

The psychological contract – definitions and tasks

“The complex web of mutual expectations between employer and employee is often referred to as the ‘psychological contract’. It is the informal agreement that extends beyond the formal, written document to include those elements that may have been written, unwritten, spoken or implied rather than clearly stated”

John Boddy.

“The psychological contract really is an unwritten set of expectations between everyone in an organisation and, unlike the written contract, is continually changing”.

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“A psychological contract can be defined as an individual’s belief regarding the terms and conditions of a reciprocal exchange agreement between the focal person and another party...a belief that some form of promise has been made and that the terms and conditions of the contract have been accepted by both parties”

“A psychological contract is the set of expectations held by an individual about working relationships with the organisation”.

Joan Marques

Tasks

1. All groups:

Read and think about the above definitions. Note and discuss issues that these prompt, and specifically any you want to raise within the whole group.

2. Different small groups:

- a. What incidents or experiences will shape the perception of the psychological contract?
- b. What can managers as representatives of the organisation do to consciously enhance and enforce the psychological contract?
- c. Note eight specific issues or questions on and around the psychological contract that will help us better understand this crucial organisational matter.
- d. What specifically does an organisation typically want from the psychological contract?
- e. What specifically does an employee typically want from the psychological contract?

Note your thoughts, and any other relevant issues on flip chart paper.

You have 20 minutes, so use time well, and remember your learning points sheets!