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The Violation of Psychological Contract: Possible Causes for the Failure of Organizational Incentive Systems to Motivate Knowledge Sharing

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He (Allah) granteth wisdom (knowledge) to whom He pleaseth; and he to whom wisdom (knowledge) is granted receiveth indeed a benefit overflowing; but none will grasp the Message but men of understanding.

(Quran, Chapter #2, Verse #269)

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Abstract

Researchers and practitioners have linked the survivability of organization to their ability to manage their knowledge resource. This ability of the organizations depends on providing the technological support for the creation of knowledge, organizational structures (such as the organization reward systems) and the willingness of their employees to share their knowledge. Developments in information and communication technologies have facilitated organizations in developing the infrastructures that are required for the dissemination of knowledge. Organizations are thus left with the challenge of developing organizational structures that will motivate knowledge sharing among its employees.

The knowledge sharing problem, which was once seen as an issue of capturing can codifying information, is now seen as a challenge of motivating individuals, the true owner of knowledge, to share their valuable resource. Behavioural scientists have taken interest in knowledge sharing as a form of helping behaviour which is directed at the organizations or member within the organizations. Although organizations have great desire that their managers engage in this behaviour, it is the discretion of their employees whether they want to share or withhold their knowledge. Organizational structural control mechanisms (such as the performance evaluation systems) have limited success in enforcing such behaviour as there are no means of measuring its outputs.

Organizations depend on their incentive systems to motivate knowledge sharing. Research into motivation indicates that there is no easy fix to

achieve this. Organizations have to balance the use extrinsic and intrinsic motivators, considering the specific motivational requirements of their employees. Motivational interventions, such as the use of incentives, are dependent on the level of trust the employees have in their managers and the organization in whole to deliver on those incentives in a fair and equitable manner. Where trust levels are not sufficient, employees tend to ignore such incentives and tend to further disinvest discretionary efforts.

The current study used the psychological contract theory as a frame work for understanding the dynamics of the employee-employer exchange. The central premise of the theory is that employees tend to lose trust in the organization or the agent of the organization, when they perceive that their expectations have not been met. In addition to the lost of trust, psychological contract violation is also negatively associated with desirable organization behaviours and attitudes – such as commitment, in-role and extra-role effort – and is positively associated with undesirable organization behaviours and attitudes such as intention of turnover.

The current study used a qualitative research design to investigate how the violation of the psychological contract can add to the ineffectiveness of the organization incentive system to motivate knowledge sharing. Using semi-structured interviews the participants were provided with short scenarios (vignettes) which simulated occurrences of psychological contract violation. The participants, acting as informants, responded to question with regards to how the situations depicted in the vignettes would affect the vignette characters' work behaviours, specifically their desire to share knowledge.

The data gathered from the interviews was transcribed and coded using qualitative data analysis software. Template analysis technique was used to organize the data which allowed for a comparative analysis of the themes that were identified in the data. Independent assessors assisted in the analysis of the data, which reduced the risk of researcher bias.

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Chapter 1.
Introduction

In the current economy, the survival of organizations is linked with their ability to harness their knowledge assets. This ability of the organizations is in part dependent on the desire of its employees to share their experience and insights with other individuals within the organisation. Without this discretionary effort on part of their employees, organizations cannot achieve sustained competitive advantage. Realising the importance of such efforts organizations endeavour to introduce incentives which might induce their employees to part with their knowledge. An antecedent of a successful incentive system is the level of trust that the employees have in their organisation to deliver such incentive in fair and equitable manner. Therefore, it is important that organizations should be mindful of any possible sources of mistrust. The current study, using a qualitative design, explores the concept of psychological contract breach as one such source of mistrust, which might impede the effectiveness on an organizational incentive system to motivate knowledge sharing. The reminder of this introductory chapter will unpack some of the key contentions of the above argument.

The past decade has seen some major organizational level changes that have led to the prominence of knowledge as a source for competitive advantage. Andriessen (2004) points to the increased role played by knowledge or knowledge based assets in the production processes as compared to their role in the industrial era during which labour and capital assets were considered to be more important. The rapid growth of information and communication has led to the development of products that

are more valued for their knowledge content than their physical content (Tsoukas, 2005) ; for example, a software compact disc might cost cents but the software installed on it might be worth hundreds of dollars.

The Gross Domestic Product (GDP) figures for major economies show that the services industry is over taking the industrial sector as the major contributor to the GDP (Tsoukas & Mylonopoulos, 2004). Because the products of the service sector are intangible, they rely more on their intangible assets, such as the knowledge and expertise of their employees. Furthermore, the services sector's share in the world employment market, as per the latest statistics, has overtaken the share of the industrial sector (Sveiby, 1997).

Lev (2001) points out that the economics of intangible assets is different from that of tangible assets in that: a) they are non-rival; therefore a single intangible assets can be deployed at the same time in multiple uses (for example a truck can be used on single route to carry certain goods; whereas a fleet management software can simultaneously manage a potentially unlimited number of trucks operating on different routes), b) their development requires a high fixed cost but low marginal cost; therefore the production of intangible assets is characterized by increasing returns of scale instead of decreasing returns (a production line functioning three shifts a day can incur additional cost for the third shift in terms of premiums paid out for the third shift; on the other hand the initial development cost of a new drug might be very high – considering the R&D investment – but the same investment can be leveraged in the development of successor drugs), c) they often can be networked to derive further profits from them (groupware are

collaborative software that derive further value from their ability to network together different individuals working on similar tasks), d) their transferability makes their ownership difficult (it is because of this the entertainment industry is plagued by copyright violations).

This emphasis on knowledge based assets has necessitated that organizations change their perception about their human resources. Organizations that have achieved a certain level of success in managing their knowledge resource have parted with the industrial era's perception of the human resource as a cost and have recognized it as an asset, or owners of the most valuable asset, tacit knowledge; as it resides in the heads of the employees. Organizations are starting to value "what they know" more than "what they own"(Ron, 1997).

As was noted earlier, researchers and practitioners are adamant in their view that knowledge based assets are the key source of competitive advantage (Cabrera, Collins, & Salgado, 2006; Krogh, 1998; Ruggles, 1998; Yang & Chen, 2007) and that the survival of organisation in the epoch of technology, will be determined by their ability to manage their knowledge resource (Teece, 1998). Findings from a survey on the current practices of knowledge management in New Zealand (Mccullough *et al.*, 2004), reveal that a majority of organization in New Zealand (the context for the current study) primarily depend on internal sources for their knowledge needs, 40% of the responded saw an important role for knowledge management in their organizational success and 13% linked the survival of their businesses to their ability to manage their knowledge assets. With regards to the main challenge that the organizations were facing in terms of achieving the business advantage from

managing knowledge, respondents were unanimous (63.2% strongly agreeing and 36.8% agreeing) that most of them were facing a challenge in accessing the knowledge that already resides within their own organizations. Though this objective has been partly achieved by organizations through the use of technology, which has enabled the capturing and dissemination of explicit or codified knowledge such as policies and standard operating procedures; still evading the grasp of many organizations is the ability to capture the implicit or tacit knowledge that resides in the minds of individuals (Zeleny, 2005).

The challenge that many organizations are facing in this regard is to motivate their employees to share their tacit knowledge (Teece, 1998). Due to the discretionary nature of the knowledge sharing behaviour, the subject of motivating knowledge sharing has received great attention in the current literature on knowledge management (Damodaran & Olphert, 2000; Gee-Woo *et al.*, 2005). Though a number of organizations have offered monetary and non-monetary incentives to induce knowledge sharing, the success factor for such structural interventions has been low (O'dell & Grayson, 1998). This problem can be attributed to the discretionary nature of knowledge sharing. As with other helping behaviours, knowledge sharing is a behaviour that organizations can desire from their employees but cannot enforce on them (Kelloway & Barling, 2000). Furthermore, knowledge sharing is seldom part of an individual's job description, and as such people do not take it up as a responsibility (O'dell & Grayson, 1998) and it seldom affects an individual's compensation or performance evaluation (Kwok & Gao, 2005).

Organizations that do decide to recognize such efforts of their employees are then faced with the challenge of measuring such efforts. The unobservability of discretionary efforts (Kelloway & Barling, 2000), such as knowledge sharing, also renders them un-measurable. Due to the lack of objective measures to assess such behaviours, organizations tend to devise subjective measures to reward such initiatives (Baker, Jensen, & Murphy, 1988). Though researchers see benefits in using subjective measures (Gibbs *et al.*, 2004), the success of such evaluations is dependent on the level of trust the exists between the assessee the assessor (Baker, Jensen, & Murphy, 1988). Trust, as a structural element, plays an important mediating role by reinforcing structural means such as incentives to motivate knowledge sharing (Quigley *et al.*, 2007). Without trust employees are sceptical that their efforts would be recognized and that they will be rewarded in equitable manner; therefore, they will focus on achieving task that are objectively measurable and would not be motivated to invest discretionary effort.

Considering the above role of trust, organizations should be mindful of any possible sources of mistrust that might affect the employee-employer relationship. A major cause for mistrust, as contended by this thesis, is the changing state of the relationship between the employees and the employers, which has in return led to precariousness in the employment relationship. Because of these changes most employees have a lesser level of trust in their organizations than they had in the past. This fall in the level of trust has affected the willingness of employees to invest discretionary efforts such as knowledge sharing. Industrial psychology embodies a vast literature

on the employee-employer relationship, which has been studied under the concept of psychological contract (Huston, Norman, & Ambrose, 2007).

The psychological contract is individual beliefs, shaped by the organisation, regarding terms of an exchange agreement between individuals and their organisation (Rousseau, 1995). The two part argument put forward by the proponents of the psychological contract concept is firstly, global competition (Anakwe, Hall, & Schor, 2000), digitization of social and economic life (Tsoukas & Mylonopoulos, 2004) and changing labour market dynamics (Cullinane & Dundon, 2006) have forced organizations to reshape and reorganize themselves into leaner, more responsive structures, than the tall hierarchical structures that prevailed in the industrial era (Flood *et al.*, 2001; Millward & Hopkins, 1998). Secondly, that these changes have had a profound effect on the employee-employer relationship, a major consequence being the fall in the level of trust employees have in their employers (O'neill & Adya, 2007; Sharkie, 2005; Unselt, Gleich, & Russo, 2005).

Recently the concept of psychological contract has attracted a renewed interest in the research community; indicative of this are the special issues of journals on this topic (e.g. *Human Resource Management* 1994; *Human Resource Management Journal* 1994; *European Journal of Work Psychology* 1996; *Journal of Organizational Behaviour* 1998, 2003). Researchers are attracted to its utility as a framework for understanding the dynamics of the employee-employer relationship and how it impacts the employees' attitudes and behaviours towards their organizations (Conway & Briner, 2005). The focus of much of the contemporary research has been on identifying the

contents of the psychological contract and its structure and on determining the outcomes of psychological contract violation. The current study adds to the later literature, in that it argues that psychological contract violation results in the employees distrusting their employers to deliver on future promises. Such mistrust can hamper the effectiveness of reward systems to motivate knowledge sharing, specifically those systems that are based on subjective evaluations of performance.

The current study is based on the premises that organization, where the employees feel that their psychological contract has been violated, will be challenged to motivate knowledge sharing among its employees. To develop an understanding of the main research problem the current study will bring together the literature on knowledge sharing, organizational citizenship behaviour; with a focus on extra-role behaviours, incentive systems, psychological contracts, and social exchange theory. Though there have been previous studies that have combined literature on knowledge sharing and trust (Abrams *et al.*, 2003; Castelfranchi, 2004; Levin *et al.*, 2002; Mooradian, Renzl, & Matzler, 2006; Renzl, 2008), knowledge sharing and psychological contract (Flood *et al.*, 2001; O'neill & Adya, 2007; Patch *et al.*, 2000; Sharkie, 2005; Unselt, Gleich, & Russo, 2005), studies that have looked into the issue of motivating knowledge sharing (Burgess, 2005; Gee-Woo *et al.*, 2005; Hsiu-Fen, 2007; King & Marks, 2008; Osterloh & Frey, 2000; Osterloh & Frost, 2000; Quigley *et al.*, 2007; Siemsen, Roth, & Balasubramanian, 2008; Tedjamulia *et al.*, 2005), studies that have dealt with rewarding knowledge sharing (Bartol & Srivastava, 2002; Feurstein *et al.*, 2001; Krönig, 2001; Lee & Ahn, 2007; Muller, Spiliopoulou, & Lenz, 2005;

Siemsen, Balasubramanian, & Roth, 2007), there are no previous precedents of qualitative studies that have combined all these aspects into a single theoretical model. In doing so this study will be a valuable addition to these literatures and will also provide an insight to for managers who are contemplating the introduction of incentive systems for encouraging knowledge sharing.

The next chapter will present the literature review, which highlights the importance of knowledge management for organizational effectiveness. Knowledge sharing is then discussed as a discretionary effort which needs to be motivated. This followed by a discussion on how incentive systems can be used to motivate discretionary efforts such as knowledge sharing. The concept of psychological contract is introduced with a specific focus on the outcomes of psychotically contract violations. Of concern to the current study is the loss of trust as an outcome of such violations.

The chapter on current study introduces the specific objective of the current study, the research questions and the theoretical model developed for the current study. This is followed by the methodology chapter, which is a detailed description of the research process that was undertaken for the current study. Within the methodology chapter the ethical consideration for the current study are highlighted. The result chapter briefly describes the findings of the research process with regards to the main research questions which is followed by a detailed discussion of the findings in discussion chapter. The discussion chapter also presents additional findings of the research, future avenues for research and the limitation of the current research how these limitations were addressed. The final chapter concludes

the study by providing a summary of the main findings of the research with regards to the research question and advice for managerial practice.

Chapter 2.
Literature Review

2.1. The Importance of knowledge sharing

Cooperative actions such as helping and knowledge sharing have been tied to a improvements in organizational outcomes including productivity, task completion time, organizational learning and innovativeness (Mooradian, Renzl, & Matzler, 2006; Siemsen, Balasubramanian, & Roth, 2007). Although researchers agree on this important role of knowledge sharing, still there is no definitive explanation of how these outcomes are actually achieved.

A growing literature on knowledge management seeks to answer queries such as the above, with regards to how the organizations can better manage their knowledge resource to achieve sustained competitive advantage. Knowledge management is defined as an organizational effort to expand, cultivate and apply its knowledge based assets for the purpose of fulfilling its objectives (Holsapple & Joshi, 2004). Initially, the literature of knowledge management was dominated by a technology focused view of managing knowledge; where the emphasis was on introducing technologies that can best capture, store and disseminate knowledge. Currently a more humanistic approach to managing knowledge is dominating the literature on knowledge management, where emphasis is placed on the social process that fosters interpersonal trust and reciprocal relationships among individuals (Ekbia & Hara, 2008). This shifting of focus from a techno-centric view of knowledge management to a human-centric view coincides with existence of different epistemological view of “knowledge” (Jakubik, 2007). Where the proponents

of techno-centric view of knowledge management consider “knowledge” as something that is objective and thus can be codified and stored; researcher who promote a human-centric view of knowledge define “knowledge” as something that has to be personally experienced to be gained (Jakubik, 2007). The following section further explores the of what is considered as knowledge and what is not.

2.1.1. The nature of knowledge

Biggam (2001) proposes a three point criteria for distinguishing knowledge from blind belief or opinions, that is: a) the subject matter should be true, b) the perceiver must believe this to be the case and c) the perceiver must be in a position to know this to be the case. He further argues that the source of all knowledge is either experience or rational thought or in most cases a combination of both.

Alavi and Leidner (2001) observe that knowledge can be viewed from different perspectives, which they go on to list as: a) knowledge as a state of mind, which constantly changes with new experiences and discoveries that lead to learning, b) knowledge as an object, which can be manipulated thus enabling its storage and retrieval, c) knowledge as a process of learning and applying newly gained skills, d) knowledge as privilege to access stored information – this view builds on the view of knowledge as an object – and finally e) knowledge as capability that can influence future action through informed decision making.

Stenmark (2000) sees the discourse on knowledge management moving away from the positivistic conceptualization of knowledge as a monistic

absolute truth towards a realization that human knowledge may exist in various forms and can be classified into different types. This is evident from the reliance of most commentators (Alavi & Leidner, 1999; Gee-Woo *et al.*, 2005; Krogh, 2002; Osterloh & Frey, 2000; Zarraga & Bonache, 2003) in the knowledge management domain on the taxonomic definition put forward by Nonaka and Takeuchi (1995), who proposed that knowledge exists in tacit and explicit forms (Nonaka & Konno, 1998), whereby the latter is knowledge that has been codified, and the former is knowledge that resides in the heads of individuals. Table 1 summarises the important knowledge taxonomies along with examples of each.

Knowledge Types	Definitions	Examples
Tacit	Knowledge is rooted in actions, experience, and involvement in specific context	Best means of dealing with specific customer
Cognitive tacit:	Mental models	Individual's belief on cause-effect relationships
Technical tacit:	Know-how applicable to specific work	Surgery skills
Explicit	Articulated, generalized knowledge	Knowledge of major customers in a region
Individual	Created by and inherent in the individual	Insights gained from completed project
Social	Created by and inherent in collective actions of a group	Norms for inter-group communication
Declarative	Know-about	What drug is appropriate for an illness
Procedural	Know-how	How to administer a particular drug
Causal	Know-why	Understanding why the drug works
Conditional	Know-when	Understanding when to prescribe the drug
Relational	Know-with	Understanding how the drug interacts with other drugs
Pragmatic	Useful knowledge for an organization	Best practices, business frameworks, project experiences, engineering drawings, market reports

Table 2-1: Knowledge Taxonomies and Examples, adopted from (Alavi & Leidner, 2001)

A growing number of researchers are criticizing the current conceptualization of knowledge and argue that in its current form knowledge cannot be differentiated from information (Zeleny, 2005). Tsoukas (2005) claims that Nonaka's and Takeuchi's (1995) classification of tacit and explicit knowledge is erroneous, as it sees tacit knowledge as knowledge awaiting codification. On the other hand Tsoukas (2005), referring to Polanyi's (1966) view of tacit knowledge, sees tacit knowledge as ineffable. Stenmark (2000) highlights some of the major reasons for the inherent elusiveness of tacit knowledge, which include: a) the fact that most people are not aware of what they know, as illustrated by the simple activity of riding a bicycle – most of the time expert cyclists cannot explain what they do differently that helps them stand out from others , b) the lack of motivation to externalize knowledge, as individuals can benefit from their own tacit knowledge without making it explicit and c) the fear of losing the competitive advantage an individual can derive by holding on to critical knowledge.

A major portion of human knowledge is tacit (O'dell & Grayson, 1998), and the complexity of this kind of knowledge can also be attributed to its content which entails a body of perspectives, perceptions, beliefs, and values (Fahey & Prusak, 1998). Fahey and Prusak (1998) further argue that management's belief (which also represents their tacit knowledge) in the ineffability of tacit knowledge limits their understanding of knowledge. This lack of understanding of the attributes of knowledge and its consequences leads managers to accentuate the importance of explicit knowledge (O'dell & Grayson, 1998) ; whereas explicit knowledge is dependent on tacit

knowledge for its capture, assimilation, creation and dissemination (Fahey & Prusak, 1998).

Considering the ineffability of tacit knowledge, the question that one might ask is how then to communicate tacit knowledge, because the purpose of knowledge sharing is to communicate it across the organization, in a manner that will allow the organization to achieve competitive advantage. Tsoukas (2005, p. 16) suggests that “tacit knowledge cannot be captured, translated, or converted but only displayed and manifested, in what we do”. Similarly Zeleny (2005, p. 51) argues that “we engage in communication when the result of a particular interaction is the coordination of behaviour, doings, and operation – coordination of action”. O'Dell and Grayson (1998) are also of the opinion that most of the important knowledge that individuals require to achieve their objective has to be demonstrated to them or imparted through interactive dialogue and problem solving.

The major points that emerge from the above discussion are: a) knowledge exists in both tacit and explicit forms, b) tacit knowledge, which is a major portion of human knowledge, cannot be easily captured and c) the best way to communicate tacit knowledge is through demonstration. In light of this understanding of knowledge – specifically about tacit knowledge – one can conclude that organizations should change their focus from capturing tacit knowledge by codifying it and turn their attention towards creating contexts where its members are willing and able to demonstrate their knowledge and allow opportunities for social interactions that will enable meaningful dialogue. Once the members of the organizations are willing to share their knowledge; managerial interventions to facilitate knowledge sharing will have

any impact, otherwise such initiatives would at best capture explicit knowledge, which loses its worth once detached from the tacit component of knowledge (Tsoukas, 2005). This leads us to our next discussion which looks at knowledge sharing as extra-role behaviour.

2.1.2. Knowledge sharing as extra-role behaviour

Knowledge sharing as behaviour represents a willingness on part of the knowledge sharer to share his/her knowledge with the intention of helping someone specifically, or the organization in general, to prosper. Such helping behaviour has received a wide coverage in the literature on organization behaviour, though under different labels. In this regard knowledge sharing can be viewed as extra-role behaviour (Van Dyne, Cummings, & Mclean Parks, 1995), as a part of organizational citizenship behaviour (Bateman & Organ, 1983; Smith, Organ, & Near, 1983) or as constituting contextual performance (Borman & Motowidlo, 1993). This particular research will adopt Van Dyne et al.'s (1995) conceptualization of helping behaviour as extra-role behaviour, as it is seen as a collective term that describes all discretionary behaviours that benefit the organization(Cable, 2008).

Van Dyne et al. (1995, p. 218) defined extra-role behaviour as "behaviour which benefits the organization and/or is intended to benefit the organization, which is discretionary and which goes beyond existing role expectations". Knowledge sharing as behaviour fits this definition of extra-role behaviour, as most of the literature on knowledge sharing sees it as positive behaviour which is crucial for the ability of the organization to manage its knowledge base (Cabrera, Collins, & Salgado, 2006; Krogh, 1998; Ruggles, 1998; Yang

& Chen, 2007). Yet it is a task that is seldom part of a job description, and as such people do not take it up as a responsibility (O'dell & Grayson, 1998) and it seldom affects an individual's compensation or performance evaluation (Kwok & Gao, 2005).

Kelloway and Barling (2000) further the case for considering knowledge sharing as an extra-role behaviour on the grounds that knowledge is owned by the employees rather than the organization. That is why authors such as Stewart (1998) and Davenport (1999) are arguing against the metaphor of knowledge or intellectual assets and are arguing for considering employees as investors who choose to invest their knowledge in their organizations. Drucker (1999) also sees knowledge workers productivity dependent on a desire on the part of the knowledge worker, to work for their organization. Because the ownership of knowledge, especially the tacit component of it, lies with the employees, it will be their choice to share or hoard their knowledge. Furthermore, there are no means by which an assessment can be made of the amount of knowledge that is being shared by an individual, thus making it virtually impossible to determine the quantity and the quality of the knowledge that is being shared (Osterloh & Frost, 2000).

2.1.3. Motivating knowledge sharing

The issue of motivating knowledge sharing is among the most commonly discussed topic amongst practitioners and academics; for them the issue of encouraging employees to contribute knowledge is more important the issues related with the capturing, storage and retrieval of knowledge (Hall, 2001). The expectancy theory provides a comprehensive explanation on how

motivation is shaped. Vroom (2005) describes the two central propositions of his expectancy theory as 1) that the strength of motivation to perform a certain action is a product of the expectancy that such action will be followed by an outcome and the valance of the outcome and 2) that outcomes may acquire valance due to their own properties, and also from the fact that they may lead to other outcomes which have high valance. The first proposition argues that individuals will adopt behaviours which they expect would result in outcomes with positive valance and restrain from those that are expected to result in outcomes that entail negative valance. The second proposition alludes to the fact that individuals' motives for engaging in certain activities may vary from one individual to another; for example, where one individual might share knowledge to acquire recognition that might lead to future growth opportunities, another individual might undertake the same activity; that is, to share knowledge due to altruistic motives. In this regard, the two possible actions that an individual can choose with regards to knowledge are either to share it or to hoard it. According to the expectancy theory an individual will share knowledge only when he expects that the outcome associated with sharing knowledge has greater valance than that of the outcomes associated with hoarding knowledge.

Knowledge sharing can be motivated both intrinsically and extrinsically, where extrinsic motivation is favoured by the transaction cost theorist – who find extrinsic motivation easier to use and as serving the purpose of deriving performance from employees in a coordinated and goal oriented way – intrinsic motivation is favoured by the proponents of the behavioural view of

organizations, for them intrinsic motivation serves to lower transaction cost and builds trust and social capital (Osterloh & Frey, 2000).

Osterloh and Frey (2000) on the other hand advocate the balance use of both extrinsic and intrinsic motivation to encourage knowledge sharing. They see little utility for the use of price and market based extrinsic motivators to encourage tacit knowledge sharing, this in part due to the inherit difficulty in measuring the quantity of knowledge output and tracing it back to a specific individual. Intrinsic and extrinsic motivation are not independent of each other, an intrinsically motivated person's motivation is not increased when extrinsic motivation is offered, rather in some case the introduction of extrinsic rewards can reduce the intrinsic motivation to carry out the activity that is being rewarded, an effect that is referred to as the crowding-out effect (Muller, Spiliopoulou, & Lenz, 2005). Extrinsic rewards can be designed in ways that they are perceived as acknowledgements of an individual's competence rather than as mechanism of control. In such cases the use of extrinsic motivation can have a crowding-in effect on intrinsic motivation, which serves to enhance the overall motivation of the individual to carry out a certain activity (Osterloh & Frey, 2000).

Ipe (2003) divides motivational factors that influence interpersonal knowledge sharing in two categories i.e. internal factors (the perceived power attached to the knowledge and the reciprocity that results from sharing) and external factors (relationship with the recipient and rewards for sharing knowledge). Ipe (2003) argues that individuals who see their knowledge as source of power are less motivated to share such knowledge as are people who don't see any reciprocal advantage for sharing their knowledge. He also views the

relationship that exists between the knowledge transmitter and its recipient as a key external motivator. The two important elements of this relationship, which affect the motivation to share knowledge, are trust and the power and status of the recipient. With regards to the role of the power and status of the recipient Ipe (2003) points to the research that indicates that people tend to share knowledge with people who have equal or greater power and status than themselves and are less motivated to share knowledge with people who they perceive as being of a lower status and power. The role of trust in knowledge sharing is discussed in detail in the sections to come.

With respect to the organization, knowledge sharing requires that the organization provides an environment where interactive learning can take place and that emphasis is placed on intrinsically motivating knowledge sharing rather than solely depending on extrinsic motivators (Osterloh & Frey, 2000). Rost, Weibel, and Osterloh (2007) who used vignettes to elucidate the interactive effect of contextual factors and individual difference on knowledge sharing, conclude that the organizational context is the strongest predictor of helping and sharing behaviour, and an individual's motivational disposition plays a mediating role by shaping the perceptions of the individuals with regards to the organizational context. Their results suggest that organizations that meet the needs of their employees – needs for autonomy, competence and relatedness – through providing a context which is based on trust and that promotes choice can motivate their employees to engage in extra-role helping behaviours, such as knowledge sharing.

Gellatly and Irving (2001) conducted a study using a sample of 79 public-sector managers, to examine the relations between personality (measured through the facet of: extroversion, agreeableness, conscientiousness), job autonomy and contextual performance (considered by this study as synonymous to extra-role behaviour) , and tested the moderating role of autonomy on the relationship between personality and performance. They concluded that job autonomy is an important determinant of knowledge sharing; that managers who have a greater control over their duties and are involved in the decision making process, are more likely to share knowledge than those whose jobs are strictly controlled.

2.1.3.1. Social exchange theory and knowledge sharing

A growing number of researchers (See for example Chay Yue et al., 2005; Chiu, Hsu, & Wang, 2006; Sun & Liu, 2006; Van Den Hooff, De Ridder, & Aukema, 2004) are turning to social exchange theory to explain the motivational drivers for knowledge sharing. Social exchange theory views all social relationship as transactions of economic (e.g. money, materials) and social (e.g. love, trust, respect) resources (Conway & Briner, 2005). The central premises of the social exchange theory is the idea of reciprocity, that is, after receiving something of value people feel obliged to return a something similar to that which was received (Conway & Briner, 2005).

Though there are many form of exchange theory (Hall, 2001), most of them have common building blocks, which Molm (2001) lists as; exchange actors, exchange resources, exchange structures, and exchange process. In the context of knowledge sharing the exchange actors are the knowledge source

and the recipient. Nahapiet and Ghoshal (1998) describe organization as knowledge markets where the knowledge source offers his/her knowledge, as a resource, for exchange in return for resource of value to him/her. The resources that the knowledge source might seek can be of extrinsic – e.g. monetary rewards, access to knowledge – or can be intrinsic – e.g. knowledge self efficacy, altruism -- value (Hall, 2001). Exchange structures provide for the mutual dependence required by the exchange relationships. Molm (2001) identifies three types of exchange structures; namely direct exchanges – between two actors where the outcome for one actor depends on the behaviour of second (e.g. relationship between a consultant and client's business analyst where both are in need of each other's knowledge to improve their own outcomes) –, generalized exchange – among three or more actors where the outcomes not reciprocated directly (e.g. when a representative of the IT department trains staff from other departments on the usage of a specific software and those staff in return train their colleagues in their own departments) --, and finally productive exchange where both actors have to contribute equally in order obtain mutual benefits (e.g. co-authoring a book). Finally the exchange processes describe how the actors interact among themselves with the exchange structures (Molm, 2001). In social exchanges the actors can decide on the terms of exchange ex ante or ex post. When the terms of exchange are set ex ante, the transaction is termed as a negotiated transaction where mutual bargaining leads to the finalization of terms of exchange. Where no prior negation has taken place and an individual makes an offer without knowledge whether or when the other actor will reciprocate in kind, the transaction is termed as reciprocal transaction.

Considering that under normal circumstance one cannot put a value of knowledge share ex ante, knowledge sharing is better explained as reciprocal exchange, specifically when dealing with the exchange of tacit knowledge.

2.1.3.2. Rewarding knowledge sharing

Researcher from both the organizational behaviour (see Dematteo, Eby, & Sundstrom, 1998 for a review) and traditional economics fields have studied incentive systems that promote coordination and cooperation among employees (Siemsen, Balasubramanian, & Roth, 2007). The organizational behaviour literature has primarily focused on the use of group-level rewards and their affects on overall performance. There has been little research on the individual level rewards within the organization behaviour literature – specifically with regards to cooperative behaviours – which is astonishing, considering that individual level incentives better determine the behaviour of the group members (Sauermann, 2008). The economics literature has also examined cooperative behaviour and incentives; for example, Itoh (1992) – using the principle-agent model – argues that principles desire helping behaviour (and agent helping another agents) from the agents because this can lead to a reduction in the task related effort that both the helper and the receiver of help. Sauermann (n.d.) criticises the economic literature for focusing primarily on extrinsic rewards and ignoring intrinsic rewards, which in the specific case of knowledge worker can be more important than the explicit rewards.

With regards to knowledge sharing, there are certain aspects of incentives and incentive system that have to be considered before introducing such interventions, these are: a) the subjectivity or objectivity of the performance measures, b) the direction of the incentives offered, and c) the strength of the incentives offered. Baker, Jensen, and Murphy (1988, p. 7) argue that in for some aspects on individual performance (such as knowledge sharing) cannot be measured objectively because joint production and unobservability mean that individual output is not readily quantifiable. Therefore organizations have to rely on using subjective measures to assess performances of such task (Gibbs *et al.*, 2004). Because subjective measure rely on the decisional integrity of the performance evaluator, subject measures of performance have low credibility with employees who most of the times don't trust such assessments (Baker, Jensen, & Murphy, 1988). Considering this, organizations – that are planning to introduce incentives for knowledge sharing, specifically those who will be relying of subject measure – how to work towards building their employees' trust in their managers in general and specifically in the organization's reward system (Bartol & Srivastava, 2002).

The direction of incentive refers to the specific activity or behaviour for which the incentive is offered (Sauermann, n.d.). Example of such incentives can be continuity allowances that are offered to reduce tardiness among employees. The effectiveness of such incentives depends on how clearly their direction has been defined. Considering the issue of knowledge sharing an incentive system might focus on explicit knowledge sharing (e.g. contributing to central knowledge repository) or implicit knowledge sharing (e.g. mentoring). Therefore it is essential that incentives are designed

consider their direction i.e. the behaviour that is being reinforced through the offering of the incentives.

Within organizational context, individuals might perceive multiple incentives with differing directions. Sauermann (n.d.) argues that under such circumstances individual tend to chose incentive with highest strength. For example; an organization offering sale based commission to its sales agents and also introduces special incentives for the senior sales agents who are willing to act as mentors for the new recruits. The sales agents will participate in the mentoring program only if the opportunity cost (in terms of lost commission) for participating in the program is less than the incentives offered.

Bartol and Srivastava (2002) similarly argue for the use of different incentive systems for different kinds of knowledge sharing. They argue that organization that have deployed central knowledge repositories can utilize objective measure for rewarding knowledge sharing, because these system offer the opportunity to measure the knowledge contribution of individual employees. Furthermore, organization that have introduced formal social networks to encourage knowledge sharing, team based rewards can be effective means creating a feeling of cooperation, ownership, and commitment among employees. On the other hand, Bartol and Srivastava (2002) argue that organization that are looking towards informal social networks, as means of facilitating knowledge sharing, have to enable such interactions by strengthening the level of trust between the individual and the organization. In such organizations not only is trust important for the success of the incentive system to motivate knowledge sharing, incentive

system which reinforce the perception of organizational justice (procedural and distributive) can further strengthen the trust of the employee in the organization (Bartol & Srivastava, 2002).

Summarizing the above discussion on knowledge sharing one can appreciate the focus on motivation, as an important antecedent of extra-role behaviour such as knowledge sharing, in the current literature on knowledge management specifically and in the behavioural sciences in general (Burgess, 2005; Hsiu-Fen, 2007; Osterloh & Frost, 2000; Tedjamulia *et al.*, 2005). Bartol and Srivastava (2002) make an important observation concerning an individuals' contribution beyond what is included in their job description; they argue that for such social exchange to occur, it is important that people have trust that their organizations will reciprocate with favourable outcomes. They also see an important role for the organizational reward system for fostering trust in the employee-employer relationship; fair procedures adopted for distribution of rewards convey a signal to the employees that the organization values them and also strengthens the belief that the organization will fulfil its obligations to the employees for their participation in prosocial behaviour such as knowledge sharing. The next section of this literature review will look at the role of trust within organizational settings, specifically in the context of extra-role behaviours such as knowledge sharing.

2.2. The role of trust in knowledge sharing

Trust, which according to Sveiby (Castelfranchi, 2004) is the crux of knowledge sharing; is commonly defined as a mental state that induces the

willingness to make oneself vulnerable to the actions of the foci of trust, based on positive acceptation that this vulnerability will not be taken advantage of, and in anticipation that the trustee will reciprocate in similar positive terms (Rousseau *et al.*, 1998). Trust has received a wide coverage from various researchers across various disciplines (Dirks & Ferrin, 2001) as benefiting organizations through providing a context for better performance. Rousseau *et al.* (1998) see trust as a fundamental construct of organizational science, and argue that the different treatment that trust has received from different disciplines can be attributed to the inherent conflicts and divergent assumptions that underlies these disciplines. Table 2 illustrates these different treatments of trust.

Discipline	**Treatment of Trust**	**Example Works**
Economics	Calculative trust or institutional trust	(Williamson, 1993) (North, 1990)
Psychology	Concerned with the personal cognitive attributes of trustors and trustees and focus upon a host other internal cognitions that personal attributes yield	(Rotter, 1967) (Tyler, 1990)
Sociology	Seek to find trust embedded within intrapersonal and institutional relationship.	(Granovetter, 1985) (Zucker, 1986)

Table 2-2: Treatment of Trust (Rousseau, et al., 1998)

Though the body of literature outlining the role of trust in organizational settings has substantially increased over the past decade; there are, nevertheless authors who argue that its role is still under-researched (Robinson, 1996; Yang, 2005). Dirks and Ferrin (2001) after analyzing empirical studies spanning 40 years, concluded that there has been

inconsistent empirical support that trust has any positive effect on outcomes of interest. Dirks and Ferrin (2001) fault the conceptualization of trust, as a direct determinant of work-related outcomes, for the inconsistent results that were arrived at, and argue for an alternative research design where trust is seen as a moderating variable that might hinder or facilitate the effects of other determinants of work-related out comes.

Trust has two important components – the bases and the foci – where the bases of trust are positive expectations that lead to the formation of trust; the foci of trust are the trustees with which the positive expectations are associated (Yang, 2005). Yang (2005) proposes that most of the classifications used by different authors (Jones & George, 1998; Lewicki & Bunker, 1996; Tyler & Degoey, 1996) can be generalized into two fundamental categories – cognitive and affective – where cognitive trust is based on the rationale of instrumentality and is calculative in nature – the truster has motives that the trust he/she invests in the trustee will yield in some sort of positive outcome. On the other hand affect based trust is grounded in emotional and relational motives rather than rational motives.

Within organizational settings individuals have to place their trust not only in the organization as whole, but also have to deal with trusting multiple agents of the organization, such as management, the immediate supervisors, peers and reports. The amount of trust each individual invests in these different referents may vary from one referent to another (Mccauley & Kuhnert, 1992). For example, an individual might have a trust in his immediate supervisor but might not trust the top management of the organization. Trust in top management is usually based on the decisions made by top management

and the impact these decisions have on the organization, this is because most employees are not in a dyadic relationship with the top managers (Costigan, Ilter, & Berman, 1998).

Abrams, Cross, Lesser, and Levin (2003) note that knowledge sharing entails both cost (time and effort spent to share knowledge) and represents a risk for the knowledge sharer. The risks of knowledge sharing might include exposing one's own decisions to second guessing, and if the knowledge shared is in the form of network contacts, the knowledge source might be exposing their social capital to loss. In both cases trust plays an important role by reducing the costs involved and risks associated with knowledge sharing (Cabrera & Cabrera, 2002; Dirks & Ferrin, 2001). Furthermore, by sharing knowledge, a knowledge source confirms the trustworthiness of the knowledge seeker, which leads to the knowledge seeker reciprocally trusting the knowledge source and thus increasing the overall trust level in the organization (Krogh, 2002).

Seeking to understand the role of strong ties in enabling knowledge sharing in contrast to weak ties, Levin, Cross, Abrams, and Lesser (2002) conclude that trust plays a far more important role in the exchange of knowledge than the strength of ties between the knowledge source and the knowledge seekers; trust can be developed even if there are infrequent interactions and weak ties between the source and recipient of knowledge. Levin and Cross (2004) further argue that weak ties have the potential to generate unique knowledge; this is because people with strong ties usually share the same sort of knowhow. Based on this argument it can be postulated that the element of trust, which accounts for knowledge exchange even between

parties with weak ties, is provided for by the organizational context; that is, organizations that apply fair process and procedure are successful in inducing trust in the overall culture of the organization (Bartol & Srivastava, 2002). Individuals in such organizations have a high expectancy that their actions (sharing knowledge) will be properly rewarded and that they will not be exposing themselves to the risks associated with sharing knowledge.

McKnight, Cummings, and Chervany (1995, p. 12) offer a similar proposition as above and argue that interpersonal trust is based on system trust, which they describe as “the belief that proper impersonal structures are in place to enable one to anticipate a successful future endeavour”. System trust provides a secure environment for the formation of interpersonal trust; examples of such a security measure can be found in organizational setting, such as policies of fair conduct, reward systems that recognize individual contributions or a general organizational culture that is based on trust.

Costigan et al. (1998), who use the term ‘institutional trust’ as a synonymous to system trust and use it to assess an individual’s level of trust in the chief executive officer and top management of the organization, found support for their hypothesis that the focal employee’s trust of top management (system trust) will be positively related to the perceived effectiveness of the organization’s reward system, and will be negatively related to the employee’s desire and intent to voluntarily leave the organization.

Cabrera and Cabrera (2005) also conclude that perceived fairness of managerial decision has an effect on the employees’ level of trust in the organizational system, which in return determines employees’ willingness to

part with their knowledge. A similar conclusion put forward by Flood, et al. (2001) who found a positive relationship between the perceptions of equity – a measure of fairness of the organization reward system – and perceptions of met expectations at work, and between the perceptions of met expectations and the obligation to contribute to the organization.

Summarising the above discussion on the role of trust in knowledge sharing it can be concluded that an individual's willingness to share knowledge depends on the said individual's propensity to trust and that system trust is an important antecedent of individual trust. Having established this the literature review will now turn to the issue of the psychological contract which is seen as a manifestation system trust, in that it represents the employees' subjective understanding about what their organization has promised to them and what they are required to offer in return for those promises (Rousseau, 1989).

2.3. Psychological Contract

The employee-employer exchanges have both explicit and implicit dimension; while most the explicit terms of the exchange are covered by the formal employment contract, the psychological contract is used as framework to describe the implicit terms of the exchange (Conway & Briner, 2005). The use of the metaphor of the contract signifies that there are two parties to the psychological contract i.e. the employer and the employee. The contemporary use of the psychological contract is very much different from what it was initially used to explain (Conway & Briner, 2005) . The next

section highlights some of the major works which have lead to the evolution of the construct to its current shape.

2.3.1. Evolution of the construct

Roehling (1997) while providing one of the most detailed accounts of the evolution of the psychological contract construct, makes reference to all major writing that has had a part in the shaping of the construct. Table 1-3 provides a snapshot of some of the major references made by Roehling, in a chronological order.

Most researchers credit Argyris (1962) and Levinson (1979) for introducing the terminology of “psychological contract” (Cullinane & Dundon, 2006; Robinson, 1996; Roehling, 1997; Rousseau & Tijoriwala, 1998). Argyris coined the term “psychological work contract” to describe the relationship between a group of employees and their foreman, specifically the implicate understanding – that the foreman will respect the informal culture of the group in exchange for high productivity and minimal grievances – on which the relationship was based (Cable, 2008).

According to Barnard's (1938) theory of equilibrium employees will remain in the citizenry of an organization as long as that organization is affording them inducements that are greater in value than the contributions they are asked to make into the organization. March's and Simon's (1958) model further elaborates on the nature of the exchange, and they implicitly point towards the existence of unwritten contractual obligations (the critical lynchpin of the psychological contract) when they argue that the employees in joining an organization willingly avow to abide by the explicit and implicit limitations set forth by the organization.
In his book "Theory of Psychoanalytic Technique" Menninger (1958) argues that the relationship between psychotherapist and his/her patient involved both tangible and intangible expectations, and when these expectations are not meet by one of the parties to the contract, the other party takes steps to break the contract.
Schein (1965, 1970, 1980) book was one of the most referenced in psychological contract literature in the 70s and 80s. Schein argued that the employee-employer relationship is based on both formal and unwritten expectations, where the latter have an important role in determining behaviour.
Gibson (1966), who was studying absenteeism, argued that the employee-employer relationship was comprised of a formal and quasi-contract and that a psychological contract represented the employees' perception of quasi-contract contract aspect of the employment relationship.
Kotter (1973) defined the psychological contract as "an implicit contract between an individual and his organization which specifies what each expect to give and receive from each other in their relationship."(Roehling, 1997, p. 210)
Portwood and Miller (1976) defined psychological contract as "an implicit agreement negotiated between the employee and employing firm, usually at the employee's time of entry, and it is a recognition of mutual obligations to be fulfilled by both parties in the course of their association" (Roehling, 1997, pp. 210-211)
Gough's (1957, 1978) classification of social contracts explained the relationship between the state and its constitutes, whereby the state and its members had reciprocal rights and responsibilities to each other; that is that the state will provide for the well being of its citizenry, whereas the people would pay taxes and rise to defend the state when required.

Table 2-3: Evolution of the Psychological Contract Construct (Roehling, 1997)

Levinson and his colleagues, while conducting interviews with 874 employees of a utility firm, observed that employees harboured strong

expectations with regards to what the firm owed them. This led to Levinson defining the psychological contract as “a series of mutual expectations of which the parties to the relationship may not themselves be dimly aware but which nonetheless governs their relationship to each other” (Roehling, 1997, p. 207).

Levinson and his colleagues saw the psychological contract as a reciprocal exchange of needs, where as the contemporary theorising of psychological contract – which mostly takes cue from Rousseau’s conceptualization of the construct – see the psychological contract as a perceived exchange of promises. This distinction between needs and promises has great implication for what is considered as the content of the psychological contract, as needs represent a much broader concept than perceived promises. For example an employee who might have a need for learning and development might perceive a breach of his/her psychological contract – under Levinson’s et al. conceptualisation – if the organization fails to meet this need. On the other hand, under the contemporary definition of the psychological contract the need for learning and development will be included as part of the psychological contract only if the organization has somehow implicitly or explicitly promised to offer such opportunities.

Levinson et al. saw reciprocity as a key element of the exchange between the parties to the psychological contract, whereas Rousseau emphasizes on the perception of mutuality rather than mutuality per say as governing the exchange between the two parties. This distinction between reciprocity and perceived mutuality is important when considering the formation of the psychological contract. For Levinson et al. the psychological contract is

established when one party deems the other party capable of meeting its needs and offer to meet the second party's needs in return. So, when an employee joins an organization he/she does so out of their own needs for say earning a livelihood or to gain social recognition and so forth. In return the same employee agrees to meet the needs of the employing organization, for say to develop and grow and make profits. For Levinson et al. the psychological contract between the employee and the employer will sustain as long as each party to the contract reciprocally meets the needs of the other party. Where this condition of reciprocity is not met, the psychological contract is considered as breached.

Rousseau (1989, 1995, 1997, 1998) has had the greatest impact on the psychological contract literature; this is attributed to her conceptualization of the construct at the individual level, whereas the earlier writers such as Argyris (1962), Levinson (1979) and Schein (1965, 1970, 1980) conceptualized the psychological contract at the relational level between the employee and the employer (Roehling, 1997). Rousseau (1989, p. 123) defined the psychological contract as "individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party. Key issues here include the belief that a promise has been made and a consideration offered in exchange for it, binding the parties to some set of reciprocal obligations".

Though Rousseau's (1989) conceptualization of the psychological contract has received wide approval; there are still some strong critics of her theory, among which Guest's (1998) criticism of the psychological contract construct was successful in drawing a direct response from Rousseau herself.

Rousseau (1998) refutes Guest's (1998) claim that the psychological contract is a metaphor that is inappropriately borrowed from law, by acknowledging the influence of legal scholars – Patrick Atiyah and Ian Macneil are the two Rousseau cites to have had the greatest impact on her theory of the psychological contract (Rousseau, 2005) – on the development of the construct and justifies it by arguing that even legal experts share the point of view of social scientists that all forms contracts, written or implied, are firmly grounded in the social context in which they arise, and which leaves room for the contract to be interpreted differently by the different parties to the contract. Rousseau further asserts that the psychological contract research has had utility for legal scholars, for it informs them of the "psychological process underlying the behaviour of the contract parties" (Rousseau, 1998, p. 666).

Rousseau (1998) also dispels Guest's (1998) labelling of the psychological contract as a metaphor, and asserts its status as a construct by arguing that "metaphors do not explain variance in behaviour, nor do they give rise to predictions that can be confirmed. Constructs – and the theories in which they are embedded – do" (Rousseau, 1998, p. 667). Rousseau gives support to her claim with the many empirical findings that establish the distinction between psychological contract violation and the affect of unmet expectations (Robinson, 1996; Robinson, Kraatz, & Rousseau, 1994; Rousseau & Mclean Parker, 1993) and those that support the typological distinction between transactional and relational psychological contracts (Rousseau, 1990; Rousseau & Tijoriwala, 1996).

Rousseau (1998) identifies two important markers of the psychological contract's boundary, as apparent by its use in contemporary research; the first of these being, the psychological contract that exists at the individual level, where the focal person adopts a two party view of the contract by defining what is expected of him/her and what is perceived to have been offered in return by the organization (Robinson, Kraatz, & Rousseau, 1994; Turnley *et al.*, 2003). Furthermore, the definition of the psychological contract at the personal level sets them apart from other forms of contract such as implied and normative contracts, where the former are subject to third party (such as jurists) interpretation of the agreement between the contracting party, and the latter being the commonly held perceptions of a group of individuals with regards to the obligations of a third party to the group (Rousseau, 1998).

The psychological contract theory views the relationship between the contracting parties as a social exchange where obligations are assigned to each party to the contract, on the basis of perceived promises made by the parties to the contract. Importance is given to perceived obligations rather than expectations; this is because, all expectations held by a person are not promissory in nature and do not constitute a belief in mutuality or reciprocity (Rousseau, 1998).

Rousseau's conceptualization of the psychological contract construct at the individual level, leaves one to ponder the role of the organization in the contract; to this end Guest (1998, p. 652) complains that "researchers who accept Rousseau's redefinition may be moving too far away from the concept of a contract, at the heart of which lies a two-way reciprocal agreement".

Rousseau and the researchers that attest to her conceptualization of the psychological contract counter argue the case for including the organizations expectations into the psychological contract by pointing to the fact that organizations function through their agents; which implies that arriving at one central perception of the contract, that would be representative of the overall organizational perception, is virtually impossible (Cable, 2008). Studies that do attempt to assess the organization's perspective of the psychological contract (Guest & Conway, 2002; Hallier & James, 1997; Tekleab & Taylor, 2003) have included different levels of management as organizational agents; this in itself is reflective of the fact that different agents of the organization have different perceptions of the psychological contract (Cable, 2008) and supports the choice of conceptualizing the psychological contract at the individual level.

This author also sees merit in conceptualizing the psychological contract at the individual level, considering the fact that it is the organizations that – through their choice of actions to counter the market forces – have changed the dynamics of the employment relationships and the psychological contract has been conceived as a tool to study the eventual impact of these changes in the employer-employee relationship on the behaviour of the employees. The following section will further elaborate on how the psychological contract is formed and what constitutes an individual's psychological contract.

2.3.2. Obligations - the content of the psychological contract

The psychological contract is established the moment an individual decides to join an organization; as part of the socialization process individuals

develop expectations about how the organization will fit their own schema of needs, beliefs and values (Werner & Desimone, 2006). Werner and DeSimone (2006, pp. 355-357) identify three stages of socialization, which are labelled as “anticipatory socialization”, “encounter” and “change and acquisition” . At the end of the socialization process the individual is said to have established his/her psychological contract, after discounting for rhetoric and basing it on realism about the organisation. Embedded within this discussion on socialization and the formation of the psychological contract, is a key attribute of such contracts, which is their dynamism. Individuals continuously evaluate their psychological contract and re-adjust their expectations concerning the actions of the organization (Wright, Larwood, & Doherty, 1996).

Unlike the formal contracts it is very difficult to pinpoint the contents – terms and clauses – of an individual’s psychological contract (Cable, 2008). Cable (2008) concludes that this difficulty at arriving at the content of the psychological contract stems from the idiosyncratic nature of the psychological contract which is the result of interplay between a magnitude of factors that are local, unique and personal to the foci-person. Researchers have tried to go around this problem by identifying generic contents of the psychological contract; examples of such efforts illustrated by table 1-4.

Study	Content of the Psychological Contract	
	Employee Obligations	Employer Obligations
Csoka (1995)	• Commitment to business objectives • Shared responsibility for success • Quality performance • Flexibility • Judgement • Strategic skills • Continuous improvement	• Employability • Learning • Flexibility • Performance-based compensation • Greater participation and involvement • Interesting and challenging work
Herriot, Manning, and Kidd (1997)	• Hours • Work • Honesty • Loyalty • Property • Self-presentation • Flexibility	• Training • Fairness • Needs • Consult • Discretion • Humanity • Recognition • Environment • Justice • Pay • Benefits • Security
Hutton and Cummins (1997)	• Getting the job done • Flexible citizenship • Loyalty	• Support • Respect and fair practice
Rousseau (1990)	• Overtime • Loyalty • Extra-role behaviours • Minimum stay • Willingness to accept transfers	• Advancement • High pay • Training • Job security • Development • Support

Table 2-4: Content of the Psychological Contract (Cable, 2008)

Among the examples listed in table 1-4, Rousseau's (1990) listing of the potential content of the psychological contract is of the greatest relevance to the current study as it specifically identifies extra-role behaviour (the focus of the current research) as an employee obligation. Rousseau (1989, 1990) also distinguishes contracts on the basis of their content into transactional and relational contracts. Employees who perceive their contract as relational

have no expectations of job security and view their relationship as a transaction where efforts are rewarded with pay (Cullinane & Dundon, 2006). On the other hand key contents of a relational psychological contract are loyalty from employees which is reciprocated with job security and growth opportunities from the employer side (Raja, Johns, & Ntalianis, 2004).

As discussed earlier, the dynamic nature of the psychological contract is such that employees are continuously assessing the state of their contract, that is, whether the employers are fulfilling their part of the bargain or not. When employees perceive that employers have met their end of the deal, they reciprocate by fulfilling their own obligations in the relationship. A psychological contract is said to be violated when an organization is perceived as reneging on its promises. The next section will discuss the ramifications of psychological contract violation, specifically with regard to its affect on extra-role behaviour

2.3.3. Breach and Violation of the psychological contract

A sizeable portion of the current literature on psychological contract focuses on the consequences of the breach or non-fulfilment of the contract, as this is seen to have an impact on the behaviour of the workforce and ultimately on the performance of the organization (Pate, Martin, & Mcgoldrick, 2003) . The psychological contract entails a continuous assessment of the employment relationship by the focal employee (Robinson, Kraatz, & Rousseau, 1994), where such assessments lead to the conclusion that the organization is not honouring its promises, as perceived by the focal employee, the contract is said to be breached or vice versa.

Morrison and Robinson (1997) draw a distinction between breach and violation of psychological contract, where the former involves a cognitive comparison of what the employee perceived that his/her organization had offered and what was actually received. On the other hand Morrison and Robinson (1997) define psychological contract violation as the emotional response that might accompany instances of contract breach. Psychological contract violation has emotional ramifications, the intensity of which might range from disappointment, frustration and distress at one end and anger, resentment, bitterness and indignation at the extreme end (Pate, Martin, & Mcgoldrick, 2003; Roehling, 1997).

Using a case study design Pate et al. (2003) investigated the relationship between psychological contract violation and employees' attitudinal and behavioural outcomes that might have an effect on the organizational performance. The theoretical model for the study incorporated aspects of organizational justice – distributive justice, procedural and interactional justice – as triggers of psychological contract violation and the outcomes were measured in terms of attitudinal – job satisfaction, organizational commitment, cynicism – and behavioural – organizational citizenship and effort – outcomes. Results from the study showed statistically significant linkages between organizational justices and attitudinal outcomes; on the other hand the study only supported the linkage between autonomy – an aspect of interactional justice – and citizenship behaviour and did not support any other linkage between psychological contract and behavioural outcomes.

Divulging on the poor correlation between psychological contract violation and changes in behaviour, Pate et al. (2003) argue that this might be caused

due to the power disparity between the employee and employer, which might lead to employees avoiding any display of negative behaviours, as this may result in their plausible redundancy. Furthermore they believe that employees might have higher commitments for their job than the organization; this might also play a role in employees overlooking possible violations of their psychological contracts.

Coyle-Shapiro and Kessler (2000) arrived at a similar conclusion after conducting a survey; which included 703 managers and 6953 employees from a British local government body. The two significant findings that emerged from their study were that, a) both the employees and managers – acting as representatives of the organizations – were at agreement that the employees were experiencing contract breach and b) the violation of the psychological contract was having a negative impact on employees' perceived organizational support, organizational commitment and organizational citizenship behaviour.

Using a combination of meta-analytic techniques along with structural equation models, Cantisano, Domínguez, and Depolo (2008) found support of their hypothesises that a) the violation of the psychological contract would be negatively related to desirable employee attitudes (such as job satisfaction, organizational commitment and trust) and behaviours (such as organizational citizenship behaviour, job performance) and b) the violation of the psychological contract would be positively related to undesirable employee attitudes (such as intention to leave) and behaviours (such as neglect of in-role duties). Their findings supported Pate et al.'s (2003) conclusion that the violation of the psychological contract has a stronger

impact on attitudinal outcomes than on behavioural outcomes. This they argue can be due to the apparent visibility of behavioural outcomes to the employers as compared to the attitudinal changes.

Robinson and Morrison (1995) turn to the organizational justice perspective to give an explanation of how the psychological contract might affect employees' predisposition toward organizational citizenship behaviour, specifically its dimension that is targeted at the organization, which Organ (1988) labelled as civic virtue. They propose that violation of psychological contract may lead to perceptions of distributive or procedural injustice. If the employees feel that their employer has violated the terms of the contract by not offering equitable returns for their discretionary efforts, the psychological contract is said to be violated on the grounds of distributive injustice. On the other hand if the employees perceive a breach of the psychological contract on the grounds that their organization is not treating them well, or they have doubts about the fairness of the organizational processes – specifically for distributing rewards – the psychological contract is said to be violated on the grounds of procedural injustice.

Robinson and Morrison (1995) also found empirical support for their hypothesis that trust plays an important mediating role between perception of psychological contract violation and civic virtue. Their findings were also supported by two recent meta analytic studies (Cantisano, Domínguez, & Depolo, 2008; Zhao *et al.*, 2007). When employees perceive that their organization has failed to honour its promises, they tend to stop trusting the organization and have fewer expectations that the organization will honour its other commitments (Rousseau & Mclean Parker, 1993).

Emphasising on the importance of the role trust plays in the formation of the psychological contract, Robinson (1996) argues that individuals assess incidences of breach of psychological contract based on the level of trust they have in their employers. Individuals with high-levels of trust usually tend to over look such incidences by looking for rational in the managerial decision and concluding that such actions were not in the control of the organization. Whereas individuals with low level of trust are keen to seek out and are more likely to label incidences as breaches or violations of psychological contract.

The important conclusions that can be drawn from the above discussion on the violation of the psychological contracts and its outcomes are that a) such violations do affect desirable and undesirable work-related outcomes, b) research indicates that such violations affect attitudinal outcome more than behavioural outcomes, this is can be attributed to the fact that people tend to maintain their in-role effectiveness in order to avoid redundancy, corollary to this people tend to disinvest from extra-role discretionary effort in order to express their disappointment as that is less visible and c) trust mediates the affect of the violation on the work-related outcomes, it can then be argued that that the strongest repercussion of a violation of the psychological contract is the deterioration of trust, which serves as the base for the employee-employer relationship.

The next section of the literature review will offer a brief overview of the prevailing state of employee-employer relationship in New Zealand, which is the context of the current study. The objective set forth for this section was to determine the content of the psychological contract, specifically what the

employees perceive as obligations that their employers should undertake in exchange for them to share knowledge.

2.4. The New Zealand context

In addition to the organizational level changes discussed previously in the literature review, macro-level environmental changes have taken place, which have had a significant impact on how businesses are run in general, and specifically on the relationship between the organization and their employees. New Zealand − the context in which the current study is will be carried out − is no exception; in fact New Zealand has always been at the forefront of experimenting with and adopting new economic frameworks, so much so that it has been a role model for the rest of the world(Peel & Inkson, 2000). Peel and Inkson, (2000) point to successive governmental interventions since 1984, leading to the introduction of the Employments Contracts Act (ECA) which was introduced in 1991, undertaken in consideration of the changing requirements of the new economy. These changes have had a profound effect on the employee-employer relationships.

> *The new discourse and vocabulary of employment relationships has become that of commercial practice. Employees are urged to make "investments" in themselves and to think more about their future employability. (Peel & Inkson, 2000, p. 202)*

Similarly Tiples (2001) noted an important change in the title of the legislation governing employment relations in New Zealand. Where the Employment Contract Act of 1991 dealt with the employment of people as an economic transaction, the Employment Relations Act of 2000 is built around the

assumption that employment will be long term and ongoing, and on expectations of mutual loyalty and commitment between employers and employees.

A key cultural aspect, accounting for the dynamics of the psychological contract across societies, is what Rousseau (2005, p. 206) termed as “zone of negotiability” that is the degree of individual bargaining power afforded to employees, in settling their contracts with their employer, by local statutes. New Zealand in this regard can be considered regulation free as the government has rolled back its own part in the eventual formation of the employment contract.

Two very important changes – one being cultural and the second relating to work beliefs of New Zealand workers – have been noted, which have important ramifications for the state of the psychological contract. The first of these has been a movement away from collectivism to individualism (Rasmussen & Lamm, 2005) and the second, the endorsement of the humanistic belief system (Toulson & Sayers, 1995). Individualistic employees see their relationship with the employer as a transactional exchange and as such are low on organizational commitment; on the other hand people with strong humanistic beliefs seek their self interest through work and rely on their employers to provide opportunities for growth (Peel & Inkson, 2000)

Accepting the proposition that New Zealanders have a humanistic work orientation, it can be argued that New Zealand workers will have high expectations that their employers will provide them with opportunities for learning and development. Previous research on the content of the

psychological contract has already highlighted these two expectations of learning and development as key employer obligations (Rousseau, 1990) which the employee perceive is owed to them by their employers, in return for the efforts that they exert on behalf of the organization.

In addition to personal growth opportunities, New Zealand workers also have expectations that their employers will provide them with interesting work, will have fair HR decision making processes and will provide support that will lead to the attainment of work-life balance (Boxall, Macky, & Rasmussen, 2003). Findings from Boxall, Macky, and Rasmussen (2003) can be used to deduce the content of the psychological contract for New Zealand workers. This study identified a number of factors – i.e. interesting and challenging work (Csoka, 1995), Fairness of HR policies (Csoka, 1995; Herriot, Manning, & Kidd, 1997) and organizational support in the form of work-life balance (Hutton & Cummins, 1997; Rousseau, 1990) – as affecting people's choice of remaining with an organization. These factors are also considered as important employer obligations as perceived by their employees.

Gilson, Hurd, and Wagar (2004) concluded from their analysis of panel data of New Zealand organizations that had undergone downsizing, that repetitive downsizing had an adverse effect on the performance of organizations. Explaining this the authors argued that repetitive downsizing had led to negative consequences, obvious among which are fall in employee satisfaction, increased workplace conflicts and overall fall in workplace performance. This finding affirms Peel's and Inkson's (2000) observation that New Zealanders have a high expectation of ongoing employment. The above

discussion supports Rousseau's (1990) inclusion of job security as a key employer obligation that is a part of the content of the psychological contract.

The literature section highlighted the concept of knowledge sharing as extra-role behaviour. This conceptualization is important because it changes the framing of the challenge of knowledge sharing from one that can be met with the introduction of new technology to one where the emphasis is on motivating the employees to share knowledge. An organization's incentive system plays a fundamental role in motivating staff to undertake extra-role behaviours, but, as was highlighted in the literature review, the effectiveness of the incentive system depends on a number of factors such its direction and strength, the mix of extrinsic and intrinsic rewards and the level of subjectivity of the performance measure. In addition to the design factors, trust also plays an important role in the success of the incentive system to achieve its direction. When employees have trust in their organization to deliver the rewards in fair and equitable manner, the organizational incentive system will be effective in motivation knowledge sharing. The literature reviews also presented the concept of psychological contract as a framework for understanding the employee-employer relationship. Previous research on psychological contract shows that violation of the psychological contract can lead to employees loosing trust in their organization.

Conway and Briner (2005, p. 5) point out that the recent interest in the concept of psychological contract, among academics and practitioners, has not translated into its adoption by organizations in their working. The current study attempts to provide an understanding of how the concept of the psychological contract can be integrated with the current day dilemma facing

organizations i.e. the design of incentive systems that can encourage knowledge sharing among its employees.

Chapter 3.
The Current Study

3.1. Purpose of the study

Teece (1998) reported that many organizations are facing a challenge of motivating their employees to share knowledge, specifically their tacit knowledge. Though a number of organizations have offered monetary and non-monetary incentives to induce knowledge sharing, the success factor for such structural interventions has been low (O'dell & Grayson, 1998). The current study focused on this shortcoming of organizational interventions to motivate knowledge sharing. The research problem for the current study was stated as;

To determine the possible causes for the failure of organizational incentive systems to motivate knowledge sharing.

The research problem was approached from the employment relationship perspective; more specifically the theory of psychological contracts was used to develop an understanding of the research problem. Meta-analytic reviews conducted on psychological contract research reveal that the violation of the psychological contact – where the employees perceive that their expectations are not being met by the employers – has direct affect on a number of desirable (such as job satisfaction, organizational commitment, trust, organizational citizenship behaviour, job performance) and undesirable (such as intention to leave, neglect of in-role duties) work-related outcomes (Cantisano, Domínguez, & Depolo, 2008; Zhao *et al.*, 2007). In addition to empirically proving the association of psychological contract violation with its

outcomes, these studies have also concluded that (a) trust is not only affected by the violation of the psychological contract but it also moderates the affect of psychological contract violation on other outcomes (Robinson & Morrison, 1995), (b) the violation of a psychological contract has a stronger impact on attitudinal outcomes than on behavioural outcomes; this because of the visibility of behavioural outcomes which might result in punitive reaction from the employer (Pate, Martin, & Mcgoldrick, 2003). It can then be inferred from these studies that individuals, in responses to the violation of their psychological contracts, will maintain their in-role effectiveness to the required standard but will disinvest from extra-role efforts such as knowledge sharing.

The central premise of the current study was that individuals who have trust in their employers, have a high expectancy that the incentives promised will be delivered, and as such will be motivated to work towards such incentives and share their knowledge. On the other hand, individuals who have low levels of trust, have low expectations that their employers will deliver on the promised incentives in a fair manner, and will tend to disinvest their effort from extra-role behaviours such as knowledge sharing. The principle research questions for the study were framed as:

R1: Will the violation of the psychological contract result in the deterioration of the trust an employee has in his/her employer?

R2: Will an individual's motivation to engage in extra-role behaviour determine his/her willingness to share knowledge?

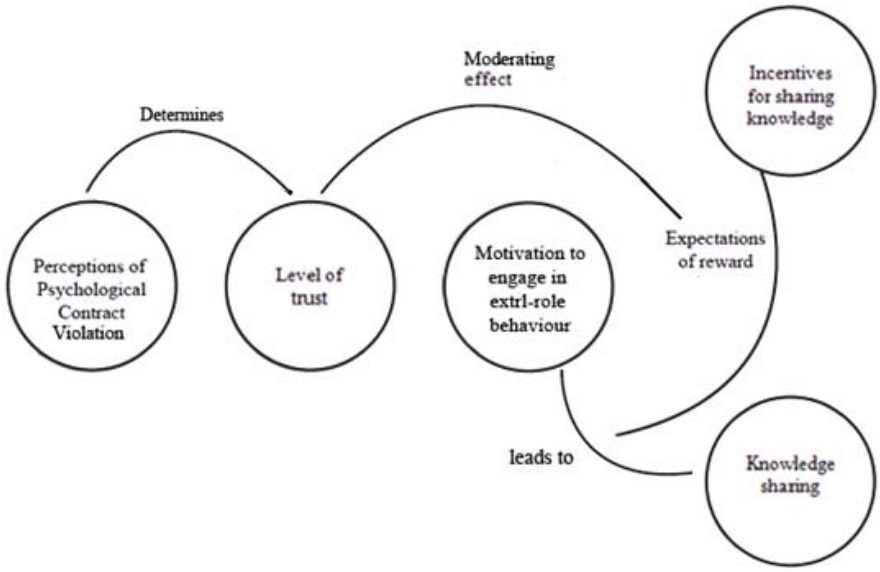
R3: Will the level of trust an individual has in his/her organization, or an agent of the organization, constrain the expectancy of a favourable outcome for knowledge sharing?

3.2. Theoretical Model

The theoretical model developed for current study builds upon the literature review. The model ties an individual's willingness to share knowledge with his/her motivation to engage in discretionary effort. Where such motivation is lacking the individual will not share his/her personal knowledge to benefit the organization. The model also captures the role of the organization incentive system in motivating the employees to undertake extra-role behaviours. In line with Dirks and Ferrin (2001) suggestion, the current study employees trust as a moderating determinate within the theoretical framework. The motivational construct employed in the current model were the incentives provided for knowledge sharing. The work behaviour considered by the current model is the extra-role behaviour and the work-related outcome considered was knowledge sharing.

The model also depicts the violation of psychotically contract affecting the trust component of the employee-employer relationship. This depiction is in line with previous research which confirms that employees, when they perceive that their psychological contract has been violated by their organization, tend to stop trusting the organization and have fewer expectations that the organization will honour its other commitments (Rousseau & Mclean Parker, 1993).

3-1 Theoretical Model



Chapter four will detail the research methodology adopted for the current study. The current studies research was carried out in the context of psychological contract violation; therefore, chapter four will start with a review of the current research mythologies used to assess psychological contracts and will proceed from there to build a case for selecting the methodology that was used for the current study i.e. the use of vignettes.

Chapter 4.
Methodology

4.1 Introduction

The current study focuses on social settings and how people give meaning to and explain the social phenomenon surrounding them. Organizational setting provide context for employee behaviour, and employee-employer relationship is seen as a social exchange where the two parties exchange resources (economic and non-economic) which are required by them. The current study focused on knowledge (specifically tacit knowledge) as a resource, which the employees own and the organization needs for achieving sustained competitive advantage. Social exchange theory posits that employees will share their knowledge only when they perceive that the organization will reciprocate by providing resources that are of value to them. Psychological contract theory is used as framework to understand how the changes in the employee-employer relationship affect employees' attitudes and behaviours. Research on psychological contract violation proves that employees tend to lose trust in their organizations, when they perceive an inequity between what they perceived the organization owed them and what they actually received from the organization.

The current study used a qualitative design where data was gathered using semi-structured interviews. During the interviews, participants were questioned about short scenarios (vignettes) that depicted violations of the psychological contract. Data from the interviews was transcribed and coded. Template analysis was used to arrange the data into a format the allowed for

a comparative analysis of the data across vignettes and for each individual participant. Analyzing interview data is prone to researcher bias (where the researcher misinterprets the participants' responses); to overcome this independent assessor were used to assign weights to the participants' responses.

4.2 Review of research methodologies

The context for the current study were situations where the employees' perceived violation of their psychological contracts; therefore, the research literature on psychological contract violation was analysed in order to list the different research methodologies that have been used in the literature and to chose an appropriate methodology for the current study. The following section briefly details the merits and demerits of the research mythologies that have been used to investigate psychological contract violation and makes a case for the use of vignettes as alternative methodology for studying psychological contract violation.

Conway and Briner (2005) provide an exhaustive detail of the various research methodologies that have been used to research the concept of the psychological contract. From their analysis they concluded that almost 90 per cent of the fifty-six empirical studies that they reviewed had adopted a questionnaire surveys as data gathering tools. This overreliance on one type of research methodology has been the source of many a criticism of the psychological contract theory. In addition to the questionnaire survey method, Conway and Briner (2005) list studies that have used scenarios, in-depth

interviews, diaries and case studies as approaches to research psychological contract.

Conway and Briner (2005) point to two important drawbacks that are associated with the use of questioner surveys i.e. biases that arise of retrospective reporting of breach events and the limitations of the instruments. Retrospective recall of events is prone to selection (choosing events out of many possible events), recall (recalling what actually happened at the time the event occurred) and aggregation (aggregating multiple events to arrive at a single impression) biases. Conway and Briner (2005) further note that these recall biases affect the accuracy with which the participant recall events; the greater time elapsed between the actual event and its reporting the participant recall will be will equally less accurate. Another disadvantage associated with questionnaire surveys, or any other method which asks the participants to reflect on situations that they have faced, is that they capture reality as viewed by the respondent. Reie and Wheeler (1991, cited by Conway & Briner, 2005, p. 99) argue that such reporting of events is "percolated, construed, and reframed through various perceptual, cognitive, and motivational processes".

With regards to the limitations of the instruments, Conway and Briner (2005) argue that questionnaire items used to measure breach and contents use wordings which: a) doesn't specify the time horizon within which the respondent is asked to recall the event from, the event might be a recent or past event; b) doesn't distinguish between explicit and implicit promises, theoretically this distinction is very important because reactions of explicit promise violation are much more intense than to implicit contract violation; c)

doesn't clearly indentify the 'employer' or the organization, where as the literature on psychological contract argues for making this distinction clear; d) presupposes that the employee has met his end of the exchange and thus is at right to feel betrayed by the organization, scenarios where the employee has failed to meet their end of the exchange are overlooked; e) doesn't allow for capture of situations where the organization has over-fulfilled its promises.

Two other research methods that Conway and Briner (2005) identified are the use of scenarios and in interviews (though they do list other methods only these two will be discussed here due to their relevance to the current study). The scenarios method involves the use of hypothetical textual passages (scenarios) which are convey a similar story but vary in a systematic way across different passages. The researcher manipulates the independent variables within scenarios (e.g. on scenario may suggest that a character is a new hire whereas in the character of the second scenario is presented as at someone who is in mid-career) and then analyses the changes in participants judgement across different scenarios. Conway and Briner (2005) see this manipulation of variables across different scenarios as an important advantage of using the scenario method. An additional advantage of using scenarios can be that they don't suffer from the retrospective recall biases (the selection, recall and aggregation biases) that are attributed to questionnaire surveys, because the participants are asked to reflect on a scenario involving hypothetical individuals rather than recall such occurrences from their own work life. The disadvantage of using scenarios, specifically in the way they have been currently used for assessing psychological contracts, is that they are not grounded in reality and present

scenarios that are hypothetical (participants can not relate to the events presented in the scenarios). Furthermore studies such as that by Rousseau & Anton (1988) require the participants to rate numerous scenarios, (Rousseau and Anton study involved 27 scenarios) which makes the task very tedious for the participants.

Researchers have also used interviews to assess the psychological contracts. Interviews have been used in combination with other methods and also as stand alone. Conway and Briner (2005) see the usage of in-depth interviews in line with the idiosyncratic conceptualization of the psychological contract. They report that the use of in-depth interviews is useful for developing an understanding of how employees understand and describe key aspects of the psychological contract. The only caution they air is that the studies that use them as standalone methods will fail to establish casual relationship or generalizable result.

4.3 Using vignette in for qualitative research

Considering the focus of the current study, the use of qualitative research method made sense because of its assumptions that a) human action is guided by the meaning that they assign to their contexts and b) humans are engaged in a process of constantly renewing the meanings they attribute to their contexts based on their interactions with their surroundings (Lewis-Beck, Bryman, & Liao, 2004). Unlike quantitative studies, qualitative studies are not restricted by used of standardized measures, which allows for depth, openness and details that cannot be gained through quantitative analysis (Patton, 2002). Because qualitative studies don't make use of standardised

measures, they are not feasible for use with large samples. Qualitative researcher are more concerned with increasing their depth of understanding of cases and situations being studied, generalizability is not as sought after as is by quantitative research (Saunders, Lewis, & Thornhill, 2007).

Vignettes are defined as “simulations of real events depicting hypothetical situations... employed as elicitation tools facilitating an exploration of subjects’ responses to hypothetical situations”(Wilks, 2004, p. 80). The use of vignettes is similar to the scenario methods described by Conway and Briner (2005) in that they require the participants to make judgments with regards to textual passages. The key difference in using vignettes and scenario methods is that vignettes are designed to present an accurate depiction of reality. Hughes and Huby (2004) argues against the use of hypothetical scenarios, as use of doing so might result in similarly hypothetical answers.

As with scenarios, vignettes have can been used as part of both qualitative and quantitative studies (Hughes, 2008). When used as part of quantitative studies, the researcher has to devise numerous scenarios in order generate data which is sufficient to carry out statistical analysis (Conway & Briner, 2005). This restriction does not hold when vignettes are used as part of qualitative analysis (for example see Schoenberg & Ravdal, 2000). Studies that use scenarios as part of a quantities design usually incorporate them into questionnaire instrument; on the other hand, vignettes when used as part of qualitative design can be used as interview guides where the interviewer questions the participants with regards to the scenarios depicted by the vignettes.

4.3.1 The advantages of using vignettes

Barter and Renold (2000) point out that the current literature on vignettes does provide proof that as a technique its use can help uncover the meanings, beliefs, judgements and actions of individuals. Schoenberg and Ravdal (2000) suggest vignettes provide flexibility to the researchers for designing instruments that provide a precise reflection of the phenomenon under consideration; they incur less boredom for the respondent and because the respondents are asked to comment on a hypothetical situation, they are less hesitant to respond as there is a low risk for reprisal. Additionally the use of vignettes is also said to counter the Hawthorne effect, that while under observation, people tend to deviate from their normal practices (Wilks, 2004; Wilson & While, 1998).

Important to the current research is the appropriateness of vignettes for researching sensitive issues. Most people find disclosing their feelings towards their employers as a sensitive issue. Perceptions of psychological contract violation – the subject matter of the current study – have strong emotional ramifications, the intensity of which might range from disappointment, frustration and distress at one end and anger, resentment, bitterness and indignation at the extreme end (Pate, Martin, & Mcgoldrick, 2003; Roehling, 1997). A number of authors (Cantisano, Domínguez, & Depolo, 2008; Pate, Martin, & Mcgoldrick, 2003) claim that violation of the psychological contract has a greater affect on attitudinal outcomes rather than on behavioural outcomes. A common reason for this is the visibility of behavioural outcomes which might result in punitive reaction from the employer (Pate, Martin, & Mcgoldrick, 2003). This finding is also supported

by research in the area of emotional sociology, where the term *emotional self-regulation* (Rosenberg, 1990) is used to describe the tendency of individuals to conceal their emotions, such as hostility towards employers, to realize personal objectives e.g. the continuity of employment. Considering the sensitivity surrounding the issue of the psychological contract violation, participants are generally reluctant to share such information with third parties. In order to overcome this challenge the participants for the current study were asked to respond to short textual vignettes.

4.3.2 Vignette design

The vignettes used for the current study were arranged in a sequence such that the violation of the psychological contract was most evident in the last vignette. During the interview the participants were asked to read the vignettes in a random order, this was done to ensure that the sequencing of the vignettes had no impact on the final findings. The vignettes varied in terms of the details of the organizational context that supposedly lead to the violation of the psychological contract. Hughes and Huby (2004) argue that leaving out some of the contextual information can be beneficial in uncovering and clarifying the concepts that are being researched. It was assumed that observers would project missing contextual information while answering the different questions in a manner which would either support the argument that the violation of the psychological contract occurred out of organizational limitations, which made the situation an unavoidable one, or that the situation reflected in the vignette was a result of organizational injustice, where the organization or the agent of the organization had a choice that could have prevented the outcome. Depending on how they

project contextual information into the vignettes, the observers will reflect on the behavioural reaction to the violation of the psychological contract accordingly.

Of specific interest to this research was to see how the respondents' view of the level of trust that exists in the employee and employer relationship will wary for vignettes where they see that the organizational limitation led to the violation of the psychological contract as compared to vignettes where it is perceived that the violation was a result of organizational injustice.

4.3.3 Internal validity of vignettes

An important design consideration for vignettes is that they should have internal validity; that is, accurate portrayal of the research topic under questions (Hughes & Huby, 2004). Hughes & Huby (2004) recommend basing the vignettes on existing literature and previous research, personal experience and case studies. Piloting case studies is also prescribed for ensuring internal validity of the vignettes.

Vignettes were used in the current study to depict the context of psychological contract breach (the vignettes are presented at index 1). In order to ground the vignettes in reality they were designed considering the main reasons for employee turnover in New Zealand organization. Empirical results from a meta-analytic study (Zhao et al., 2007) suggest that psychological contract breach is significantly related to turnover intentions. Boxall, Macky, and Rasmussen (2003) list; the desire to do interesting work, the expectation that management should make personnel decisions based

on merit, concern with work–life balance, and good relationships with co-workers and supervisors, as key motives which drive New Zealander to leave their organizations. In addition to these research shows that New Zealand worker have humanistic work beliefs, which indicates a preference for growth and learning opportunities (Toulson & Sayers, 1995).

The first vignette (appendix 1) describe psychological contract violation on the ground that the character (Mike) had was not offered the a career growth opportunity. The basis for the expectation was the character's previous promotions which the character attributed to his performance and his commitment for sharing knowledge. The organization's decision to hire an outsider based on that person's technical competence may provide observers with justifiable grounds to argue that the psychological contract was not violated.

The second vignette was designed to demonstrate a violation of the psychological contract on the grounds of the character's (Sandra) employer failing to follow its own family-friendly policy in spirit. Work life balance is a key organizational support that individuals expect from their employers and as such constitutes an important content of an individual's psychological contract (Hutton & Cummins, 1997; Rousseau, 1990). Observers might feel that the character's complaint, that she was no longer considered for assignments that involved long hours and high mobility, is unjustified considering that she has opted for flexible hours.

The third vignette was grounded in the research that argues that New Zealand workers have a humanistic work belief (Toulson & Sayers, 1995)

and as such have expectations that their employers will provide them with opportunities for learning and development. The character (John) points to the violation of his psychological contract on the grounds that his job did not meet his expectations of being challenging by providing opportunities to innovate. Csoka (1995) views interesting and challenging work as key content of an individual's psychological contract. The inclusion in the vignette of the character's acknowledgement that the job is financially rewarding was expected to influence the responses of the observers when they are asked about the future actions of the character when monetary rewards are provided to induce knowledge sharing.

The last vignette, which has been adapted from Huston, Norman, and Ambrose (2007), depicts a clear violation of the psychological contract as the character's manager (the new head of the department) reneged on promises that were made to him. The character also complains of unfair allocation of rewards and growth opportunities, both of which are seen by researchers as constituting key content of the psychological contract (Csoka, 1995; Herriot, Manning, & Kidd, 1997). The vignette also depicts that the character's relationship with his manager as a strenuous relationship, where the character has lost trust in his manager.

In order to validate that the vignettes actually presented situation of psychological contract breach, the participants were asked to judge whether the situations depicted in the vignettes would have any effect on the characters' work behaviour (Cantisano, Domínguez, & Depolo, 2008; Chen, Tsui, & Zhong, 2008; Zhao *et al.*, 2007), commitment to the organization (Cantisano, Domínguez, & Depolo, 2008; Restubog, Bordia, & Tang, 2006;

Rosen *et al.*, 2009; Suazo, Turnley, & Mai, 2005; Zhao *et al.*, 2007), trust (Cantisano, Domínguez, & Depolo, 2008; Robinson, 1996; Zhao *et al.*, 2007), relationship with their supervisors (Thompson & Heron, 2005) and desire to invest discretionary effort (Cantisano, Domínguez, & Depolo, 2008; Chen, Tsui, & Zhong, 2008; Restubog, Bordia, & Tang, 2006; Restubog *et al.*, 2008; Suazo, Turnley, & Mai, 2005; Zhao *et al.*, 2007). The internal validity of the vignettes would be further strengthened if the participants agreed that the vignettes depicted these outcomes of psychological contract violations.

The current study used the vignettes as part of semi-structured interviews. The next section details the benefits of using semi-structured interviews and how the interviewing process and the data analyses was carried out.

4.4 Semi-structured interviews.

The nature of interviews conducted for this research was semi-structured. Unlike in-depth interviews, the use of semi-structured interviews allows the researcher to retain some control of the interviews through the use of predefined interview guide which may contain prompts or detailed questions (Ayres, 2008). Semi-structured interviews are considered more flexible than the more structured or quantitative interviews as they allow the diversion from the predesigned interview guide set by the researcher based on informant responses and allows the interviewee to guide the interview into areas that the research see of interest to his or her research.

4.4.1 Advantages and disadvantages of the selected interview method.

In addition to combining the advantages of both structured and unstructured methods, the preference for semi-structured interviews is advocated on the grounds that they: a) can meet the requirements of data consistency through the use of the interview guide, b) are flexible and thus allow in-depth explorations of themes that might not have been predefined and c) take into account the social interactive aspect of the interview as they can be customized to different participants (Fossey *et al.*, 2002).

The key problems with using interviews as a data gathering technique, that may lead to putting at risk the validity and reliability to the data being gathered, are related to how the researcher phrase the questions and how the respondents interpret the question and how the researcher assigns meaning to these responses (Tharenou, Donohue, & Cooper, 2007). These issues were catered to in the current study by a) providing a comprehensive information sheet (appendix 5) – which contained details of what the focus and the purpose of the research was and how the interviews will be conducted – to the participants prior to the interviews, b) verbally briefing the participants about the purpose of the research and introducing the key concepts, c) the questions and prompts for the interviews were read from a printed interview guide rather than relying on memory, d) the use of vignettes helped in avoiding the self-report bias, e) independent evaluation of results was carried out using independent evaluators to further ensure that the result presented an accurate representation of the respondents' observations.

4.4.2 Interview guide

The success on the semi-structured interview is dependent on the use of the interview guide, which enables the researcher to keep the interview discussion focused on the research and allows capturing the important themes – by using prompts – and yet keeps the interview flexible – unlike a questionnaire it does not have to be rigidly followed – which allows for the exploration of themes that were not defined previously (King, 2004a). In order to ensure that the interview guide for the current study was able to extract meaningful data, it was pretested using a pilot study (Schreiber, 2008). In light of the pilot study modifications were carried out in the original interview guide, which included the rewording of the scripted question to ensure their proper interpretation and the addition of extra prompts.

The interview guide (appendix 7) used for the current study had two sections, the first section included the questions that were asked to confirm that the situations depicted in the vignettes were accurate simulations of psychological contract violation. The second section of the interview guide contained the probing questions used that related to the main research question.

4.4.3 The Interviewing process

The interviews were conducted on one-to-one basis, with most of the participants agreeing to be interviewed at their work places. The interviews lasted between 40-60 minutes. In order to develop a positive relationship with the participants an informal discussion was initiated at the start of each interview. This discussion gave an opportunity to revisit the information sheet

supplied to the participants prior to the interviews. Before the actual question and answer section began the participants were asked to sign the consent forms (appendix 2), agreeing to the audio tapping of the interviews using a digital recorder.

The respondents were provided the vignettes during the interview and not before it. After reading an individual vignette the respondents were questioned about that vignette before moving on to the next vignette. Where it was perceived that the participants' responses were sufficient to answer multiple questions, some of the scripted questions were omitted.

4.5 How was the data Analysed?

The data analysis task for the current study included analysing the data at two levels: a) at each individual vignette level (each respondent's answer to vignette) and b) at the individual level (each respondent's answer to all four vignettes). Considering the particular research design of the current study, it was decided to carry out a comparative analysis using the template analysis technique. Comparative analysis, as the name suggest involves comparing two different entities (i.e. individuals, interviews, statements, settings, themes, groups, and cases) against each other to determine the difference and similarities between the two entities (Mills, 2008).

Template analysis technique was used to organize and analyze the textual data generated from the interviews (King, 2004b). Template analysis as a technique entails thematic organization of data based on researcher generated codes. Once the codes are generated they are then hierarchically organized in manner that they present the relationship between the different

themes of data. The research has the flexibility to define the codes a priori and to add to the codes or modify them in a later stage, according to needs of the research (King, 2004b). The template for this study was developed using the interview guide. The primary questions raised by the literature review were used as the higher order codes and the probing questions asked during the interviews were coded as lower order codes in the template, as shown in the table 4-1.

Once the templates were filled with the relevant textual data from the interviews, two independent evaluators and the researcher analysed the data to determine whether the participants saw the scenario depicting situations where the violation of the psychological contract had adversely affect the characters' work behaviour, willingness to invest discretionary effort, willingness to share knowledge, trust of the manager in general and specifically for delivering rewards for knowledge sharing. The weights were assigned based on how the participants agreed with the above assertion (3=agreed, 2=neutral[1] 1=disagreed).

Question	**Code**
1. How reliably did the vignettes simulating actual occurrence of psychological contract violation	Vignette reliability
1.1. Do you find the story to be realistic?	Realistic Story
1.2. Considering that one has expectations attached to the relationship with their employers and from their careers, how strong of an expectation was this?	Strength of expectation
1.3. Did the employer meet the character's expectations?	Expectation fulfilment
1.4. Do you see this situation affecting the character's work behaviour?	Work behaviour
1.5. Do you see this situation affecting the	Relationship

[1] Where it was not clear from the participants response whether the psychological contract violation would or would not affect the work-related outcomes, the response was marked as neutral.

character's relationship with his/her employer?	
1.6. Do you see the situation affecting the character's commitment to his/her organization?	
2. Will the violation of the psychological contract result in the deterioration of the trust an employee has in his/her employer?	VPC and Trust
2.1. Considering the current situation, would the character trust his/her employer to deliver on future promises?	Trust
3. Will an individual's motivation to engage in extra-role behaviour determine his/her willingness to share knowledge?	Motivation and KS
3.1. Do you see this situation affecting the willingness of the character to exert extra effort beyond his/her duty?	Discretionary effort
3.2. Do you see this situation affecting the willingness of the character to share his/her personal insights and experiences?	Willingness to Share Knowledge
4. Will the level of trust an individual has in his/her organization, or an agent of the organization, constrain the expectancy of a favourable outcome for knowledge sharing?	Trust and expectancy
4.1. What if the character's organization were to initiate a program to encourage people to share their experiences and insights, would character trust his manager/organization/HOD to deliver the incentives promised for sharing knowledge?	Reward Expectancy
5. In which of the four vignettes to you think the psychological contract violation was most severe?	VPC Strength

Table 4-1: Final template used for data analysis.

4.6 The sample

A combination of self-selection and snowball sampling (Saunders, Lewis, & Thornhill, 2007) was used. Using personal contacts within both organizations individuals were invited to take part in the research (self-selection). Using Snowball sampling involved asking participants, who were identified using the self-selection sampling, to identify other participants within their

organization. In total nineteen participants agreed to take part in the research. The sample included nine male and seven female participants working at mid to senior management levels in a local government authority and three male scientists working at a Crown Research Institute.

Majority of the participants reported working 40 to 50 hours a week (figure 4-1A), had spent less than five years with their current employers (figure 4-1B) and considered their organizations as the immediate employer (figure 4-1C). Figure 4-1D lists the types of jobs the participants were working at; the "other" category included people working in the areas of human resource management, information system management and local government.

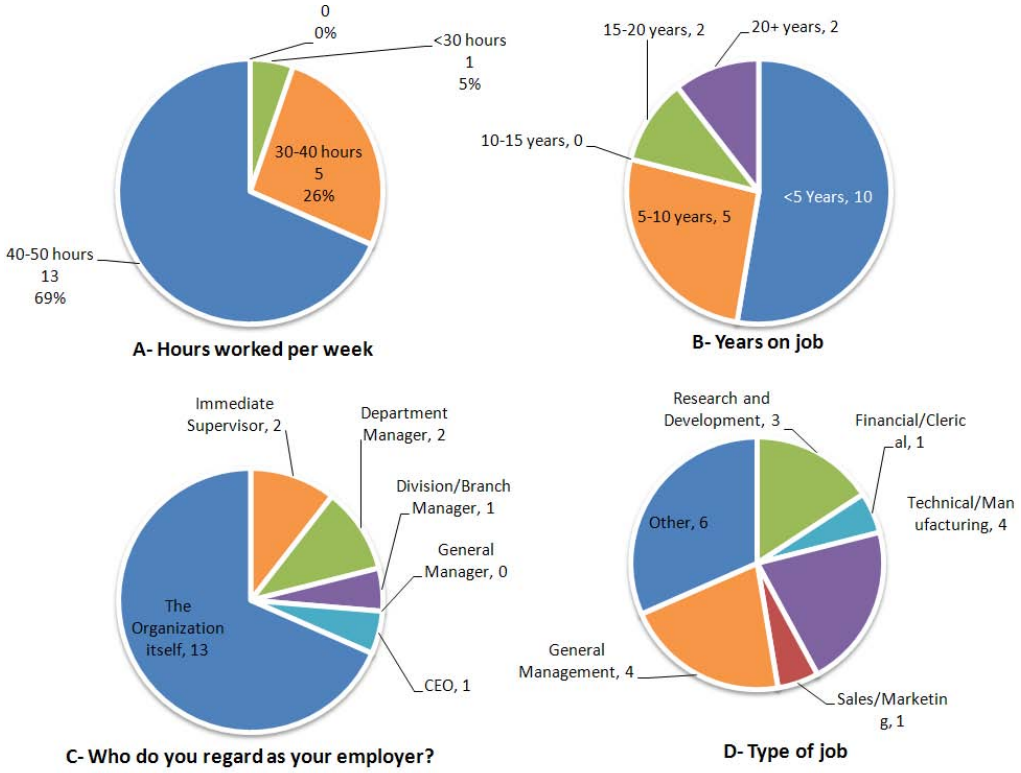


Figure 4-1: Participant profile

An Nvivo[2] generated case book, which is a grid view of all the attributes of each respondent, is presented at appendix 4. In order to protect the identities of the respondents, each respondent has been assigned a code which is a combination of their gender, the type of job and unique serial. The case book can be referred to while going through the participants' responses, in order to garner contextual information about each respondent.

The participants were also administered a ten item instrument (appendix 6) devised by Benson and Brown (2007), which measures the three key dimensions of knowledge work i.e. degree of job repetition (which describes knowledge work as having high task diversity) , task interdependence (which sees knowledge workers being dependent on task performed by others in the team or the organization) and autonomy (which see knowledge workers as coping with the uncertainty of decision making by relying on personal judgement).

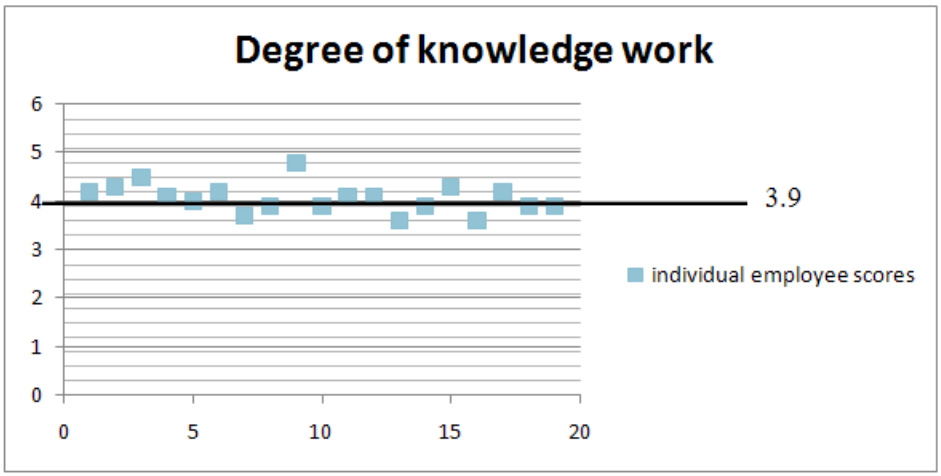


Figure 4-2: Participants score for knowledge work dimensions.

[2] Nvivo is computer based qualitative data analysis tool and is a trademark of QSR International.

As the scatter chart (figure 4-2) shows, most of the participants for this research scored above the 3.9 standard set by Benson and Brown (2007) for qualifying the nature of work as knowledge work.

4.7 Ethical Considerations

The ethical requirements for the study were assessed as low risk by the Massey University Human Ethics Committee (appendix 2). The Study was defined as being of low risk to participants and its ethical requirements were met by:

- Providing all participants with a detailed information sheet, and a brief written summary of the research process and participant's rights.
- Giving all the participants time to consider and question the study's information sheet and summary prior to consenting to the interview.
- Having the participants sign the consent form for establishing formal consent prior to the start of the interview.
- Specifically informing the participants when the recorder was started and stopped.

4.7.1 Informed Consent

A key ethical consideration for any research, specifically which involves interviewing participants, is to secure consent from the participants to waive their rights to privacy. A consent form (appendix 3) was used for this purpose. This consent to participate has to be informed and voluntary (Israel & Hay, 2008). Consent in this study was established by:

- Providing all participants with a detailed information sheet, and a brief written summary of the research process and participant rights.
- Giving all the participants time to consider and question the study's information sheet and summary prior to consenting to the interview.
- Having the participants sign the consent form for establishing formal consent prior to the start of the interview.

4.7.2 Anonymity

In order to ensure anonymity names and addresses have been omitted from the final report, and no information has been stored or categorised using names and addresses. This to ensure that what the participants have said during the discussion will not be traced back to the respondent by third parties.

The purpose of the study was to determine the effect the violation of the psychological contract has on trust that exists in the employee-employer relationship and how a fall in trust would affect the willingness of employee to invest discretionary effort, specifically the willingness to share knowledge. The theoretical model presented at the start of the study led to the design of the research process, which based upon a qualitative methodology. Semi-structured interview were used as a data collection tool, and Nvivo qualitative data analysis software – was used to transcribe, code and organize the data gathered from the interviews. A comparative analysis was carried out using the template analysis technique. Budget and time consideration were factored into the selection and design of the methodology

Chapter 5.
Results

5.1. Introduction

The purpose for this chapter is to present the results of the current study with regards to the reliability of the vignettes and to support the two primary propositions of the study. The results are presented in a format that will make possible a comparative study of the responses of the participants across all four vignettes. As a first step, the chapter presents the findings for the probing questions that were asked to determine the internal validity of the vignettes and will then present the result for the main research questions.

5.2. Results: vignette validity

Hughes & Huby (2004) caution against use of vignettes that are based on situations that are hypothetical and are not grounded in reality, as use of such vignettes might result in similarly hypothetical answers. All the necessary precautions were undertaken while designing vignettes for current study to make them as realistic as possible; they were based on real life case studies, personal experiences and were also pilot tested to ensure that they appear realistic. In addition to this participants were asked during the interviews whether they saw the vignettes as accurately simulating actual occurrence of psychological contract violation. To determine this validity of the vignettes, the following probing questions were asked:

- Do you find the story to be realistic?

- Considering that one has expectations attached to the relationship with their employers and from their careers, how strong of an expectation was this?
- Did the employer meet the character's expectations?
- In which of the four vignettes to you think the psychological contract violation was most severe?
- Do you see this situation affecting the character's work behaviour?
- Do you see this situation affecting the character's relationship with his/her employer?
- Do you see the situation affecting the character's commitment to his/her organization?

The first question explicitly asked the correspondents if they found the vignettes to be realistic and the fourth question was asked to determine which vignette presented the strongest violation of the psychological contract.. The second question was asked considering that the psychological contact can either be breached or violated depending on the strength of the unmet expectation. A contract breach is seen as a temporary setback where the employee thinks that the employer has failed to meet some aspect of the contract, but the overall contract is still in place (Morrison & Robinson, 1997). On the other hand contract is said to have been violated when employees perceive that employers have reneged on critical aspects of the contract; resulting in feelings of anger, resentment, bitterness and indignation (Pate, Martin, & Mcgoldrick, 2003; Roehling, 1997). Considering this distinction

between contract breach and violation, the answer to the second question would determine if the vignettes reflected situations of contract violation or contract breach depending on how the respondents judged the strength of the each character's expectation.

The third question asked the respondents about how they saw the employers' role in the situations depicted in the vignettes, whether the employers met or did not meet the expectations of the characters. It was expected that the respondents would project additional contextual information into the scenarios in order to respond to this question. Based on this the respondents would conclude that the violation of the psychological contract occurred either as a result of organizational injustice or due to organizational limitations. Previous research indicates that individuals who perceived that the psychological contract was violated as a consequence of organizational injustice were more likely to react adversely than those who perceive that the contract was violated as a consequence of organizational limitations (Lester *et al.*, 2003).

The reliability of the vignettes would be further validated if they presented that the violation of the psychological contract had resulted in its usual outcomes, which are deterioration in work behaviour, organizational commitment and the overall employee-employer relationship. The three remaining probing question were asked with this objective in mind.

Questions	Carlos's vignette			John's vignette			Sandra's vignette			Mike's vignette[3]		
	Yes	No	Neutral	Yes	No	Neutral	Yes	No	Neutral	Yes	No	Neutral
Did the participant see the vignette depicting a realistic situation?	19	0	0	18	1	0	19	0	0	16	1	1
Did the participants see the vignette characters' expectation as a strong expectation?	19	0	0	18	1	0	17	0	2	18	0	0
Did the participants see the vignette characters' employer as not meeting his/her expectations?	19	0	0	19	0	0	16	2	1	18	0	0
Did the participants see the vignettes as depicting situations where the violation of the psychological contract had adversely affected the vignette characters'												
a) Work behaviour	18	0	1	18	1	0	16	1	2	15	1	2
b) Relationship with employer	19	0	0	16	1	2	18	1	0	17	0	1
c) Commitment	17	0	2	16	2	1	18	0	1	14	1	3

Table 5-1: Internal validity of vignettes

[3] Only 18 participants responded to Mike's vignette.

Majority of the respondents saw all the vignettes as constituting stories that could occur in real life (table 5-1). This should add to the reliability of the vignettes for accurately delivering the required stimulus that would draw responses that are nearest to how the respondents would react to similar real life situations. In order to determine that the vignettes simulated situations of contract violation rather than situations of contract breach, the respondents were asked about the strength of each character's unmet expectations. Majority of the respondent interpreted the vignettes as representing situations where strong expectations were not met, thus confirming that the vignettes simulated situations of contract violation rather than contract breach.

When asked whether the characters' organizations had failed to meet their expectations, the majority of the respondents saw the vignettes presenting scenarios of psychological contract violations which could have been avoided and were in one way or the other a consequence of organizational injustice and not due to factors which the organizations could not control. There was only one participant who did not agree with this assertion with regard to Sandra's vignette.

The majority of the participants confirmed that the vignettes depicted scenarios where the psychological contract had been violated to the extent that it had adversely affected the characters' work behaviour. There were three (one each for the vignettes of John, Sandra and Mike) responses from participants, who did not see the characters' work behaviour being affected by the violation of the psychological contract, and a further five participants whose responses were recorded as neutral.

Previous research on psychological contract violation indicates that it has emotional ramifications, the intensity of which might range from disappointment, frustration and distress at one end and anger, resentment, bitterness and indignation at the extreme end (Pate, Martin, & Mcgoldrick, 2003; Roehling, 1997). In order to determine the intensity of the psychological contract violation, as simulated by the vignettes, the participants were asked about how they saw the employee-employer relationship being affected by the violation of the psychological contract.

The majority of the participants agreed that the vignette presented scenarios where the psychological contract violation had led to the deterioration of the employee-employer relationship. There were two participants (one each for John's and Mike's vignettes) who did not agree with this assertion and a further three participants whose responses were recorded as neutral responses.

Empirical research has proven that the violation of psychological contract adversely affects the focal person's organizational commitment (Cantisano, Domínguez, & Depolo, 2008; Zhao *et al.*, 2007). In order to add to the reliability of the vignettes the participants were asked whether the scenarios presented by the vignettes illustrated this consequence of the psychological contract violation. The participant responses to the above question were assigned weights based on their agreement with this assertion that the characters' commitment to their organization would be adversely affected by the violation of their respective psychological contracts.

The results indicate that the majority of the participants saw the vignette as portraying situations where the violation of the psychological contract had had an

adverse affect on the vignette characters' commitment to their organizations. Of the four vignettes, Sandra's vignette had the highest number of participants agreeing with this assertion, whereas there were three participants (one with respect to Mike's vignette and two with respect to John's vignette) who did not see characters' commitment to their organization fettered by the violation of his psychological contract.

5.2.1. Conclusion: The reliability of the vignettes

As was stated at the start of this section, it was important to determine whether the participants perceived the vignettes as accurately simulating situations of psychological contract violation. In the context of the current study, it was important that the vignettes provided the proper stimulus to draw out the participants own feeling of how they would react to such situations of psychological contract violation.

As the results of the probing questions asked in this regard suggest, the overwhelming majority of the participants saw the situations depicted in the vignettes as scenarios that: a) could actually take place, and were not ornate accounts of reality, b) where the employing organization had failed to meet strong expectations of their employees, c) where the violation of the psychological contract had been a consequence of factors that, in the view of the participants, were well in the control of the organizations and d) where the consequences of psychological contract violation were evident in terms of the deterioration of the characters' work behaviours, organizational commitment and employee-employer relationship. Based on these results it will not be farfetched

to conclude that the vignettes used in the current study reliably simulated actual occurrence of psychological contract violations.

5.3. Results: research question

The current study was initiated to determine the affect of psychological contract violation on the effectiveness of the organizational incentive system to motivate knowledge sharing. The principle research questions for the study were framed as:

R1: Will the violation of the psychological contract result in the deterioration of the trust an employee has in his/her employer?

R2: Will an individual's motivation to engage in extra-role behaviour determine his/her willingness to share knowledge?

R3: Will the level of trust an individual has in his/her organization, or an agent of the organization, constrain the expectancy of a favourable outcome for knowledge sharing?

Table 5.2 presents the results for the probing question that were asked during the interview. With regards to the first research question the participants were asked, considering the situations that were depicted in the vignettes, whether they saw the vignette characters trustful of their managers. Results indicate that the majority of participants agreed that all four vignettes presented scenarios where the violation of the psychological contract had adversely affected the trust component of the employee-employer relationship.

Questions	Carlos's vignette			John's vignette			Sandra's vignette			Mike's vignette[4]		
	Yes	No	Neutral	Yes	No	Neutral	Yes	No	Neutral	Yes	No	Neutral
Will the violation of the psychological contract result in the deterioration of the trust an employee has in his/her employer?												
Did the participants see the situation affecting his/her trust of his/her employer?	17	2	0	16	2	1	15	1	3	13	1	4
Will an individual's motivation to engage in extra-role behaviour determine his/her willingness to share knowledge?												
Did the participants see the situation affecting the character willingness to exert extra effort beyond his/her duty?	17	1	1	15	1	3	14	1	4	16	1	1
Did the participants see the situation affecting the character willingness to share his/her personal insights and experiences?	17	0	2	14	2	3	15	3	1	12	2	4
Will the level of trust an individual has in his/her organization, or an agent of the organization, constrain the expectancy of a favourable outcome for knowledge sharing?												
Did the participants see the situation affecting the character trustful of his manager/organization/HOD to deliver the incentives promised for sharing knowledge?	17	1	1	10	3	6	13	3	3	9	5	4

Table 5-2: Results for the research questions and probing questions

[4] Only 18 participants responded to Mike's vignette.

There were two participants each for the vignettes of Carlos and John and one participant each for Sandra's and Mike's vignettes who did not see the characters trust in his managers deteriorating as a result of the violation of their psychological contracts. These results support prior research (Cantisano, Domínguez, & Depolo, 2008; Zhao *et al.*, 2007) which conclude that psychological contract violation adversely affects the trust component of the employee employer relationship. These findings further validate the reliability of the vignettes by confirming that they illustrated situations where the vignette characters' trust had been adversely affected by the violation of their psychological contract.

The current study conceptualised knowledge sharing as extra-role behaviour, which Van Dyne et al. (1995) views as discretionary effort that is direct toward the organization. The literature review then emphasized the importance of motivation to invest in discretionary effort such as knowledge sharing (Burgess, 2005; Hsiu-Fen, 2007; Osterloh & Frost, 2000; Tedjamulia *et al.*, 2005).

The theoretical model for the current study predicted that an individual's level of motivation to invest discretionary effort will determine his/her willingness to share knowledge. Furthermore the theoretical model predicted that the individual's motivation to invest discretionary effort will depend on his/her expectation of positive outcome for undertaking such an effort.

The second research – a two part question – sought to determine the effect of the situation depicted in the vignette on the motivation of the character to share his/her knowledge. With regards to the characters level of motivation

the respondents were asked if the vignettes presented situations where the psychological contract of the characters had been violated to the extent that it would affect the characters work behaviour in general and specifically his/her desire to go beyond the call-of-duty. The respondents were then asked about the willingness of the character to share his/her knowledge. The following sections describe the results for these probing questions.

The results indicate that most participants saw the vignettes as depicting situations where the violation of the psychological contract had adversely affected the characters' willingness to invest discretionary effort. There were four (one each for all the vignettes) participants, who did not see the characters' work behaviour being affected by the violation of the psychological contract, and a further nine (one each for Carlos's and Mike's vignettes, three for John's vignette and four for Sandra's vignette) participants who gave neutral responses.

The majority of the participants agreed that the vignettes described situations where the lack of motivation on behalf of the characters to engage in extra-role behaviour was transpiring as reluctance on part of the characters to share their knowledge. Previous research views knowledge hoarding as an undesirable outcome of psychological contract violation (Flood *et al.*, 2001; Unselt, Gleich, & Russo, 2005). Consistent with the trend of results, Carlos's vignette had the highest number of participants agreeing that he will be wary of sharing his personal experience and insights for the benefit of the organizations.

According to the expectancy theory (Vroom, 2005) an individual will share knowledge only when he expects that the outcome associated with sharing knowledge has greater valance than that of the outcomes associated with hoarding knowledge. Similarly Bartol and Srivastava (2002) contend that for a social exchange (such as knowledge sharing) to occur, it is important that people trust that their organizations will reciprocate with favourable outcomes. Rost et al. (2007) claim the same when they report that individuals are motivated to carry out activates only when they value the outcomes that are associated with engaging in the said activity.

In order to arrive at a similar conclusion, the third research question presented the participants with a scenario which involved the characters' organizations introducing a programme to encourage knowledge sharing. The participants were told that as part of this programme the organization would offer rewards to motivate knowledge sharing. The nature of the rewards was not discussed and it was left to the participants to assume that intrinsic or extrinsic rewards were offered. Whether these rewards would achieve the purpose of motivating the characters depicted in the vignettes to share their knowledge would depend on whether they trusted their managers to deliver on the rewards offered.

Mike's vignette was the only vignette for which the majority of the participants did not reach the conclusion that the violation of the psychological contract had adversely affected the character's expectancy of favourable outcome for knowledge sharing. Once again it was Carlos's vignette, out of the four vignettes that the clear majority of participants saw as depicting a situation where the violation of the psychological contract had adversely affected the

character's (Carlos) expectancy of favourable outcomes for knowledge sharing.

Mike's vignette had the highest number of participants disagreeing with the assertion that Mike won't trust his manager to deliver on rewards promised for knowledge sharing. In terms of contextual information, Mike's vignette did not specify the role of the immediate manager in the eventual violation of his psychological contract; it only mentioned that the external hiring was made based on the recommendation of the chief scientist. Depending on how the participants filled in the missing contextual information, they either agreed that Mike will not trust his manager to deliver on the rewards promised for knowledge sharing – in this case the participant saw the manager as having a substantial role in the violation of the psychological contract – or – in cases where the participant saw Mike's manager as having no role in the violation of his psychological contact – they concluded that Mike will trust his managers. This finding alludes to an important discussion in the psychological contract literature which surrounds the issue of psychological contract formation and violation. Referring to this issue Rousseau & Tijoriwala (1998) maintain that individuals react to psychological contract violation based on how they assign responsibilities to the firm, its agents, and other contract makers.

5.3.1. Conclusion: Research questions

The results concluded that the vignettes were portraying situation where the violation of the psychological contract had adversely affected the characters' work behaviour in general and specifically their motivation to engage in extra-

role behaviour. The results also indicate that the majority of the participants did not see the characters willing to share their knowledge. Additionally the respondent did not see the vignette characters trusting their managers to deliver on the rewards promised for knowledge sharing. These conclusions support the second proposition in that an individual's trust of his managers to fairly reward discretionary effort will determine the said individual's motivation to share his/her knowledge.

These results are in line with earlier research on the role of motivation as an antecedent to knowledge sharing (Patch *et al.*, 2000; Stenmark, 2000) and research that indicates that trust plays an important moderating role in determining the affects of organizational constructs, such as the violation of the psychological contract, on their outcomes (Cantisano, Domínguez, & Depolo, 2008; Dirks & Ferrin, 2001; Zhao *et al.*, 2007).

Chapter 6.
Discussion

The purpose for this chapter will be to discuss the findings presented in the previous chapter. The chapter will begin by discussing how the participants judged each individual vignette and how conclusion were arrived it with regards to the affect the violation of the psychological contract would have on the work related outcomes. This will be followed by a discussion of how the findings contribute to the existing theory and will conclude by describing the findings of the current study, which were not related to the research objectives of the current study but never the less are important enough to be noted.

6.1 Mike's vignette

Mike's vignette presented a scenario where the organization had denied a career growth opportunity to him by appointing someone from outside. The participants saw mike expectation for being promoted to next level as a strong expectation. Mike's organization had previously promoted him swiftly considering his hard work and desire to share his knowledge, this past behaviour of the organization to reward his hard work further strengthen his expectations. Even though the vignette provided a reason for why the appointment was made from outside the organization, instead of going for internal hiring and promoting Mike; most participants judged that Mike's organization failed to meet his expectations and thus had violated his psychological contract.

Typical responses that confirmed that Mike's unmet expectation was a strong expectation were:

F_SM_1

> *"I think for him it was fairly strong, he could not see any reason why he shouldn't be promoted or rewarded".*

M_Ot_1

> *"I think it is a fairly high expectations, it is not like a small pay rise it is a big deal".*

It was interesting to note that most participants saw the process that lead to the eventual denial of the career growth opportunity as the cause for the violation of the psychological contract rather than the outcome of it. A number of participants referred to the lack of communication between Mike and his managers as being the cause for violation of Mike's psychological contract. The same participants opined that had the managers explained to Mike beforehand why he was not being considered for the new post, the situation could have been averted.

M_GM_2

> *"I don't think they have met his expectation at all. Because the employer should have talked to him, it would have changed his attitude if they had their communication open".*

M_TM_2

> *"I think they have missed an opportunity to at least include him in the process and could have easily appeased his resentment or his expectation may have been sort of managed a little more".*

The participants saw Mike's work behaviour and commitment to his organization being negatively impacted by the violation of his psychological contract. With regards to the work behaviour, the participants concluded that because the organization failed to reward his previous efforts, he will not invest into such discretionary effort in the future. Similarly, the participants did not see Mike remaining committed to his organization.

M_TM_2

> *"I think he is going to be a little more wary about going out of his way to do more, in the hope that he will be rewarded, because he will doubt that it will be noticed or anything like that".*

F_SM_1

> *"He may not be as likely to put in an extra effort or take an initiative when he feels he is betrayed and if there is no further for him to climb in the organization he may just stop trying".*

Mike's vignette did not provide a detail description of his manager's role in the situation. When asked about how the situation depicted in the vignette would affect Mike's relationship with his managers, participants who saw his manager playing a role in him not getting the promotion concluded that

Mike's relationship will deteriorate and will lose trust in his manager. On the other hand, participants who did not see the manager as having a significant role in the situation saw the situation temporarily affecting Mike relationship but not breaking down.

Following an example of those participants' responses who did not see Mike's manager as having a direct role in the violation of his psychological contract.

F_Ot_2

> *"Temporarily it will have an effect, but hopefully in time those relationships should be able to be salvaged…again I think there will be a temporary lapse [of organizational commitment] but hopefully that will fade away in time…trust will also come back, particularly if the organization takes corrective actions".*

Participants saw Mike's vignette representing a situation where the violation of the psychological contract had adversely affected the character's (Mike) willingness to invest discretionary effort. The participants cited the lack of trust on behalf of Mike to be rewarded for efforts that go beyond his role as the major reason for his reluctance to invest discretionary effort in the future. Similarly the participants did not see Mike willing to share his knowledge due to the lack of incentives of being rewarded for doing so.

M_Ot_1

> *"It seems that he thought of doing this extra amount and going the extra mile, but he will now feel that doing so is not rewarded so he might choose to pull back from that".*

In order to determine the extent to which Mike's trust in his manager had been affected by the violation of the psychological contract, the participants were asked whether Mike will take part in an program, introduced by his organization, for sharing knowledge which included rewards for knowledge sharing. The majority of participants saw Mike's as not trusting his managers for delivering the rewards offered through the program.

Following is a sampling of responses of participants who did not see Mike as trusting his managers to deliver on the rewards promised for Knowledge sharing.

F_Ot_3

> *"I would say that he would have to get it in writing; otherwise no he is not going to trust them".*

M_R&D_3

> *"He may take interest, but looking at his experience with the organization his trust is in doubt so he might not be interested in that incentives being offered by the organization".*

Following is a sampling of responses of participants who did see Mike as trusting his managers to deliver on the rewards promised for Knowledge sharing.

F_TM_1

> *"Possibly because he has not been let down by his managers, a manager did not say he will get the job and they gave it to someone else, so he might not feel the same level of mistrust as some of these other ones".*

F_Ot_3

> *"I think he will be mostly trust them, I think he will be optimistically cautious".*

6.2 Sandra's vignette

Boxall, Macky, and Rasmussen (2003) report that New Zealand workers are increasingly concerned about work life balance and have expectations that their employer will offer them this support. Sandra's vignette presented a scenario where the organization had a family-friendly policy in place. The vignette revealed that the organization had offered Sandra a flexible hour arrangement but at the same time Sandra's career prospects were dimmed. Sandra was expecting that her career aspirations within her organization would not be affected by her starting a family. The vignette depicted Sandra as someone who enjoyed her work and had good career prospects and was in line for promotions. The vignette points out that the organization offered Sandra a flexible time arrangement as part of their family friendly policy.

Contrary to Sandra's expectations, the vignette suggests that Sandra's career prospects got dimmed as result of her starting her family.

Typical responses that affirmed that Sandra's unmet expectation was a strong expectation were:

M_R&D_3

> *"It is quite common that women working in organization also have a family system to run but their job is also important for them, and these types of circumstances can exist in a family situation".*

F_TM_1

> *"I think yeah, she obviously thought her previous experience would still mean that she could get up the corporate ladder and so forth and get the plum jobs and without impacting the children. But there are some things you just can't manage in a flexi time situation and I know it is hard. In the context of this, I can't tell if the employer was being unreasonable, but she thinks that they were. Her expectations were I think quite high that she would be able to carry on as normal but at her own time or connivance".*

An example of the responses of participants who did not see Sandra's unmet expectation as a strong expectation is:

F_SM_1

> *"I don't think it is a very strong expectation to have, I think it would be hard for someone to have both".*

The majority of the participants saw the organization at fault for not implementing their family-friendly policy to the letter and spirit. Some samples of such responses are:

M_R&D_2

> *"I think they have this family-friendly policy which they in practice don't support".*

F_Ot_3

> *"Although they have said they support families, they actually don't and that is their fault. They say it to start with but when you comeback it is a different story".*

Following is the responses of participants who saw Sandra's organization as meeting her expectations:

M_TM_1

> *"I think the employer has been fair, it is important to provide this sort of support for family and people who want to have family. But I don't see that should mean that your availability should compromise the company".*

With regards to Sandra's vignette, the participants thought that she was affectively set-aside by her organization when it did not live up to it promise of being a family-friendly organization. The participants faulted Sandra's organization for not rewarding her hard work and implied that due to the lack

of incentives Sandra will be wary of putting in any extra effort in the future. Some examples of participants' responses are:

M_R&D_2

> *"Of course her performance will be affected, she will take things very casually, not as serious as before, and her response to undertake extra work will also be affected".*

M_TM_1

> *"Yes [her work behaviour will be affected] , because she is possibly no longer in running for a promotion anymore and nothing that she is doing will get her the promotion, so there is no incentive for her to additional work or put in extra effort".*

There were participants from whose responses it was not clear whether they saw that Sandra's work behaviour would be adversely affected or otherwise. Such responses were recorded as neutral and following is one example of such responses.

M_Ot_1

> *"It [Sandra's work behaviour] could be [affected] either negatively or positively; depending on where Sandra comes from. She might just pull away and do her job and not go the extra mile, or it is possible as well that she decides that 'I can work harder and try to be once more recognized'. I can see it going either way".*

Although Sandra's vignette did not specify her manager's role in the violation of her psychological contract, the majority of the participants saw her relationship with her managers deteriorating. On the other hand there was one participant who did not see her relationship with managers worsening because he felt that the organization had lived up to promise by offering Sandra the opportunity to work on a flexible-hour arrangement; following is the said participant's response.

M_OT_2

> *"I think she will [trust her manager], if it were me, I don't think I will have any problem with the manager because it was my choice [to opt for the family-friendly policy]. When you pick something, you have to then deal with its outcome".*

Following are examples of responses of participants who did see Sandra's relationship with her managers deteriorating.

M_TM_3

> *"I guess the employer is not meeting her expectations and is not being upfront about it. The spirit of the policy from her side is probably clear and probably also from the companies side but there seems to be enough loop holes in the policy for any manager to turn things anyway they wanted".*

F_Ot_3

> *"[Her relationship with her managers will be affected] Pretty negatively, because they have just swept her under the carpet, they have just written her off because she had a child. I wouldn't trust them".*

The participants saw the situation depicted by Sandra's vignette as adversely affecting her commitment towards her organization and her trust of her managers.

M_FC_1

> *"She obviously has high expectations for her career and so on, which they are not going to fulfil the way it is going, so she will be viewing it [her commitment towards her organization] as negative".*

M_GM_1

> *"She wouldn't make this mistake (of trusting her managers) twice".*

Participants who did see the Sandra as trusting her managers responded as follows;

M_TM_1

> *"I don't know, she might have been just disappointed, I don't think that trust would have too much damaged".*

The participants read Sandra's vignette as depicting a situation where the violation of the psychological contracts would affect the willingness of the characters (Sandra) to invest discretionary effort.

F_Ot_2

> *"She will not [be willing to invest discretionary effort], she felt that she had done that in the past and she feels that she was not rewarded for that".*

The responses of participants who saw Sandra's vignette as depicting a situation where the violation of the psychological contracts would not affect her willingness to exert extra effort beyond her defined roles are as follows:

F_SM_1

> *"I think she probably would, because she probably would like to show that she is worth getting the bigger assignments and other things even if she is still on that family flexible arrangement, trying to prove herself, I think".*

With regards to Sandra's willingness to share her knowledge, the participants did not see her willing to do so; this because of how she felt the organization rewarded her previous efforts.

F_Ot_3

> *"No, I don't think so [that she will be willing to share her knowledge] unless they gave her other big assignments and prove that they were not discriminating against her".*

M_GM_1

> *"I would suggest that that [willingness to share knowledge] will also diminish, she would not be comfortable in that environment, and she will go into the self-protection mode".*

Sandra's vignette presented no clear interpretation of her manager's role in the violation of her psychological contract. Additionally, the vignette did not go into the details of the family-friendly policy and only made a mention of the flexible hour arrangement that was provided to Sandra. It was left to the participants to decide whether the term "family-friendly policy" entailed just providing flexible hour arrangements or more.

Following are some responses of participants who thought that Sandra trust of her managers, to deliver the rewards for knowledge sharing, had diminished.

F_OT_3

> *"I would say no [she will not trust them], because they are already not giving her things that she deserves anyway and so they have obviously got some other thoughts going on why she shouldn't get these assignments and stuffs".*

M_GM_2

> *"I think, even if there are incentives attached to it, she has been burned, she may or may not, but even if she is doing it she would be just doing it for the money. This is a good way of losing employees".*

Participants, who did see Sandra trusting her managers to deliver on the rewards for knowledge sharing, commented as follows;

M_OT_2

> *"I think she will [trust her manager], if it were me, I don't think I will have any problem with the manager because it was my choice [to opt for the family-friendly policy]. When you pick something, you have to then deal with its outcome".*

6.3 John's vignette

Boxall, Macky, and Rasmussen (2003) see the desire to do interesting work as the most important attracter and retainer of New Zealand workers. Considering this, John's vignette depicted a situation where the organization had placed a job advert which did not accurately portray the actual job. John applied for the job thinking that he will have an opportunity to undertake creative work; he was expecting to learn from the job in order to develop himself. Upon joining, John finds the work environment to be counterproductive and complains about his managers for not providing him the opportunities to learn and grow. The vignette presented John's supervisors as individuals who were not receptive to new ideas and who did not sanction time for personal learning or knowledge sharing. John's vignette depicted the overall organizational environment as one that did not facilitate the free flow of information between departments.

F_SM_1

> *"He probably had a fairly strong expectation based on the impression he got from the advertising of the job"*

The single responses that did not see John's expectation as a strong expectation was:

M_TM_3

> *"No I don't think it was, he had a purpose for joining the organization, so he had a vision and the purpose of the vision was not met. So I don't think it was a strong expectation".*

Participants judged the vignette as depicting a situation where the psychological contract was violated as a result of organizational inability rather than due to circumstances which were out of the organizations control. Some examples of participants' responses to this end are:

M_TM_1

> *"They probably stated it wrong in the job application to start off with and I am not sure what was mentioned in the interview, he might have realized then that the organization wasn't as friendly as he thought it would be".*

F_Ot_4

> *"I think the organization was trying to describe what it wanted to be but had no idea about the system and mechanism that was needed to get there".*

John's vignette was viewed by the majority of the participants as pointing to the adverse affect that the violation of psychological contract has on work behaviour. John's vignette portrayed him as someone who has lost interest in his job, and it was this aspect that most participants referred to as a reason for concluding that John's work behaviour would be adversely affected by the violation of his psychological contract. Following are some examples of such responses.

F_TM_1

> *"[John's work behaviour] would be dropping off, in terms of his performance".*

F_Ot_2

> *"He will only work-to-rule, he would just come in do his job and go home, unless something changed with the management team, he would not go out there and do something extra".*

There was one participant who did not agree with the assertion that John's vignette presented a situation where the psychological contract had been violated to the extent that it had affected his work behaviour, which is evident from his response.

M_R&D_1

> *"Definitely, it seems from this text that he is young and enthusiastic research engineer, so he will definitely go a step further for achieving his goals".*

The majority of the participants saw John's vignette as illustrating a scenario where the violation of the psychological contract have adversely affected the employee-employer relationship. The vignette portrayed John as someone who was keen to learn, whereas his managers where depicted as individuals who were not receptive to new ideas and who did see value in sanctioning time for personal learning. With regards to John's relationship with his managers, the participants based their responses on incongruity of the managers' attitude to John expectations of his job. Following are some examples such responses;

F_Ot_1

> *"Well he does not like them, they are not receptive to new ideas, they don't like personal learning or Knowledge sharing, and those are all things that are pretty important to him, so not good".*

F_Ot_2

> *"I would say he will not have a good relationship with any of them because he is disappointed and he is not happy in his job and when you are not happy you tend to work within your limits. Such individuals don't tend to discuss ideas with their colleagues they don't tend to open up to their colleagues about other things that are going on in their personal*

lives, they tend to just sit down do their job, very little communication with other staff unless they have to communicate".

There was one participant who did not see John relationship with his managers deteriorating because he faulted the organization for violating John's psychological contract and not his managers.

M_Ot_1

"It depends on the level he was employed at, it is very possible that his team leaders are in similar position that he is in, it might not affect the relationship at all".

Similarly the participants did not see John as trusting his managers, following is an example of responses that led to this conclusion.

M_R&D_3

"I don't think so (that he will be willing to trust his managers), the reason being that they have not honoured their previous commitments (John growth opportunities)".

M_GM_2

"I think trust has not been shaken as much as it has been with some of the other vignettes, because there has not been a dramatic change. I think his trust is shaken only by the fact that his expectation in terms of what the job would be and the reality of the job were two different things, therefore not so much a trust issue".

As is clear from the following responses, the participant did not see John willing to undertake discretionary efforts or share his knowledge.

F_GM_1

> *"Instead of proactively participating he will just do the specific things that are asked of him".*

M_TM_2

> *"That [willingness to share knowledge] will be non-existent as well, I suspect."*

The aspects of John's vignette that the participants took into consideration, while deciding whether John would or would not trust his manager to deliver the rewards for knowledge sharing, were: a) John developed strong expectations about the job he was applying for based on the job description provided in the advertisement; b) though the vignette talked about the managers' attitude towards knowledge sharing, it did not go into the dynamics of John's relationship with his managers; c) the vignette highlighted that the Job was financially attractive and John was still paying off his student loans.

Following is a selection of responses of participants who concluded that John will not trust his managers to deliver on the rewards promised for Knowledge sharing.

F_SM_1

> *"He would hope they would, but based on their track record may be he would hold some doubt".*

M_FC_1

> *"Given their history that is probably doubtful".*

Typical responses which showed that the violation of the psychological contract will have no affect on John's trust in his managers to deliver on any incentives promised for knowledge sharing were.

M_GM_2

> *"I think trust has not been shaken as much as it has been with some of the other cases, because there has not been a dramatic change obviously. I think his trust is shaken only by the fact that his expectation in terms of what the job would be and the reality of the job were two different things, therefore not so much a trust issue".*

Some examples of participants' responses that were recorded as neutral are as follows;

F_OT_1

> *"[His trust for his managers is] not good but he says that the job pays well, so I think that if it is serious money he might be interested".*

F_OT_3

> *“I don't know, may be [he might trust them], it depends if he says that I have had incentives before and they have been honest in delivering them then yeah”.*

6.4 Carlos’s vignette

As was described in the vignette design section, Carlos’s vignette was designed to present a severe form of employee-employer relationship. Where the employer (the new Head of department) was neglecting established procedures, was unfair in allocation of resources and was denying growth opportunities to his staff. The vignettes presented a transition from a management style that promoted a work environment that suited Carlos, to a management style that, for Carlos, deteriorated the work environment. At the start of the vignette Carlos is seen as satisfied with his head of department who was meeting most of Carlos’s expectations. Carlos placed a high value on the work environment the previous head of the department haind established and was expecting that he situation will remain the same. Unfortunately Carlos’s new manager changed most what he liked about his work environment spherical Carlos’s expectations of have good relationship with his supervisor and fairness in allocation of resources were both violated.

Following are some examples of the responses of participants who saw Carlos’s unmet expectations as strong expectations.

M_TM_1

"I think it would be a strong expectation, because he was recruited by the same person [the previous head of department], he probably saw the enthusiasm and willingness to share and interact with people and that might have triggered him to accept the position."

Carlos's vignette illustrated a situation where the change in management resulted in the deterioration of the character's (Carlos) work environment. The strength of the wording used by the vignette to describe the precariousness of Carlos's psychological contract ensured that all the participants saw it as a consequence of organizational injustice. Examples of some of the participants' responses in this regard are as follows:

M_GM_3

"It [the organization] has significantly failed [in meeting Carlos's expectations]; he had a wonderful previous manager who was enthusiastic and supportive. This is not just a change; this is a change to someone who is manipulative, to someone who in themselves is not a trust worthy person. As opposed to someone who has a different approach this is someone who is actually is not of the highest ethical standards".

M_TM_3

"Well the level of expectation was set by the first manager, so his [Carlos's] expectation was that that level would be maintained, at least, and that wasn't maintained".

Carlos's vignette had participants agreeing that it simulated a scenario where the violation of the psychological contract had affected the character's work behaviour. The participants were prompted to this end by the vignette's use of strong words, such as "disillusioned" and "reneging on promises", to record Carlos's reaction to the change in management as a strong negative reaction, and reporting that Carlos was instigating his colleagues to look for other employment opportunities. A selection of such responses is as follows:

F_SM_1

> *"I would say he is probably quite negative now and he is warning other staff to keep looking for other job, he may still be performing but the amount of effort will not be as much".*

M_GM_1

> *"He moved from being very productive, encouraging and keen to doing as much as he had to, without doing anything extra. Probably he wasted time talking to other disgruntled colleagues. He seems focused on the bad aspect of the job and seeking relief by talking with others and looking outside the organization".*

The participants also saw the situation depicted in the vignette as one where the violation of psychological contract had adversely affected Carlos's relation with his manager.

M_GM_3:

"I suspect that they will both take up boxing in the gym at the university".

F_Ot_3:

"Well [the relationship will be affected] very negatively and it's quite hard as well, because if it is the manager then who are you suppose to go to, so if you don't get along with them then you are kind of stuffed really".

The majority of the participants saw Carlos being less committed to his organization as consequence of the violation of his psychological contract.

M_TM_1

"Yes [his commitment will be affected], I think he has been disappointed by the organization and he does advise new employees to keep their CV's up-to-date. I suppose a common thing to do, when someone is hurt by an organization, is to distribute this negative image of the organization, whether it is true or not".

The participants judged that the Carlos will be less trustful of his manager, considering that the manager had reneged on previous promises.

F_GM_1

"Obviously he does not respect the manager and thinks that he has already reneged on promises so he will continue to do so".

Most of the participants saw Carlos as unwilling to invest discretionary effort due to his lack of trust in his manager to reward such efforts. Examples of responses to this end are as follows:

M_Ot_1

> *"There is talk here that 'outstanding results do not ensure success in this department', I think that that is a clear indication that he is no longer willing to go the extra mile".*

The one participant who did see Carlos continuing to invest discretionary effort saw him doing so out of the urge to build his own image, rather than for the benefit of the organization.

F_Ot_4

> *"I don't think he will be doing it [investing discretionary effort] for the organization; he will be doing it for himself… I think there will be no change because he would take pride in producing high quality work but he will be looking elsewhere for recognition of the work he has done".*

A sample of responses of participants who concluded that Carlos will not be willing to share his knowledge is as follow:

F_Ot_2

> *"He certainly will not be willing to share organizational knowledge"*

M_GM_1

"He may, in the sense if he would think that there was someone in a similar position, who was alienated by the manager and he had a relationship with that individual, I think he would. If it came in general terms of sharing knowledge upwards maybe further across the organization, I have a feeling he will be a bit reluctant".

With regards to whether Carlos would take part in the program introduced to encourage knowledge sharing, the participants were adamant that Carlos would not take part in the said program even if rewards were offered, as he had not trust that his head of department will deliver those rewards in a fare manner.

Following is a sampling of responses of participants who did not see Carlos as trusting his managers to deliver on the rewards promised for Knowledge sharing.

M_TM_2

"No I don't think he would, there were comments here about reneging on promises and ignoring process, I think he feels that the new boss will very much do whatever he wanted".

M_TM_1

"Not unless his manager resigns or he goes to another department".

F_Ot_2

"He certainly will not be willing to share organizational knowledge. No [he will not trust his manager], because his manager had previously not

followed up with other rewards that the previous manager had given him, he will probably feel that the new manager cannot be trusted to deliver on promises".

6.5 Contributions to theory

The purpose of the current study was to look into the possible causes for the failure of organizational incentive systems to motivate knowledge sharing. The study adopted Polanyi's (1966, cited by Tsoukas, 2005) epistemological view of knowledge as being tacit in nature and which due to its ineffability cannot be easily converted to explicit knowledge (Zeleny, 2005). The implications of focusing on the tacit aspects of knowledge are that individuals are seen as owners of their knowledge and the process of sharing knowledge is viewed as a discretionary effort (Kelloway & Barling, 2000). An individual's tendency to invest discretionary effort is a form of helping behaviour which is directed towards individuals in the organization or to the organization as a whole (Rost, Weibel, & Osterloh, 2007).

Due to the discretionary nature of knowledge sharing, individuals have to be motivated to share their knowledge. In general, individuals are motivated to carry out a certain tasks when they see a relationship between their behaviour and desired outcomes (Rost, Weibel, & Osterloh, 2007; Stenmark, 2000). Individual motivation is shaped by previous experiences; positive experiences lead to reinforcing motivation, whereas negative experiences tend to impede an individual's motivational dispositions (Rost, Weibel, & Osterloh, 2007).

The participants of the current study also saw a relationship between an individual's past experiences, with regards to trusting the organization or an agent of the organization, the breach of trust affects future intention to carry on with similar activities. When presented with situations where the organizations had failed to deliver on promises to the focal subject (which in the case of the current study were the characters of the vignettes), the participant saw the focal subjects disinvesting effort which was discretionary.

At present, empirical evidence identifies individuals' motivation to invest discretionary effort as a key antecedent of knowledge sharing (Osterloh & Frey, 2000; Osterloh & Frost, 2000; Siemsen, Roth, & Balasubramanian, 2008). Furthermore researchers have highlighted the role of organizational incentive systems in encouraging extra-role discretionary efforts (Muller, Spiliopoulou, & Lenz, 2005; Siemsen, Balasubramanian, & Roth, 2007). A growing number of studies are contemplating the effectiveness of such organizational interventions in inducing individuals to share their knowledge (Bartol & Srivastava, 2002; Lee & Ahn, 2007; O'neill & Adya, 2007; Quigley *et al.*, 2007). The current study is an addition to this body of literature, in that it argues that the success of such incentive systems to stimulate knowledge sharing depends on the trust component of the employee-employer relationship.

The participants of the current study were asked, in relation to the vignettes presented to them, two separate questions with regards to the vignette characters' willingness to share their knowledge and vignette characters' trust of their managers to deliver on rewards promised for knowledge sharing. Interrelating the responses to these question was used to arrive at

the conclusion that the participants saw the vignette characters' as unwilling to share knowledge when they had low trust that their managers would deliver on the rewards promised for knowledge sharing.

Dirks's and Ferrin's (2001) study provides a valuable account of how trust affects the outcomes that are generally associated with it. They argue that studies that have used a direct affect model to test the role of trust in organizations have generally found week affect size for trust on such outcomes. On the other hand they see the use of models that operationalize trust as a moderating variable, that facilitates or hinders the affects of other determinants of work-related outcomes, as being better suited to explaining the role of trust within organizations.

The participants of the current study were presented with situations where an individual's psychological contract was violated. Although the circumstances under which the psychological contracts were violated differed across the four vignettes, the participants, consistently associated fall in trust with a fall in motivation to engage in extra-role behaviour.

Patch, Guest, Davey, and Kidd (2000) tie an individual's motivation to the quality of his/her psychological contract. Psychological contracts are means of understanding the dynamics of employee-employer relationships which are subjective due to their idiosyncratic nature (De Cuyper *et al.*, 2008; Robinson, Kraatz, & Rousseau, 1994; Rousseau, 1998; Rousseau & Tijoriwala, 1998). They are gaining attention as prisms of choice, for both academicians and practitioners alike, for analysing the interactions between organizational context and the perceptions individual employees hold about

what the organization explicitly and implicitly promised them in return for participation in the organization's effectiveness (Flood *et al.*, 2008; Richard *et al.*, 2008; Rosen *et al.*, 2009; Winter & Jackson, 2006).

The findings of the current study attest what is already reported in the literature with regards to the consequence of the violation of the psychological contract. The participants of the current study, as third party observers, associated occurrences of psychological contract violation with deterioration of the focal subject's work behaviour (Cantisano, Domínguez, & Depolo, 2008; Chen, Tsui, & Zhong, 2008; Zhao *et al.*, 2007), commitment to the organization (Cantisano, Domínguez, & Depolo, 2008; Restubog, Bordia, & Tang, 2006; Rosen *et al.*, 2009; Suazo, Turnley, & Mai, 2005; Zhao *et al.*, 2007), trust (Cantisano, Domínguez, & Depolo, 2008; Robinson, 1996; Zhao *et al.*, 2007), employee-supervisor relationship (Thompson & Heron, 2005) and desire to invest discretionary effort (Cantisano, Domínguez, & Depolo, 2008; Chen, Tsui, & Zhong, 2008; Restubog, Bordia, & Tang, 2006; Restubog *et al.*, 2008; Suazo, Turnley, & Mai, 2005; Zhao *et al.*, 2007).

6.6 Additional Findings and future research

The participants' responses for the current study, in addition to the findings that related research objectives of the current study, offered findings that have been reported by other similar studies. A discussion of these findings is presented below with an objective that these findings can be looked into as avenues for further research

6.1.1 The effect of psychological contract violation on in-role and extra-role behaviours

When asked whether the violation of the psychological contract would affect the vignette characters work behaviour, most participants saw the vignette characters continuing with their in-role duties but abstaining from extra-role functions. Typical responses that alluded to this fact are as follows;

F_Ot_1 (Vignette: John)

> *"Well he has lost all interest in his job, so I would say he is putting zero discretionary effort in, just doing what he has to do and get by".*

M_R&D_1

> *There is a thing called "work-to-rule" [perform only in-role functions] and Carlos might adopt that.*

M_R&D_1

> *"Immediately if he starts to slow down the process [his in-role performance], it will not have good affect, it will have a negative influence on the employer about [the quality of] his work but overtime he will take up the routine [in-role] matters and will not run after the new science or new research or to find out the new techniques involved in those investigations [extra-role].*

Winter and Jackson (2006) while explaining a similar outcome for their own study, argue that because in-role efforts present formal contractual bindings, whereas extra-role efforts are discretionary in nature, employees have to

maintain their in-role responsibilities if they are to avoid the termination of their formal contract.

6.1.2 The effect of psychological contract on individual directed citizenship behaviour and organization directed citizenship behaviour

Supporting the finding of Rost, et al (2007), the current study found the organizational context (psychological contract violation) have a different affect on individual directed citizenship behaviour and organization directed citizenship behaviour. Some participants saw the vignette characters continuing to share knowledge with their peers on one hand but shirking to do so in order to benefit the organization. Some responses that lead to this observation are as follows;

M_TM_2 (Vignette: Carlos)

> *"He still seems to be operating with the newly hired colleagues; he probably is still working well within his peers or bellow, but certainly not in a similar scenario like before, not working upwards."*

M_TM_3 (Vignette: John)

> *"I think that will be two levels, if he has peers he would probably share with them but probably not with management [Question: Why do you think they will continue sharing with their peers?] Because they work with the peers and get along with the peers and if they distrust the organization it does not mean that they distrust their peers".*

Findings by Unselt, Gleich, and Russo (2005) seem to be pointing to a similar conclusion, they argue that voluntary social groupings can mediate the adverse affects of psychological contract violations on knowledge sharing by fostering trust. As Rost, et al (2007) have rightly suggest this is one area where future research is directed.

6.1.3 The effect of personality on psychological contract violation

An advantage of using vignettes for data gathering is that it allows participants to project missing contextual information into the vignettes in order to develop their understanding of the situation presented by the vignette. The participants in the current study referred to individual personality as one such contextual element which could affect the outcomes of psychological contract violations. Following is a sample of such responses, where the participants saw the vignette character's personality determining the outcomes;

F_TM_1

> *"…Yes you can create an environment for knowledge sharing, which will obviously help knowledge sharing, but individuals either share knowledge or they are not that way inclined. If you are sharing knowledge person, I think even if you have been trampled on by your organization you would try; if program like this [to encourage knowledge sharing] came up, despite how bad it was, you will try, I know I would. If I were in any of these situations, I would be like 'this is a chance to make it better'. Whereas some people would be annoyed by the organizations, I think they would not have a similar view*

regardless of whether it was a successful program or not; they would like to see it become successful before taking part in it."

M_R&D_3 (Vignette: Sandra)

"I guess we don't know much about Sandra, would she do more than what she would do otherwise or would she just given in response to their attitude".

The affects of personality on work related outcomes such as knowledge sharing (Mooradian, Renzl, & Matzler, 2006), discretionary effort (Gellatly & Irving, 2001; Hogan, Rybicki, & Borman, 1998; Witt *et al.*, 2002) and psychological contract violations (Raja, Johns, & Ntalianis, 2004) has been a subject of past studies. Findings from current study also allude to the possible effects of personality on these important organizational outcomes.

6.7 Methodological limitations

Sandelowski & Barroso (2002, p. 8) summarize the challenge faced by qualitative researchers by claiming that qualitative researcher " want their reports to be as true as science is commonly held to be, and yet as evocative as art is supposed to be". Sandelowski & Barroso (2002, p. 3) propose that the research report be viewed as a "literary technology" that is used by the research writer to convince his audience of the merits of the study than just a "mirror reflection of that study". They further argue that while evaluating research reports the reader should seek to "make meaning from the text" (Sandelowski & Barroso, 2002, p. 4) rather than worry about applying standard and criteria to determine the quality of the report.

The methodology adopted for the current approach, the use of vignettes in semi-structured interview, was novel approach to assessing psychological contract breach. There was no president for the use of this method in the literature on psychological contract as well as knowledge sharing. The method inherited both the limitation of semi-structured interviews and vignettes. With regards to vignettes the two most common limitations that are attributed their usage are mapping social reality and the risk of social desirable responses (Barter & Renold, 2000). Vignettes are used to simulate social realities (such as the violation of the psychological contract) and the purpose of their use is to judge how the participant would react when placed in this social reality. Critics of the vignette methodology argue that what a person "beliefs" are not representative of their "actions" in real life. Finch (1987) counter argues this limitation of vignettes by suggesting that researchers should place more value on beliefs because they represent how individuals assign meaning and how they interpret the reality that surrounds them; whereas, actions on the other hand are affected by their context.

Critics of vignette argue that participants tend to provide socially desirable responses to the vignettes. Barter & Renold (2000) recommend the separation of the participant from the reality of vignette and asking the participant to take up the role of an informant, who is asked to judge on the reality of the vignettes. As informant there is no pressure on the participant to give social desirable responses as they can pass the judgment on the vignette subject's action and also contrast that with how they themselves would have operated under similar context.

The key problems with using interviews as a data gathering technique, that may lead to putting at risk the validity and reliability to the data being gathered, are related to how the researcher phrase the questions and how the respondents interpret the question and how the researcher assigns meaning to these responses (Tharenou, Donohue, & Cooper, 2007). These issues were catered to in the current study by a) providing a comprehensive information sheet – which contained details of what the focus and the purpose of the research was and how the interviews will be conducted – to the participants prior to the interviews, b) verbally briefing the participants about the purpose of the research and introducing the key concepts, c) the questions and prompts for the interviews were read from a printed interview guide rather than relying on memory, d) the use of vignettes helped in avoiding the self-report bias, e) independent evaluation of results was carried out using independent evaluators to further ensure that the result presented an accurate representation of the respondents' observations.

6.8 Limitations of the sample

The sample for the current study comprised of 19 professionals working for two organizations, a crown research institute and a local government body. Three of the participants were from the crown research institute and the remaining participants were from the local government body. The two possible limitations that could be attributed to this sample could be that the nature of the public sector offices (from which the current sample has been drawn) is such that there fewer chance for a violation of the psychological contract, because they function without some of the competitive strains that

are faced by the private sector. The second limitation of the sample could be attributed to the small size of the sample.

Studies on psychological contract usually attribute its significance to the increasing competitiveness of the markets (Anakwe, Hall, & Schor, 2000); consequently, studies on psychological contract (Atkinson, 2002; Flood *et al.*, 2001; Pate, Martin, & Mcgoldrick, 2003; Unselt, Gleich, & Russo, 2005) have typically drawn samples from the commercial sector, where the forces of competition are more visible than in the public sector. Studies are appearing that have researched the concept on psychological contact and have used samples that include both public and private sectors (Herriot, Manning, & Kidd, 1997) and others that have solely drawn samples from the public sector (Coyle-Shapiro, 2002; Coyle-Shapiro & Kessler, 2000; Raja, Johns, & Ntalianis, 2004). Studies that draw some or their entire sample from the public sector point out that the public sector reforms, carried out by most governments in the developed countries, have transformed the public sector into a competitive arena. Referring similar public sector reforms in New Zealand Walker (1996, p. 354) notes that "The State-Owned Enterprises Act of 1986 created a basis for placing the state's service and commercial activities into a framework replicating as near as possible that of a company in the private sector". The public sector reforms in New Zealand have transformed New Zealand form a tightly regulated to a highly deregulated economy, and it is presented as model for other countries to follow (Bale & Dale, 1998; Walker, 1996; Wallis & Dollery, 2001).

Although the above discussion on the public sector reforms should suffice in deeming the sample for the current study as defensible, it is further argued

that the context for the psychological contract violation was provided for in the vignettes that were used for data gathering. As far as the current study was concerned, it did not matter that the participants were themselves not part of that context, as they were asked to take a third-parties view on how the characters in the vignette would react to the violation of the psychological contract.

On the issue of the small size of the sample, a small sample is defensible as they are frequently used in qualitative studies (Saunders, Lewis, & Thornhill, 2007). Because the participants were asked to answer questions about four different vignettes, in net total there were seventy six responses (each participant responding to a single question four times) to all the questions that were asked during the interviews.

Chapter 7.
Conclusion

The incompleteness of the employee-employer contract is such that the organizations have to rely on the discretion of their employees to invest effort beyond their obligations, which are listed in the formal employment contract. Whether it is labelled contextual performance, organizational citizenship behaviour or helping behaviour, organizations cannot imagine prospering unless their employees are willing to take initiatives and are willing to invest discretionary effort for the benefit of the organization.

One such discretionary effort which has become the centre of attention is knowledge sharing. The dawn of the 21st century has brought upon organizations the realization that their continued prosperity lies in their ability to harness the grey matter of their constituents. This ability to harness the knowledge resource will always evade organizations that do not provide the context for such an exchange to occur.

In the course of this work, the importance of the trust, as an element of the employee-employer relationship, on the success of incentives systems to motivate knowledge sharing was highlighted. It was argued that unless the employees trusted their organizations or its agents, to deliver the rewards promised for knowledge sharing, the incentive system will be ineffective in motivating them to share knowledge. Furthermore, previous studies and the current research all point to the fact that an employees' trust is at its most fragile state when they perceive that their organizations have violated their psychological contracts.

The social exchange theory views the employee-employer exchange as a social transaction where individuals offer their services to the organizations in return for outcomes of value to them. These exchange relationships are under constant strain from external environment forces and internal structural incompatibilities of the organization. Where these strains lead the employees to perceive that their organization has been unfair and has withheld a desirable outcome from them, the employees perceive their psychological contract violated. The violation of the psychological contract has been linked to many desirable and non-desirable organizational outcomes, least of which is its affect on the trust component of the organization.

In these times of intensified competition and it has become imperative that organizations take steps to introduce transparency into their process. Without signalling procedural and distributive justice, the organizational incentive systems cannot achieve their desired goal of motivating discretionary efforts. Strategically organization will have to work towards aligning there human resource structures and the dominant leadership style of its managers towards the goal of ingraining commitment and loyalty into their employees. Human resource policies act as a source of perceived mutual obligations, which are the building blocks of the psychological contract. If these policies are not complimented by the managers, employees will continue to distrust them and in return will disinvest from discretionary effort.

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Appendix 1

Vignettes

Vignette 1

Mike

"I am working for a research organization and manage a team of highly skilled laboratory technicians who are responsible for the maintenance of very sophisticated equipment that simulates the different atmospheric conditions that scientists require for their experiments. I myself joined the organization as a technician; my organization rewarded my hard work and my commitment to passing on my knowledge to my junior staff with swift promotion to the role of team leader within my specific laboratory. My next career objective was to be promoted to the position of Labs Manager, a position that oversees all the scientific labs within the organization. When time for my review approached, I was very confident that I would be promoted. I thought that given my track record I was the obvious candidate for the position. A week before my review was due, I was shocked to hear that management had interviewed an outsider for the position that I was interested in and that they had agreed to his terms and conditions and he was going to take up the post. When I approached my manager about the situation he told me that the chief scientist of the organization had recommended the external candidate based on his latest know how and that the chief scientist saw him suitable to oversee future expansions of the laboratories."

Vignette 2

Sandra

"My husband and I have been working for Blue Water Consulting for the past five years. I consistently achieved high scores on my performance reviews and was in line for a major promotion up the corporate ladder. But all this changed once I gave birth to my first child. My firm had put in place a family-friendly policy under which my husband was allowed 26 weeks off with pay. Under the policy, the company would consider applications from parents with children under 6 or disabled children under 18 for a flexible time arrangement. Under the policy, such applications would be approved after looking at the implications of it for the organization. I applied for the family-friendly options under the assumption that my past record would help me secure the approval of the application. As I expected my application was approved, but what I did not realize was the cost that I would have to pay for it. Once I came back on the flexible hour arrangement I was no longer considered for assignments that would involve long hours or extensive travelling. It seemed to me that my career had come to a halt and that I was no longer on the promotion list. Even though my employer had implemented the family-friendly policy, there was somehow a tacit belief within my organization that women had to make a choice between raising a family or their careers at the company."

Vignette 3

John

"It has been four years since I took up my current position as a research engineer, working in the Research and Development (R&D) wing of the Information and Technology (IT) department of a large bank. The thing that interested me about the job was the opportunity to carry out innovative work at the cutting edge of technology, as the advertisement for the job claimed that the research wing was established to help the bank keep pace with the rapidly changing technologies by recommending innovations. Unfortunately nothing turned out the way I expected. The managerial team at the wing had bureaucratized the wing, there was no room for informal interaction and sharing ideas and everyone was flooded with unnecessary documentation. The managers were not receptive to new ideas and seldom sanctioned time for personal learning or knowledge sharing. The overall bank culture was also flawed as it promoted "silo" behaviour where each function and department of the organization worked in a non-integrative manner. This had a strong effect on the overall organizational functioning, but more importantly for us at the research wing this was a source of great frustration as the other departments within the bank were not willing to share their knowledge with us. All in all I have lost all interest in my job; yes the job pays well and is helping me with paying off my student loans and other debts but not a day passes by when I am dragging my feet to the office."

Vignette 4

Carlos

“I came to the university excited about the prospect of working with a cohort of young colleagues who had impressed me when I was interviewed. I liked the department head very much. She not only recruited me enthusiastically, but was incredibly supportive. She was fair in distributing resources and made sure that junior faculty got high-quality graduate students. She provided a clear assessment of my progress each year prior to my position being made permanent and set a tone indicating that it was normal for junior faculty to seek help and mentoring. The year I was granted a permanent position a new head entered the picture and life changed drastically. He rapidly alienated several senior colleagues I admired as well as some of my junior colleagues, many of whom ended up leaving the department. The new head played favourites, ignored established processes, and didn't support the promotion of several outstanding young faculty hired under the former head. He also reneged on several promises that the former head had made to me. It’s been some time since he became the department head, but I am still disillusioned and disappointed. I find myself advising newly hired colleagues to build their CVs and keep an eye open for other jobs; I tell them "outstanding work does not assure success in this department."

Appendix 2

Ethical approval of Study

Massey University

OFFICE OF THE ASSISTANT TO THE VICE-CHANCELLOR (Research Ethics)
Private Bag 11 222
Palmerston North 4442
New Zealand
T 64 6 350 5573/350 5575
F 64 6 350 5622
humanethics@massey.ac.nz
animalethics@massey.ac.nz
gtc@massey.ac.nz
www.massey.ac.nz

29 October 2008

Khalid Khan
185B Park Road
PALMERSTON NORTH

Dear Khalid

Re: When Trust is Lost: Knowledge Sharing and the Violation of the Psychological Contract (New Zealand Context)

Thank you for your Low Risk Notification which was received on 28 October 2008.

Your project has been recorded on the Low Risk Database which is reported in the Annual Report of the Massey University Human Ethics Committees.

The low risk notification for this project is valid for a maximum of three years.

Please notify me if situations subsequently occur which cause you to reconsider your initial ethical analysis that it is safe to proceed without approval by one of the University's Human Ethics Committees.

Please note that travel undertaken by students must be approved by the supervisor and the relevant Pro Vice-Chancellor and be in accordance with the Policy and Procedures for Course-Related Student Travel Overseas. In addition, the supervisor must advise the University's Insurance Officer.

A reminder to include the following statement on all public documents:

> *"This project has been evaluated by peer review and judged to be low risk. Consequently, it has not been reviewed by one of the University's Human Ethics Committees. The researcher(s) named above are responsible for the ethical conduct of this research.*
>
> *If you have any concerns about the conduct of this research that you wish to raise with someone other than the researcher(s), please contact Professor Sylvia Rumball, Assistant to the Vice-Chancellor (Research Ethics), telephone 06 350 5249, e-mail humanethics@massey.ac.nz".*

Please note that if a sponsoring organisation, funding authority or a journal in which you wish to publish requires evidence of committee approval (with an approval number), you will have to provide a full application to one of the University's Human Ethics Committees. You should also note that such an approval can only be provided prior to the commencement of the research.

Yours sincerely

Sylvia Rumball

Sylvia V Rumball (Professor)
Chair, Human Ethics Chairs' Committee and
Assistant to the Vice-Chancellor (Research Ethics)

cc Assoc Prof Paul Toulson
Department of Management
PN214

Mr Barry Foster
Department of Management
PN214

Prof Claire Massey, HoD
Department of Management
PN214

Appendix 3

Consent form

Massey University
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When trust is lost, knowledge sharing and the violation of the psychological contract, New Zealand context

PARTICIPANT CONSENT FORM

This consent form will be held for a period of five (5) years

I have read the Information Sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I understand that I may ask further questions at any time.

I agree/do not agree to the interview being audio taped.

I agree to participate in this study under the conditions set out in the Information Sheet.

Signature: _____ **Date:** _____

Full Name - _____

Appendix 4

Nvivo Casebook

Casebook

	A : sex	B : marital stat...	D : age	E : salary rang...	F : job type	G : years on job	H : hours work	I : contract dur...	J : Education	K : immediate employer
1 : M_TM_1	male	married	30-40	60000-80000	Technical/Manufacturing	<5	40-50	Not Specified	Graduate	The Organization itself
2 : M_TM_2	male	married	40-50	60000-80000	Technical/Manufacturing	<5	30-40	2-5 years	Postgraduate	Department Manager
3 : F_TM_1	female	married	40-50	60000-80000	Technical/Manufacturing	5-10	40-50	Not Specified	Graduate	The Organization itself
4 : F_Ot_1	female	non-married	20-30	60000-80000	Other	<5	40-50	Not Specified	Graduate	The Organization itself
5 : M_R&D_1	male	married	50-60	80000-100000	Research and Development	15-20	40-50	>5 years	Postgraduate	The Organization itself
6 : F_SM_1	female	married	20-30	40000-60000	Sales/Marketing	<5	30-40	2-5 years	Graduate	The Organization itself
7 : M_Ot_1	male	non-married	20-30	40000-60000	Other	<5	30-40	Not Specified	Graduate	Division/Branch Manager
8 : M_FC_1	male	married	50-60	60000-80000	Financial/Clerical	5-10	40-50	Not Specified	Graduate	Immediate Supervisor
9 : F_GM_1	female	married	30-40	100000+	General Management	5-10	40-50	Not Specified	Postgraduate	The Organization itself
10 : M_GM_3	male	married	40-50	60000-80000	General Management	5-10	40-50	Not Specified	Postgraduate	The Organization itself
11 : F_Ot_4	female	non-married	40-50	<40000	Other	20+	<30	Not Specified	Graduate	The Organization itself
12 : F_Ot_2	female	married	30-40	40000-60000	local govt.	<5	30-40	Not Specified	Graduate	Immediate Supervisor
13 : M_R&D...	male	married	50-60	60000-80000	Research and Development	15-20	40-50	>5 years	Postgraduate	The Organization itself
14 : F_Ot_3	female	non-married	20-30	40000-60000	Other	<5	40-50	Not Specified	Graduate	The Organization itself
15 : M_TM_3	male	married	60+	60000-80000	Technical/Manufacturing	20+	40-50	Not Specified	Graduate	The Organization itself
16 : M_GM_1	male	married	50-60	60000-80000	General Management	5-10	40-50	>5 years	Graduate	The Organization itself
17 : M_GM_2	male	married	30-40	100000+	General Management	<5	40-50	2-5 years	Graduate	CEO
18 : M_R&D...	male	married	50-60	40000-60000	Research and Development	<5	40-50	2-5 years	Postgraduate	Department Manager
19 : M_Ot_2	male	married	20-30	40000-60000	Other	<5	30-40	Not Specified	Graduate	The Organization itself

Appendix 4: Nvivo® Case Book

Appendix 5

Information sheet

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When Trust Is Lost, Knowledge Sharing and the Violation of the Psychological Contract (New Zealand Context).

INFORMATION SHEET

Researcher(s) Introduction

- The researcher responsible for designing and completing this project is;

Mr Khalid Khan
Department of Management
Massey University
Private Bag 11222
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Work Telephone: 06 356 9099 extension 2192
Home Telephone: 06 358 8071
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- The design, completion and conduct of this research project is being supervised by:

Chief Supervisor

Dr. Paul Toulson,
Associate Professor
Department of Management
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Assistant Supervisor

Mr Barry Foster,
Lecturer
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- The researcher and the supervisors can be contacted at your convenience if you have any questions or comments about the research and the research process.

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Project Description and Invitation

- *The purpose of this research is to determine the effectiveness of organizations' incentive systems to motivate knowledge sharing among employees in situations where employees feel that their expectations of their employers have not been met. In the current age of rapid technological change and increasingly competitive markets the survival of organizations depends upon their ability to harness the knowledge of their employees. In order to achieve this, organizations introduce different incentive systems to encourage their employees to share their knowledge. It is proposed that such incentive systems will have little impact in terms of motivating individuals who perceive that their employers have failed to meet their expectations hence they start losing trust on their employers. The central premise of this research is that individuals who have trust in their employers to deliver on the incentives promised will be motivated to work towards such incentives and share their knowledge. On the other hand, individuals who have low levels of trust, have little expectations that their employers will deliver on the promised incentives in a fair manner.*

I am inviting you to take part in this research as your opinion would be vital for the enrichment of this study and the development of sound understanding of this important issue. I will take all necessary measures to ensure your confidentiality. The method adopted ensures that you as a participant will not be exposed to any sort of discomfort or risk. The summarized findings will be shared with you upon completion.

Participant Identification and Recruitment

- *The research is about New Zealand organizations and the participants selected for the research represent a sample of employees working for these organizations. Being an exploratory research the intention is to seek an insight into the working of New Zealand organizations. To achieve this purpose 15 to 20 employees would interviewed, which is a suitable number for such preliminary research. The respondents have been indentified using the personal network of the research team involved and through intimation of the concerned organization.*

Project Procedures

- *You will be asked to respond to situations presented in the form of vignettes (short hypothetical stories), where the narrators perceive that their expectations have not been met by their respective employers.*
- *The pattern of the interview will be semi-structured*

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- *All written material will be checked and approved by the Supervising team*
- *All interviews will be conducted by the identified researcher and recorded in both written and audio formats.*
- *Interviews will be transcribed by the identified researcher*
- *All participants are entitled to receive a summary of the completed results upon request.*
- *Interviews are confidential and participants are guaranteed anonymity.*
- *Interview transcripts will not be identified with individual participants and no transcript or participant response will be linked to identifiable individual or group.*
- *Participants will not be informed of the names, details and depth of involvement of other participants.*

Appendix 6

Demographics questionnaire

Participant Profile

Please fill in the demographic information bellow as this will facilitate in generating the final analysis of my research. This information will be placed under restricted access and the only people that will be allowed access, other than me, would be my research supervisors.

Demographics information		
Name		
Sex	☐ Male ☐ Female	
Marital Status	☐ Living in a marriage situation ☐ Not living in a marriage situation	
Preferred method of contact		
Contact details		
Age Range (in years)	☐ < 20 ☐ 20-30 ☐ 30- 40	☐ 40-50 ☐ 50 – 60 ☐ 60+
Salary Range (in dollars)	☐ <40000 ☐ 40000-60000 ☐ 60000-80000	☐ 80000-100000 ☐ >100000
Type of Work	☐ Financial/Clerical ☐ Technical/Manufacturing ☐ Sales/Marketing ☐ General Management ☐ Research and Development ☐ Other	
How many years have you worked for you current organization?	( )	
How many hours do you normally work each week?	☐ <30 ☐ 30-40	☐ 40-50 ☐ >50
Under the terms of your employment contract, is your employment with your current employer for?	☐ Not Specified ☐ <2 years	☐ 2-5 years ☐ >5 years

Education:	☐ Undergraduate degree/diploma (e.g. BCom, BA, BSc, etc) ☐ Postgraduate degree/diploma (e.g. MBA, MA, PhD, etc)
Who do you regard as your employer?	☐ Immediate Supervisor ☐ Department Manager ☐ Division/Branch Manager ☐ General Manager ☐ CEO ☐ The Organization itself

Appendix 7

Knowledge work questionnaire

Are You A Knowledge Worker?
This scale will allow us to determine whether you job can be classified as a knowledge based job.

Name:

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Is your job a routine job?					
My job has variety					
The duties in my job are repetitious (i.e. do the same thing over and over).					
I have the opportunity to do a number of different things in my job.					
Is your job self-contained?					
My job depends on the work of many different people for its completion.					
My job cannot be done unless other sections do their work.					
I depend on other people for support, services or information to do my work.					
Is your job autonomous?					
I am never in control of how my job is scheduled.					
I have a lot of input in deciding what tasks or parts of tasks I will do.					
I have little to no influence over things that affect me on the job.					
I am able to chose the way to go about doing my job (the procedures to use).					
Additional Comments:					