contract violation on employee attitudes and behavior", <i>Employee Relations</i> , Vol. 25, No. 6, p. 557-573	Promotion, financial rewards (tangible), trust, commitment, (intangible)	Flexibility	Inequity	Long-term	-----	Collective
Robinson, S.L. and Rousseau, D.M. (1994), "Violating the psychological contract: not the exception but the norm", <i>Journal of organizational behavior</i> , Vol. 15, p.245-259	Turnover, satisfaction, careerism (intangible)	-----	Inequity	Long-term and short-term (careerism)	Narrow and broad (careerism)	-----
McDonald, D.J. and Makin, P.J. (2000), "The psychological contract organizational commitment and job satisfaction of temporary staff", <i>Leadership &amp; Organization Development Journal</i> , Vol. 21, No. 2, 84-91	Loyalty, commitment, satisfaction (intangible)	Organizations go through rapid changes, abrupt changes in the contract	Mutual obligation create the norm of reciprocity	Long-term and short-term	Broad	-----
Cassar, V. (2001), "Violating psychological contract terms amongst public service employees: occurrence and relationships", <i>Journal of Managerial Psychology</i> , Vol. 16, No. 3, p.194-208	Trust, commitment and satisfaction (intangible)	Stability	Equity	Long-term	-----	Collective