Professional work ideology and psychological contracts

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ABSTRACT

This paper explores whether the concept of psychological contracts underpinned by relational/transactional exchanges provides an adequate description of the psychological contracts of professional employees. Interviews were conducted with registered nurses at a hospital that is the sole public sector provider of a broad range of medical and nursing services in the city. The analysis identifies content of the psychological contract for the registered nurse best understood by reference to an ideological currency. It also suggests that the registered nurses expect the organization to demonstrate a credible commitment and support for 3 core elements in nursing’s professional ideology – specialist expertise, patient (client) focus, and an other-orientation. A lack of perceived credible commitments by the organization impacts significantly upon the psychological contract of individual registered nurses.
INTRODUCTION

The concept of the psychological contract deals with the pattern of unwritten and implied beliefs held by the employee and organization about what each should offer, and what each is obligated to provide, in the exchange relations that operate between them (Anderson & Schalk, 1998). In Australia, as in other places, the pursuit of increased organizational responsiveness, productivity, flexibility and innovation has led to a changed context for employment relationships and a destabilising of the psychological contract (Kabanoff, Jimmieson, and Lewis, 2000). Prior to these changes, the psychological contract was thought to reflect a more simple form of employment connection. It was constructed around an individual’s loyalty and commitment to, conformity with, and trust in the firm, in return for which the organization provided job security, career prospects, and training and development opportunities. Now, however in the changed context, the individual is required to accept longer hours, more responsibility, multi-skilling and role ambiguity. In return, the organization provides higher pay, rewards for performance and a job rather than a career (Millward & Brewerton, 2000).

According to Burr and Thomson (2002), this transition to a new deal has seen an increase in the general level of cynicism about organizations, which in turn has prompted many individuals to search for broader meaning in their work and to reassess their purpose in the workplace. Employees are attempting to create psychological contracts within the organizational context that no longer just reflect the “I” and “we” paradigm that underpins the dyadic notion of the psychological contract currently holding sway in the literature. There is a trend on the part of the individual to incorporate an evaluation of “what is the fit between me, us, and the rest of society” alongside an evaluation of "what's in it for me" and "what's in it for us" (Burr & Thomson, 2002: 6 –7). Thompson and Bunderson (2003) suggest there is evidence to show that it is not just individuals making this shift. Organizations too are
seeking to establish a broader explicit “connection” with their environments through the
adoption of cause-driven missions in an endeavour to induce greater employee contributions.
This paper explores some of the implications of these perceived trends specifically with
regard to the content and form of the psychological contract.

THE PSYCHOLOGICAL CONTRACT

In line with the majority of psychological contract research to date (Coyle-Shapiro, Shore,
Taylor, & Tetrick, 2004), this study uses a cognitive-perceptual approach and defines the
psychological contract as the:

“individual’s belief in mutual obligations between that person and another party such as
an employer (either a firm or another person). This belief is predicated on the perception
that a promise has been made (e.g. of employment or career opportunities) and a
consideration offered in exchange for it (e.g. accepting a position, foregoing other job
offers), binding the parties to some set of reciprocal obligations.” (Rousseau &

According to Rousseau, a psychological contract forms when “an individual perceives that
contributions he or she makes obligate the organization to reciprocity (or vice versa)”, and it
is the “individual’s belief in an obligation of reciprocity that constitutes the contract. This
belief is unilateral” (1989: 124).

Within the literature, this definitional stance is mostly operationalised using a bipolar
continuum from “transactional” to “relational” first articulated by Rousseau (1995). Drawing
on legal contract theory (Macneil, 1985), and in accord with the notions of economic and
socio-emotional transaction found in social exchange theory (Blau, 1964), Rousseau (1995)
links content character directly to generic contract features to describe four contract types.
Firstly, the transactional type has primarily economic terms, and is short-term in focus with
explicit performance terms. Secondly, there is the relational type that has primarily emotional
terms, long-term commitments by both parties, and non-explicit performance terms. Thirdly, the balanced (hybrid) type has uniquely complex combinations of transactional and relational terms, and aims at a long-term relationship while at the same time specifying performance requirements. Evidence appearing in the research literature suggests this type of contract is becoming increasingly commonplace in today’s workplace (Millward & Brewerton, 2000).

The fourth type is the transitional contract that offers no guarantees because of instability in the organization’s environment and conditions (Rousseau, 1995).

The transactional and relational contract types are the foundation classifications in Rousseau’s typology. The currency of transactional exchange is reasonably explicit, short-term and economic in nature; such exchange assumes rational and self-interested parties, and does not result in ongoing interdependence. Relational exchange is more complex and promotes interdependence through a commitment to the collective interest over self-interest; its currency is less clear, evolves over time, and involves long-term investments from which withdrawal is difficult (Rousseau & McLean Parks, 1993).

By linking currency to the way in which individuals respond in the event of non-fulfilment by the organization (Herriot & Pemberton, 1996; Morrison & Robinson, 1997; Turnley & Feldman, 2000), Rousseau’s bipolar framework has contributed significantly to our understanding of how and why individuals respond to change in the employment relationship (Anderson & Schalk, 1998). However, while there is a supporting body of empirical research, the reliability and adequacy of the bipolar conceptual framework has been challenged (Arnold, 1996; Coyle-Shapiro, Shore, Taylor, & Tetrick, 2004; Guest, 1998a, 1998b; Herriot & Pemberton, 1997).

Thompson and Bunderson (2003) question whether ongoing change in the employment context has rendered the bipolar transactional/relational framework inadequate for understanding psychological contracts displaying increasingly complex content terms and
features. In line with social exchange theory (Blau, 1964), they propose an expansion of the transactional/framework to incorporate another type of psychological contract type – the ideology-infused contract – that includes not only a combination of economic (transactional) and socio-emotional (relational) content terms but also ideological terms. In other words, their proposition is that the currency of exchange in the psychological contract can include not only economic and socio-emotional terms, but also ideological terms (see Table 1 below).

Within their expanded system for classifying content terms, Thompson and Bunderson define ideological currency as “credible commitments to pursue a valued cause or principle (not limited to self-interest) that are implicitly exchanged at the nexus of the

| **Table 1** |
|---------------------------------|---------------------------------|---------------------------------|
| **Organization’s obligations** | Provide continued employment, safe working environment, fair compensation | Provide training, career development, promotion opportunities, long-term job security | Demonstrate credible commitment to a valued social cause |
| **Individual’s obligations**   | Fulfil formally specified role requirements | Fulfil generalised role obligations; organizational commitment and involvement; OCB | Participate in the organization’s mission/cause; organizational and societal citizenship behaviour |
| **Salient beneficiary**        | Self’ | Self and organizational community | Society, some segment thereof, or an intangible principle |
| **Affiliation logic**          | “The organization gives me a fair day’s pay for a fair day’s work.” | “The organization nurtures my professional development and sense of community.” | “The organization shares my passion, cause, and/or mission.” |
| **Model of human nature**      | Egoistic, instrumental | Collectivistic, socialised | Principled, involved |

(Adapted from Thompson & Bunderson, 2003: 575 - An expanded framework for understanding psychological contracts: a comparison of currencies)
provision of high quality education and health services regardless of individual socio-
economic status. In effect, Thompson and Bunderson’s (2003) proposal to reconfigure the
bipolar framework is an attempt to link the conceptual framework for the psychological
contract to “a longing in each of us to invest in things that matter” and to have organizations
in which we work successful (Block, 1996: cited in Burr & Thomson, 2002). It is the notion
of ideology-infused exchange, and particularly occupation-specific work ideologies, that is
the specific focus of interest in this paper.

PROFESSIONAL WORK IDEOLOGIES

Occupations play a crucial role in the cultural dynamics within complex organizations.
They derive their essential distinctiveness from the specialised nature of the knowledge and
skills required to perform specific work roles. Occupation-specific systems of collective
values and beliefs about work, or occupational ideologies, sustain this distinctiveness (Trice,
1993). The literature on the development and nature of professions, and the process of
professionalisation, is voluminous and quite varied in the perspectives brought to bear on the
topic (see for example, Abbott, 1988; Greenwood, 1966; Roth, 1974; Torstendahl & Burrage,
1990; Trice, 1993; and Wallace, 1995). It is possible however to identify in this literature a
consensus that an occupation with the status of a profession will exhibit certain general
attributes.

The first of these attributes is possession of a systematic and abstract body of specialised
knowledge expressed in a language known fully only to the members of the profession.
Second, the members of the profession claim autonomy in the application of their specific
knowledge and resist interference in their work by those who are less qualified. Involvement
by non-fellow professionals is believed to impede effectiveness and quality of outcomes.
Third, professional occupations maintain bodies that are heavily involved in the development
and management of the profession, including the formulation of minimum qualification
standards for entry and a set of ethical principles or code of practice. The occupation itself often administers the professional association, membership of which in some cases may be a state-legislated requirement for approval to practice. Fourth, membership of a professional association entails a commitment to a code of ethics or practice that places community interests and those of the profession above self-interest. The penalties for breaching a code of ethics may include termination of the right to practice and membership of the profession. Fifth, because of their monopoly of professional expertise, members of professional occupations claim authority over, but share responsibility with, clients who are assumed to be lesser skilled and so unable to determine their own needs or properly judge the quality of service provided by members of the professional occupation. All these attributes are referenced in the distinctive, complex occupational ideologies that professional occupations develop and sustain. In particular, the attributes of professional autonomy, client focus with its concomitant responsibility to adhere to a code of ethical principles, and commitment to the development of professional knowledge and the profession, all carry significant weight.

Because of the different underlying principles on which they are built, professional and management ideologies promote different conceptualisations of the organization and the individual’s relationship to the organization. This turn means that understanding the link between occupational ideology and conceptualisation of the organization’s purpose, goals, and design principles is important to understanding the psychological contract of individuals who are professionals employed in organizations. There has however been limited discussion in the psychological contract literature of the role that values and beliefs regarding the nature of and relationships between work, occupations, organizations and the community, play in the psychological contract the individual professional makes.

Bunderson et al (2000) and Bunderson (2001) explore the essential differences in professional and management ideologies. Drawing on organization theory, sociology of
work, and the relevant occupations/professions literature, Bunderson et al (2000) define four
generic schemas each with three defining attributes - the bureaucratic and market enterprise
models based on the administrative principle that underpins management ideology, and the
professional group and community service models based on the occupational principle that
underpins professional ideologies. The administrative principle emphasises authority based
on incumbency of a legally defined office, commitment to the organization, hierarchical
decision making, and efficiency; the occupational principle emphasises authority based on
professional competence, commitment to the work, collegial decision making, and service
(Trice, 1993).

In essence, the two management ideology models conceptualise the organization as a
system organized and managed to achieve common goals in an efficient and co-ordinated
way. The bureaucratic model focuses on management of the organization’s internal
operations, and its key attributes are system-wide goals, integration, and co-ordination. The
related market enterprise model focuses on external market relations, and wealth
maximisation. Its three key attributes are: an entrepreneurial, a business and a competitive
orientation. On the other hand, the two professional ideology models conceptualise the
organization as a system focussed on professional goals and objectives. The professional
group model emphasises the authority of the professional expert and its three key attributes
are: professional competence, excellence, and high quality in the work of the organization.
The community service model has an external focus emphasising the relationship with the
client, and its three key attributes are: responsible application of professional expertise, a
commitment to service, contribution to the benefit of the community and public good.

The set of generic models, each with their defining attributes, articulates the comparative
schema differences between professionals and others in a complex organization. The generic
models (Bunderson et al, 2000) make clear how ideological differences between
professionals and others will shape their view of the organization, and reveal the basis of
tension that can develop around organizational goals, objectives, roles and obligations.

The specific research question addressed in this paper is whether there is evidence of an
ideological component in the perceived psychological contract of nursing professionals, as
well as evidence of credible commitments by the hospital in support of that component. To
this end, the defining attributes identified for each of the two schemas related to professional
work ideology – professional group and community service – are brought together as (a)
professional competence, authority, and excellence, (b) client focus, and (c) the notion of
service and contribution to the broader community, as the focus for data analysis.

RESEARCH METHODOLOGY

For the purposes of this study, the nursing professional was defined as a nurse registered
with the government regulatory authority as having the necessary qualifications and
competence to practice professionally. The sample for analysis comprises 10 Registered
Nurses employed at a large metropolitan public hospital that is the sole public provider of a
broad range of hospital services in the city. Currently, the hospital is struggling within a very
tight budgetary context to deliver the full range of health care services expected.

Registered nurses were selected as the focus for this study because nursing claims the
status of a professional occupation and clearly exhibits those attributes by which professions
are defined. Acquisition of competence in a highly specialised field of knowledge through
completion of a tertiary level qualification is a prerequisite for registration to practice. The
profession is highly organized with both peak industrial and professional associations heavily
involved in furthering the profession’s interests and development. The majority of its
members practice as paid employees in organizational settings rather than as independent
self-employed professionals. Finally, professional practice is codified in formal

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documentation, developed by the professional associations in conjunction with registration authorities, which includes statements specifying the scope of practice and code of ethics for registered nurses.

As this is exploratory qualitative research, semi-structured interviews were selected as the best means of data collection, because they would allow appropriate exploration of the complex issues under investigation and produce a rich data set of comments for analysis (Neuman, 2000; Babbie, 1992). The researcher tape-recorded each interview, with each being subsequently transcribed. Those transcriptions formed the basis of analysis done using QSR NUD*IST 5 software¹. At the commencement of each interview, each participant was asked to complete two questionnaires as a prelude to discussion. The purpose of administering the questionnaires was not to conduct a group psychometric analysis (the number of participants was too small), but to set the scene for the subsequent interview discussion. The two instruments used were: a 17 item scale of psychological contract breach (Millward and Hopkins, 1998); and the 12 item instrument developed by Bunderson et al (2000) for measuring organizing models.

RESULTS AND DISCUSSION

General

Responses to the two questionnaires (Millward & Hopkins, 1998 and Bunderson et al, 2000) indicated that all interviewees perceived their psychological contract to be more, rather than less, relational in degree overall. All interviewees indicated a strong affiliation with the nursing profession and the notion that they expected to grow professionally within the organization; but the majority did not see themselves as likely to remain with the organization

¹ QSR NUD*IST is a registered trademark of Qualitative Solutions and Research Pty Ltd., Box 171 La Trobe University PO, Victoria, Australia, 3083.
for the long term. In assessing the hospital’s current performance level, all interviewees expressed views reflective of a cognitive framework and conceptualisation of the organization’s goals, objectives and operations consistent with a professional work ideology. For example, there was a unanimous view that the hospital should be characterised to the greatest extent by professionally competent medical staff, clinical excellence, and high quality health care. A concern with the health of the community, community access to health care, and a general community orientation were considered by all the interviewees as only marginally less important attributes for the hospital to have.

### Ideological currency

On the matter of whether there is evidence for an ideological currency distinct from the transactional and relational currencies, the quotes below are indicative of views that were expressed generally by interviewees during discussion. In general, comments made by interviewees support the notion that professional ideologies can form the basis of contributions by individuals that emphasise professional expertise and excellence, client focus, and an other-orientation or sense of contribution outside the individual to the broader public good.

- “I’ve got … a more modern view of a nurse and so I look at them as being a clinical specialist in an area … [and] as having a minimum of a bachelor’s degree and then perhaps postgraduate qualifications after that. I look at them as being people who are active in the health care system who have reasonable human values, accepting of people from all walks of life, cultures, race, age, anything like that, and that they’re competent clinicians.” *Interviewee A5*

- “I’ve been nursing for a long time. I just feel that … you’re there to help provide high quality care for the patients to the best of your ability within the resources provided to
you by the community. I’ve always believed in excellence in nursing and professional
development and it’s for the benefit of the patient really.” Interviewee A7

Credible commitment

According to Thompson and Bunderson (2003), if ideological currency forms part of the
individual’s contribution then the individual will perceive the organization to be obligated to
provide credible commitments as part of the employment exchange. Such commitments,
when they form part of the currency exchange in an ideology-infused contract, reflect the
individual’s belief that the organization will provide a mechanism and supportive
environment through which the individual can contribute to a highly valued cause. The
quotes below are indicative of views that were expressed by interviewees relevant to this
question during discussion. In general, comments made by interviewees suggest that
notwithstanding the individual’s contribution of professional expertise, a heightened client
focus, and an other-orientation to the broader public good, the hospital is not perceived as
making matching or supportive credible commitments.

- “[T]here have also been changes in the management structure. … We now have 3
  people, 1 for each of the clinical services, and … there’s an increased business side to
  these 3 figureheads. … When we had one figurehead, that person I think had more of
  a role in promoting professional collegiality and initiatives. … I think we now lack a
  professional focus in our nursing leadership in this hospital.” Interviewee A9

- “[T]hey treat nurses as a commodity. … Now it’s not inconceivable that I can be
  asked to go to from my speciality to a psychiatry ward. … I can’t name another
  profession that would make the people do that. Do they grab trial lawyers out of court
  to do some will work or conveyancing? It just doesn’t happen. It comes down to a
  numbers thing … so nurses are treated like absolute commodities.” Interviewee A6
• “One of the important things about a nurse is that you’ve got to be able to go home after an 8 or 10-hour shift, and feel like you’ve done everything that you can possibly can. … You don’t want to go off … [having] … been abused by relatives and patients because the organization has let you down. That happens quite a lot.” Interviewee A4

• “I know wards in the hospital that hold raffles just so that they can get the money to buy blood pressure machines. … They’ve [management] opened up some of the medical wards, but they’ve closed other medical wards and made them into offices. … We’ve got less beds within the main structure of the hospital than we had. How can they say that we’ve got the beds and the structure to incorporate our community when we take patients from all over the State?” Interviewee A4

• “I have been approached by outside organizations to do education sessions. … The organization wasn’t quite willing to give me a definite answer; … it seemed easier to do it for my professional organization than it did for my actual employer. … It’s almost always asked would you be doing it on your own time.” Interviewee A3

**Importance of ideological currency and credible commitment**

Consistent with social exchange theory, psychological contract research (Rousseau, 1995; Robinson & Morrison, 1997) suggests, that where the individual perceives the organization as failing to fulfil its obligations under the psychological contract, in this instance taking actions indicative of credible commitments that support nursing’s professional ideology, then the individual may alter their behaviour and attitudes towards the organization. The quotes below are indicative of views that were expressed by interviewees relevant to this issue during discussion. In general, comments made by interviewees suggest that the hospital’s lack of support for the professional values and beliefs contributed by the nurses is reflected in a decreased focus on the organization, and a concomitant increase in focus on the profession.
Interviewees describe a lack of congruence between the type of employment relationship the organization is perceived as offering, specifically that the hospital has work to do and anyone can do it with the right skills, and that which each individual desires. On the basis of their comments, all interviewees appear to want a relationship with the organization in which they are cared about, treated with respect, and in which their contribution of professional ideological values and beliefs is supported by the hospital.

- “I don’t have any loyalty to the organization at all. I have a loyalty to the people that I work with, my peers and the patients that I care for.” Interviewee A4

- “Just terribly disillusioned, really, certainly with the hospital as an organization. To the point where because my contract finishes in January next year, I’m really thinking quite hard about what I can do with my level of experience to work outside this hospital. I find it incredibly frustrating. … [It] is really disappointing.” Interviewee A10

- “I certainly think that the predominant vibe is mostly a negative. It’s not an inspirational place to work. … I [want] … an organization that has an air of confidence, an air of positiveness, where employees feel valued and therefore have more job satisfaction. Things like professional development and flexibility in employment instead of having these contracts with no guarantee, recognising that people need some sort of … security, and just listening to employees and involving people at all levels in making changes.” Interviewee A8

**Impact of perceived breach**

In considering the possibility that ideological currency can form part of the employment exchange for some employees, Thompson and Bunderson also formulated propositions relating to how individuals might interpret organizational intent and actions with regard to the
non-delivery of credible commitments on ideological obligations forming part of the psychological contract. The data collected in this study are relevant to several of these propositions.

Firstly, Thompson and Bunderson (2003) propose that that perceived breaches of ideology-infused contracts would be seen as the result of intentional reneging on the part of the organizational decision-makers. They also suggested goal displacement, that is to say a shift in emphasis from core ideals to an emphasis on the means intended to achieve ideological objectives as ends-in-themselves, would be perceived by ideologically committed employees as lying behind the organization’s failure to deliver on its obligations. Several interviewees expressed strong feelings concerning the hospital’s non-delivery of support for core elements in nursing’s professional ideology, that support these propositions.

- “You know I think the management are under pressure with their hierarchy to come in with a certain budget. … Sometimes decisions are made that are economical rather than professional.” *Interviewee A1*

- “CEOs … a 3 year contract or a 2 year contract, … come in, … perform well or do what they think is well in something, and then they go again and they leave a mess generally. … [T]hey leave behind a very tight organization that is decreased in its capacity to care for the community as a whole. That’s what they’ve left behind. … I don’t think that management have got the bigger picture at all. I think that they’ve got a very tunnelled view of what they’ve done. … I suppose the hospital would be very, very, very well run for management if it didn’t have any patients.” *Interviewee A4*

- “It’s always about saving money or increasing productivity with the resources you’ve got. … I think some of the people who are involved in the management … have by
definition lost sight of what nursing is about. … They’re managing nursing budgets but they don’t nurse per se any more.” Interviewee A6

Secondly, Thompson and Bunderson (2003) propose that the relationship between perceived breach and violation will be weaker for ideological obligations than for transactional and/or relational obligations. They argue that even when employees are deeply committed to fulfilment of ideological objectives, they will at the same time be tolerant of the organization’s failure to manifest a credible commitment to those objectives. Employee attributions of breach to the political, social, or economic context in which the organization operates will also attenuate the likelihood that a perceived ideological breach will result in violation. Thompson and Bunderson (2003) also contend that employees who have an ideology-infused psychological contract will tolerate some level of non-delivery by the organization because they recognise the organization needs to avoid alienating important stakeholders and constituents. Comments by two interviewees were reflective of the majority of comments related to these propositions.

• “I think it definitely still inspires me to continue fighting for my patients as they are the heart of what I want to improve. I guess the frustration continues though in that the next time you talk to your manager, or write an incident report, you start to get that ‘oh well where’s this going to go’, but I guess then I turn it around and I still encourage other people to do it because I think, well power in the numbers”.

Interviewee A3

• “I think … even though the end goal I think is the same for both me and the organization, the way of getting there is done very differently. … They want to pump them through because of the political pressures, … [and] the social pressures. I … do it just for the social pressures and that is my job. So we both want the same thing …
although sometimes I feel, like many people, that we may be going in opposite
directions even though I know in my own mind that it’s not that way” Interviewee A6

- “Being demoralised does you no good so you then start to act again and agitate again
to get some cash. Now you may get demoralised 5 or 6 or 20 or 30 times in that time
but I think because the process goes on, the patients still get operated on, everything
moves forward and you still need that equipment, you can sort of develop some fight
again, even though you’re banging your head against the wall sometimes.”

Interviewee A6

CONCLUSION

This paper explores whether the concept of psychological contracts underpinned by
relational/transactional exchanges provides an adequate description of the psychological
contracts of professional employees. The analysis of interview comments made by registered
nurses, at a hospital that is the sole public sector provider of a broad range of medical and
nursing services in the city, identified content of the psychological contract best understood
by reference to an ideological currency. The analysis also suggests that the nurses
participating in the study expect the organization to demonstrate a credible commitment and
support for 3 core elements in nursing’s professional ideology – specialist expertise, patient
(client) focus, and an other-orientation. The failure of the organization to deliver on its
perceived obligation to manifest a credible commitment clearly was a significant factor in the
participating nurses’ perceptions of their psychological contract and employment
relationship.

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