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PSYCHOLOGICAL CONTRACT IN THE CONTEXT OF SPORT ORGANIZATIONS

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Introduction
The central tenets in psychological contract theory posit that employees create expectations about what the organization owes to them and what they owe to their organization (Robinson, 1996). As a result, the psychological contract at work is understood as an exchange relationship about the belief of implicit agreements between employees and employers (Herriot and Pemberton, 1997; Kotter, 1973; Rousseau, 1990, 1995). It is this perceptual nature of the psychological contract that makes it different from a working or legal contract (Robinson, Kraatz and Rousseau, 1994). The psychological contract is essentially subjective, personal and idiosyncratic (Turnley and Feldman, 1999a), or, as noted by Rousseau (1989: 123), “[it lies] in the eye of the beholder.”

In spite of the subjective nature of the psychological contract, its importance is seen in its capacity to serve as an analytical framework in human resource practices to observe and predict employees’ behavior by focusing on the less explicit deals of the relationship between employees and their organizations (Guest, 2004). This premise holds particularly true in times of dramatic change and work instability. Economic downturns during the 1990s and the proliferation of global competition have been responsible for the significant changes occurring across industries and certainly the sport industry has not been immune to these changes. Downsizing, mergers, increased outsourcing of labor and part-time jobs have created new scenarios and have transformed the traditional form of employment relationships (Chartered Institute of Personnel Development, 2005; Cooper, 2002; Coyle-Shapiro and Kessler, 2000; Robinson, 1996; Sims, 1994). The need for efficiency, cost-cutting and leaner organizations, and a decline in trade union membership, have produced uncertainty and instability in the workplace, which, in turn, has had a severe effect on the dynamics of relationships at work with “the collapse of trust and [the] assumed changes in the psychological contract” (Sparrow and Cooper, 1998: 359). As a result, both organizational scholars and practitioners have re-evaluated traditional human resource practices in order to provide better answers as to how to reduce the level of tension that commonly exists between employees and employers, but most importantly to retain and motivate employees, and keep them committed to and productive for their organizations (Sims, 1994).
During the past 20 years, a vast amount of literature has been published on the psychological contract. These studies have examined the psychological contract from an array of disciplines, including, but not limited to, human resource management, occupational psychology, information technology, sociology and legal studies (Kalleberg, 2000; Koh, Ang and Straub, 2004; Roehling 2004; Rousseau, 1989, 1990, 1995, 2001; Turnley and Feldman, 1999a, 1999b). The literature on the psychological contract within the context of sport organizations is relatively new. Interest in the psychological contract has flourished more recently as a number of studies have been conducted since the early 2000s (e.g., Bravo and Won, 2009; Kelley-Patterson and George, 2002; Kim, Kim and Kim, 2009; Nichols and Ojala, 2009; Owen-Pugh, 2007; Taylor, Darcy, Hoye and Cuskelly, 2006; Won and Pack, 2010). The interest in the psychological contract research comes from the recognition that in highly competitive environments, or during times of turmoil, human resource capital is one of the most critical resources available to organizations in gaining competitive advantage (Barney and Wright, 1998).

Although the study of the psychological contract within sport is still in its infancy, the issue should receive an increasing amount of interest as a line of research inquiry in the years to come. Over the past twenty years, many sport-related organizations have experienced great changes as the result of macroeconomic turmoil and globalization trends that have seriously impacted the industry (Maguire, Jarvie, Mansfield and Bradley, 2002; Smith, 2008). For example, changes in ownership in European Football (Kelly, 2008; Kelly and Harris, in press; Malcolm, 2000); player–agent relationships in the NHL (Mason and Slack, 2001), inclusion of liquidated-damages clauses in American college coaching contracts (Greenberg, 2006; Greenberg and Smith, 2007; Wasserman, 2008), and the growth of media moguls and their influence on the structure of professional sporting leagues (McGaughey and Liesch, 2002) represent industry changes that have significantly affected sport organizations' structures and operations and the functioning of their working relationships.

While the study of the psychological contract continues to expand and attract the attention of specialists from various disciplines, the theory in itself does not constitute a panacea to fully explain an employee's behavior at work. Other theoretical frameworks, such as employee engagement (Kahn, 1990), organizational citizenship behavior (Organ, 1988), organizational commitment (Meyer and Allen, 1991), and perceived organizational support (Eisenberger and Huntington, 1986) also remain critical to explaining how people behave at work. Regardless, psychological contract theory emerges as an important concept to explain less overt and explicit exchange relationships that occur at work. In this regard, Coyle-Shapiro and Kessler (2000: 908) noted:

Clearly, the state of the psychological contract in terms of fulfillment or breach is of interest to the extent that the theoretical prediction holds true; organizational desired outcomes will result from contract fulfillment by the employer whereas contract breach by the employer is likely to lead to negative responses.

The purposes of this chapter are twofold: (a) to provide an overview of what we know about psychological contract theory; and (b) to examine psychological contract within the context of sport organizations. Our goal is not only to illustrate the current research, but also to stimulate discussion on the topic, thus advancing both theoretical and empirical research and enhancing our knowledge of working relationships within the context of sport organizations. This chapter is organized in four sections. First, it provides a theoretical background of the psychological contract construct as examined by management and organizational scholars.
Next we review the current research on psychological contract as applied to sport organizations. The third section focuses on methodological issues employed in the extant literature. The chapter ends with a discussion of future research, managerial challenges and, finally, perspectives of the psychological contract as an analytical framework to managers and scholars interested in examining working relationships within the sport industry.

Psychological contract in the management literature

Most authors acknowledge Blau’s (1964) social exchange theory as the core pillar of psychological contract theory. Social exchange theory posits that a contractual formal relationship is essentially steered by an economic interest but also influenced by the nature of its social exchange (Aggarwal, Datta and Bhargava, 2007). Other theories have also contributed to explain the foundations of this concept, among these Barnard’s equilibrium model (1938), March and Simon’s (1958) inducement–contribution model, and Gouldner’s (1960) norm of reciprocity (Roehling, 1997).

The development of psychological contract theory can be divided into two main periods: from 1958 to 1989, and from 1990 until today. Most of the theoretical and empirical progress has been made during the last twenty years (Conway and Briner, 2005). While the term psychological work contract was coined by Argyris in 1960, Makin, Cooper and Cox (1996) noted that the roots of the concept can be traced back all the way to the seventeenth and eighteenth century days of the social contract and the writings of Thomas Hobbes, John Locke and Jean-Jacques Rousseau.

During the early period of the psychological contract theory, implicit agreements in the context of working relationships were recognized in the work of Menninger (1958), who observed that patients and therapists needed to establish such agreements in order to succeed with treatment. Furthermore, Argyris (1960) recognized that employees and supervisors built mutual understanding relationships in their attempt to advance their objectives and goals. On the other hand, Levinson, Price, Munden and Solley (1962) noted that the root of the psychological contract lies in unconscious needs. The satisfaction of and attention to those needs becomes critical for the well-being of the parties involved in the exchange relationship. Schein (1965) extended this idea by stating that satisfaction and commitment can only be achieved when expectations of both sides are met. While these studies helped to advance the literature and revealed the complexity of the psychological contract theory, Denise Rousseau (1989), a scholar from Carnegie Mellon University, was responsible for reinvigorating scholarly inquiry on the psychological contract.

Conway and Briner (2005) identified four distinguishing prospects in Rousseau’s work that made her ideas novel from previous research. First, Rousseau argues that a psychological contract is based on a belief about promises and obligations and not just about merely expectations. For Rousseau, promises and obligations presuppose a sense of urgency, a condition that does not apply for expectations. Second, Rousseau argues that the target of the psychological contract process must focus on the employee and not the organization. For Rousseau, the organization is where the psychological contract takes place. Third, Rousseau suggested that psychological contract occurs under two conditions: (a) employees’ own perceptions about the belief of promises made to them, and (b) the organization’s actions in regards to implicit or explicit agreements made to their employees. Thus, according to Rousseau, it is “an individual’s perceptions of observable behavior that constitute psychological contracts” (Conway and Briner, 2005: 14). As a result, Rousseau concluded the psychological contract is not explained by the individual’s motives or needs as was previously suggested by Levinson.
et al. (1962). Finally, for Rousseau, the violation of the psychological contract is what critically influences and triggers an individual’s behavior. For Rousseau, a violation of the psychological contract denotes a much more distressful emotion than merely the breach of a perceived agreement. Thus, when perceived agreements are violated, various employee-related outcomes, such as a decreased level of satisfaction or lower level of trust and commitment to the organization, will arise as a behavioral response to this violation (e.g., Coyle-Shapiro and Kessler, 2000; Robinson, 1996; Robinson and Rousseau, 1994; Tekleab, Takeuchi and Taylor, 2005).

Transactional and relational psychological contracts

Drawing on MacNeil’s (1974, 1985) typology of contracts, Rousseau (1990) noted that psychological contracts can be organized under two main categories: transactional and relational. Transactional contracts focus on specific and short-term inducements involving primarily economic and/or monetary exchanges. Relational contracts, on the other hand, involve long-term, broader exchanges concerned with personal and socio-emotional matters that are characterized by trust, good faith and fairness (Robinson, Kraatz and Rousseau, 1994; Rousseau, 1995; Rousseau and McLean Parks, 1993; Shore and Tetrick, 1994).

Arnold (1996) argues that, in spite of empirical evidence that supports the existence of these two dimensions, the distinction between transactional and relational is not clear cut. Conway and Briner (2005) noted that transactional inducements can also be seen as relational depending upon the context of the exchange. A pay raise that is granted under a fairness criterion, that takes into account the employee’s welfare, will represent both a transactional and a relational exchange. As a result, other dimensions have also been recognized like Rousseau’s (2000) balanced contract, Arnold’s (1996) training obligations, and Bunderson’s (2001) administrative and professional aspects, dimensions that can be seen as variants of the traditional transactional–relational distinction.

Breach, violation and fulfillment of the psychological contract

In the psychological contract literature, breach and violation are commonly used as interchangeable terms (Conway and Briner, 2005). However, Morrison and Robinson (1997) made an important distinction between the two. A violation is seen as a more intense reaction that results when a promise has been broken or an obligation has not been met. In contrast, a breach is seen as a less distressful emotion and more as a “cognitive assessment of contract fulfillment that is based on an employee’s perception” (Morrison and Robinson, 1997: 230).

The majority of the empirical studies that have examined the outcomes of psychological contract on employment relationships have been conducted from the employee’s perspective (Guest, 2004; Tekleab and Taylor, 2003). Fewer studies have been conducted from the employer’s perspective (Tsui, Pearce, Porter and Tripoli, 1997). Some studies reporting outcomes resulting from a psychological contract breach or violation reveal decreased levels of organizational trust (Deery, Iverson and Walsh, 2006; Robinson, 1996); lower levels of job satisfaction (Kickul, Lester and Finkl, 2002; Sutton and Griffin, 2004; Tekleab et al., 2005); lower organizational commitment (Restubog, Bordia and Tang, 2006); employees’ lower level of obligation to their jobs (Robinson, Kraatz and Rousseau, 1994); and turnover intention (Robinson and Rousseau, 1994; Turnley and Feldman, 1999a, 1999b). Studies examining psychological contract fulfillment have found a positive influence on employee affective commitment (Thompson and Heron, 2006); employee perceived organizational support
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(Tekleab et al., 2005); employee organizational citizen behavior toward the organization (Turnley, Bolino, Lester and Bloodgood, 2003); and employee perceptions of adequate human resource practices (Guest and Conway, 2002). According to Conway and Briner, breach and violation of the psychological contract lead to unwanted or negative outcomes because these involve “unmet expectations, a breakdown of trust, a loss of inducements, feelings of inequality and an impediment to goal progression” (2005: 71).

Psychological contract processes and model

Psychological contract has been defined as “reciprocal exchange” (Rousseau, 1989: 23), “reciprocal expectation” (McLean Parks, Kidder and Gallagher, 1998: 698), and “reciprocal obligations” (Morrison and Robinson, 1997: 229). These words suggest that a psychological contract occurs within a dyadic relationship. Most empirical research on psychological contract has focused on the employee in terms of fulfillment and/or breach of their contract, in contrast to approaching the subject from the organization’s perspective (Cullinane and Dundon, 2006; Guest 2004). Thus, Conway and Briner (2005) call for re-examining the psychological contract from a unilateral and single cross-sectional perspective to a more expanded process approach. In this regard, the primary question then focuses on unfolding not only the type of outcomes, but also the multiplicity of events that lead to such outcomes. As noted by Conway and Briner, “a process approach is also more likely to capture a fuller representation of the experience of being party to a psychological contract” (2005: 132).

The dynamics in which psychological contracts are formed requires researchers and practitioners to focus attention on the many events that shape these relationships. One event that significantly influences the direction and outcomes of the psychological contract is the state of how these relationships are negotiated and the level of trust and perception of fairness of these deals (Guest, 2004). Rousseau (2001) identified employment deals as standard, position-based and idiosyncratic. Standard deals are explicit agreements that do not make distinctions among employees sharing similar responsibilities. Contrarily, position-based and idiosyncratic deals make distinctions and special concessions based on an employee ranking or status (e.g. certain advanced managerial positions or high-profile head coaches in the context of college athletics in America), and are also based on an individual’s special employment features, such as having a unique set of skills that gives these employees an advantage over other workers in similar roles (Rousseau, 2001: 261). Rousseau noted that idiosyncratic deals can significantly affect perceptions of psychological contracts of employees working on similar responsibilities. Furthermore, idiosyncratic deals are more challenging to employment relations as they center around the issue of trust and fairness with a direct impact on the state of the psychological contract (Guest, 2004).

A critical challenge in psychological contract theory has been integrating the many theoretical as well as empirical findings into a coherent model that reflects the complex dynamics in which the psychological contract takes place. In response to this challenge and following the above argument, Guest (2004) developed an analytical framework of the psychology of employment relationships that includes not only the context, the content and the outcomes, but also the state of the psychological contract (see Figure 14.1). In terms of context, Guest recognized the influence of the individual (e.g., age, gender, education, etc.) as well as organizational influences (e.g., type of industry, business strategy, human resource, key policies and practices, organizational culture, etc.). According to Guest, “the context helps not only to shape the content of the exchange that forms the psychological contract but also the responses to it”
Figure 14.1 Psychological contract analytical framework

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During the last 20 years, hundreds of articles have addressed the psychological contract. However, within the sport studies literature, our search has revealed only eight empirical articles on this issue. When considering these few articles related to sport, it should be noted that all but one of them have been written since 2002. The exception is an unpublished doctoral dissertation completed in 1994. In this respect, the study of the psychological contract is still in its infancy. The existing literature is reviewed below under four broad types of exchange relationships: sport administrators and volunteers; sport administrators and coaches; coaches and players; and managers and graduates.

Sport administrators and volunteers

As many sport organizations are dependent upon volunteer labor, the exchange between sport administrators and their volunteers is important in respect to meeting the needs of the organization and volunteers and their intention to continue in their voluntary role. Taylor et al. (2006) conducted focus groups with 98 community sport club administrators and interviews with volunteers associated with the Australian Rugby Union’s (ARU) community sport club network. The focus groups asked administrators to discuss the methods used to manage the volunteers, whereas volunteers were asked to comment on expectations and perceptions of the organization’s volunteer management practices.

The findings from the Taylor et al. (2006) study suggested that volunteers and sport club administrators attached differing emphasis to the transactional, assurance of good faith and intrinsic job components of the psychological contract. Club administrators placed greater emphasis on transactional obligations than volunteers. In this regard, local administrators felt that national and state rugby bodies provided little assistance to community sport clubs. In terms of good faith and fair dealing, the differing expectations related not so much to fair treatment, but rather to volunteer expectations of good faith. Volunteers expected to be consulted by management regarding their positions and task, but rarely did this happen. Volunteers and administrators also differed in terms of intrinsic job components. In this...
regard, volunteers struggled with an increased workload, not being able to leave their jobs without a replacement, and increasing administrative responsibilities.

Using a web-based survey instrument, Kim et al. (2009) collected data from a sample of 224 volunteers who worked for the 2007 State Summer Games of Special Olympics in the United States. Two conceptual frameworks (person–environment fit and empowerment) were employed in this study utilizing the theory of planned behavior, the theory of work adjustment and psychological contract theory. The researchers proposed and tested three models used to explain intention to continue volunteering. The results indicated that empowerment fully mediates the relationship between person–environment fit and intention to continue volunteering and that psychological contract fulfillment moderated the relationship between fit and empowerment. The researchers suggest that it is critical that volunteers perceive a fit with organizational attributes when the psychological contract is not fulfilled. When this does not occur, volunteers will not feel empowered and will be less likely to continue volunteering with that particular organization. They also point out that an organization should provide a detailed description of volunteer duties when the relationship between fit and empowerment for a volunteer is weak.

Using psychological contract theory, the purpose of the Nichols and Ojala (2009) study was to contrast the expectations of event managers and sport event volunteers in an effort to show implications for the management of volunteers and the application of the psychological contract framework. Nichols and Ojala used qualitative methods to interview event managers and conduct focus groups with volunteers in the United Kingdom. Interviews were conducted with six event managers who used volunteers for their events. The volunteer program was set up by the Newham Borough Council and had the purpose of recruiting and training volunteers for the 2012 London Olympic Games. A total of twelve volunteers were interviewed using focus groups, which reflected the collective experience of volunteering in events such as a charity bike ride, children’s painting event, a set of walks to inform visitors about the Olympic site, health promotion walks, a triathlon, and a set of events promoted through Newham Council. Results from the study suggested that event managers are vitally concerned about the reliability of volunteers. Volunteers are important to event managers because they are enthusiastic, exhibit a strong and empathetic relationship with the public, and provide a less expensive labor force than paying full-time employees. In contrast, volunteers expect a certain level of flexibility, quality personal relationships, a level of recognition for their contributions, and clear communication regarding the expectations of what they are to do.

The Nichols and Ojala study suggests that when examining and contrasting the expectations between volunteers and managers, the application of qualitative methods is a more appropriate methodological approach and allows researchers to better explore the numerous nuances that exist in a socially constructed phenomenon like the psychological contract. Nichols and Ojala noted that while quantitative methods are quite common in psychological research, these are derived from studies conducted in traditional working relationships. Consequently, quantitative methodology will be of limited use when exploring the relationship between managers and volunteers, as these two groups typically show significant differences in their balance of obligation and power as compared to managers and paid staff.

**Sport administrators and coaches**

Using a synchronous Web-based survey, Bravo and Won (2009) collected data from 439 coaches employed in athletic departments competing in the National Collegiate Athletic Association (NCAA) in the United States. Athletic departments were stratified based on their
NCAA divisional affiliation: D-IA, D-IAA, D-IAAA, D-II and D-III. Similar to Kim et al. (2009), this study sought to examine psychological contract fulfillment or the breach of fulfillment; however, this time in relation to intercollegiate athletic coaches. Results of the study suggested that respondents perceiving an intentional breach in their psychological contract reported significantly lower job satisfaction, affective commitment and trust. In addition, these coaches also reported significantly higher levels of turnover intention in comparison to those who perceived an unintentional breach or whose contract was fulfilled.

Won and Pack (2010) used paper and pencil surveys which were mailed to high-school athletic directors and coaches with the purpose of understanding the relative impact of psychological contract violations on employees’ outcomes. The results are based on 145 respondents from a midwestern state in the United States. The findings suggest that transactional, training and relational psychological contract items had been violated and the violations explained a substantial amount of variance in employee-related consequences such as organizational trust, affective commitment, job satisfaction and turnover intention. Trust was explained most by perceived contract violation, followed by affective commitment and job satisfaction. Another finding from this study suggested well-trained employees may be satisfied and committed to their job, but consider leaving for more lucrative opportunities due to a belief they are well trained for the next job.

Coaches and players

Owen-Pugh (2007) conducted a qualitative study which explored the psychological contracts between coaches and players in British commercial basketball. Using a retrospective case study methodology, players and coaches were asked to explore their professional interdependency and its influence on their career development. The study employed face-to-face semi-structured interviews with coaches and players in the British Basketball League (BBL) and England’s National Basketball League (NBL). The findings from the Owen-Pugh study suggest that commercial changes in the game have led to newly emerging forms of psychological contract between coaches and players. The study highlighted the general frustrations felt by British players of being second-class citizens in relation to their North American counterparts and the derogatory comments on the part of coaches and American players about the skills of British players. The study found that American players take primary responsibility for winning games and thus receive more money, playing time, career development and respect from management; whereas the essential support functions performed by British players are not rewarded and these players receive less money, court time and career development than the American players.

Antunes de Campos (1994) examined the strength of the psychological contract as measured by the overall agreement to fulfill the level of expectation and fulfillment between soccer coaches and players. This study was unique since it did not use the traditional theoretical psychological contract distinction of transactional versus relational. It examined the matched contract, which refers to both parties in the exchange relationship knowing the expectation of each other, thus assuming that the need expectation is equal to expectation fulfillment. The sample included 104 female soccer players and four coaches, representing four Division I NCAA teams in the United States. Respondents answered a 25-question paper and pencil questionnaire. Coaches were asked to answer in regard to the players, and players in regard to their coaches. The questionnaire included items regarding expectations and fulfillment of those expectations. Results showed a statistically significant mean difference between teams regarding the strength of the psychological contract. Levels of
expectation between coaches and players were found to be different. However, no differences were found between players and coaches in their level of fulfillment.

**Managers and graduates**

Kelley-Patterson and George (2002) examined the various elements that comprise the initial psychological contract of graduate employees within the hospitality, leisure and tourism industries in the United Kingdom. A small sample was drawn in this study comprising 21 recent graduates with a degree in hospitality, leisure and tourism and 15 managers employed in management or human resource roles who were responsible for graduate employee development. Respondents were asked to complete an eight-page questionnaire that measured background characteristics, organizational attitudes and psychological contract expectations. The findings from this study suggest that graduates view the initial contract in transactional terms, whereas manager expectations of the initial contract are viewed from both a relational and transactional perspective. Graduate employees were more concerned with short-term issues related to equity, job variety and human resource issues pertaining to pay and job conditions in contrast to longer term career development opportunities that managers may believe are more important.

**Other studies which discuss psychological contract**

Other non-empirical studies within the literature have touched on the psychological contract within the context of sport. For example, Taylor, Doherty and McGraw (2008) provide a brief review of the psychological contract in relation to their discussion of role management in human resources, which is the process of socializing or fine-tuning one’s expectations. This socialization process suggests that “individuals are likely to enter the workplace with preconceived ideas about their new job, the organization, the sport, and the industry” (Taylor et al., 2008: 89).

Another study has used the psychological contract to explain the monopolistic tendencies of professional sport leagues. Drawing on the literatures from sport economics, resource-based view and psychological contract, McGaughey and Liesch (2002) examined how the emergence of Australia’s Super League challenged the contractual and fiduciary relationship between teams, players and the New South Wales Rugby League (NSWRL). The authors suggest that officials from the NSWRL failed to understand the impact of the psychological contract, as they required their team members to sign a loyalty agreement to stay in the league. This loyalty agreement aimed to safeguard the existing league from competitors. While this might be perceived as legitimate in the minds of NSWRL officials, this might not hold true for players, who, according to McGaughey and Liesch, might have had a different expectation of their psychological contract and commitment to the existing league.

Kim and Chelladurai (2006) presented a conceptual framework which outlines the dynamics of the psychological contract in volunteering. The concept postulated within the study suggests volunteer perceptions of keeping the psychological contract are dependent upon individual difference variables of volunteer motivation, gender and education as well as various human resource practices. Their model suggests that the extent to which volunteers perceive that the organization is abiding by the psychological contract influences volunteer satisfaction and commitment, which leads to a volunteer’s intention to continue volunteering.
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Methodological issues in psychological contract studies

Psychological contract as a multi-dimensional construct

As mentioned earlier in this chapter, the most conventional way to view a psychological contract is composed of two broad dimensions – the transactional and relational psychological contract (Robinson and Rousseau, 1994). Alternatively, scholars have suggested additional psychological contract dimensions. Coyle-Shapiro and Kessler (2000) suggested that “training” is a distinct psychological contract component independent from transactional and relational components. De Vos and her colleagues (De Vos, Buyens and Schalk, 2003; De Vos, De Stobbeleir and Meganck, 2009; De Vos and Meganck, 2009) claimed that there are five types of employer inducements: career development, job content, social atmosphere, financial rewards, and work-related balance. Similarly, Lester, Turnley, Bloodgood and Bolino (2002) specified the six possible dimensions of psychological contract including benefits, pay, advancement opportunities, work itself, resource support, and employment relationship. On the other hand, some scholars have used a global or composite psychological contract measure when a distinction between psychological contract items is a least concern (e.g., Coyle-Shapiro and Kessler, 2002a; Lewis-McClear and Taylor, 1998; Turnley and Feldman, 1999b). As McLean Parks et al. (1998: 700) mentioned, it is a very challenging task to develop a universal psychological contract measure applicable to all types of employee–employer relationships. The authors cautiously suggest using a two-dimensional model that includes transactional and relational contracts as a starting point.

Among the empirical studies in sport management, Bravo and Won (2009) used a more traditional two-dimensional PC measure in the collegiate sport setting and Won and Pack (2010) utilized a three-dimensional PC measure in the interscholastic athletic setting. On the other hand, Kim et al. (2009) used a global PC measure for sport volunteers. Further sport management studies may develop more sophisticated PC measures that are more relationship or content specific.

Prior research indicates that perceived breach or fulfillment of the psychological contract is related to employee reactions including both work attitudes and behaviors (De Vos and Meganck, 2009; Hamel, 2009; Zhao et al., 2007). Specifically, breach of the psychological contract is negatively related to job satisfaction, organizational commitment, in-role performance and organizational citizenship behavior while it is positively related to turnover intention, job search behavior and actual turnover behavior (Coyle-Shapiro and Kessler, 2000; De Vos and Meganck, 2009; Lester et al., 2002; Zhao et al., 2007). Similarly, some scholars have explored the impact of psychological contract violations (PCV) on employees using an exit, voice, loyalty and neglect (EVLN) typology. In this regard, Hamel (2009) found that PCV in terms of barriers to career advancement influenced employee’s EVLN behaviors.

Among the empirical sport management studies, both Bravo and Won (2009) and Won and Pack (2010) examined the impact of PCV on job satisfaction, affective commitment, organizational trust and turnover intention and found meaningful relationships. While those four dependent variables examined are very critical in understanding the exchange relationships between employees and employers, further sport management studies should also consider the impact of PCV on in-role and extra-role performance and actual turnover behaviors which might be more directly related to organizational effectiveness.

Contextual variables: moderators or control variables

Pate (2006) suggested that contextual factors influence the formation of the psychological contract at the macro (business and labor conditions), meso (workplace characteristics; HR
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systems) and micro level (individual characteristics). From a different perspective, these factors can be considered moderating variables on the relationship between psychological contract breach and outcome variables (Turnley and Feldman, 1999a).

Recent studies have examined the possible moderation or controlling effects of such variables as personality (Tallman and Bruning, 2008), demographic variables such as gender (Tallman and Bruning, 2008; Turnley et al., 2003) organizational tenure (Turnley et al., 2003), protean and boundaryless career orientations (Granrose and Baccili, 2006), professional identification (Hekman, Bigley, Steensma and Hereford, 2009), equity sensitivity (Kickul and Lester, 2001; Restubog, Bordia and Bordia, 2009), procedural justice (Restubog et al., 2009), employment status (Ainsworth and Purss, 2009; Coyle-Shapiro and Kessler, 2002b; Hekman et al., 2009; Liao-Troth, 2001), and labor market situation (Hekman et al., 2009).

In this age of globalization, psychological contracts can be largely influenced by the cultural profiles of individuals (e.g., collectivism vs. individualism) through motivational and cognitive processing in terms of (a) formation of psychological contract, (b) perception and attribution of PCV, and (c) behavioral responses to PCV (Thomas, Au and Ravlin, 2003: 457). The influence of cultural profiles should be considered not only for comparative studies but also for studies on expatriates.

In terms of the empirical sport management studies, there has been a lack of effort to investigate the impact of various contexts or contextual variables that might influence the formation of psychological contract or the consequences of PCV. If any, the previous two empirical studies (Bravo and Won, 2009; Won and Pack, 2010) used such demographic background variables as age, gender and organizational tenure as control variables that influence the perception of PC. Further sport management studies should investigate the role of various contextual factors (e.g., job status, type of work, cultural profile) in understanding PC in sport. In addition, as mentioned earlier, further research about the cultural consequences on psychological contract will be very promising.

Studying mutuality

One of the main issues in psychological contract studies is the bidirectional nature of the psychological contract (Tekleab and Taylor, 2003), also known as mutuality and reciprocity in the psychological contract (Dabos and Rousseau, 2004). That means that in order to fully understand the psychological contract one should realize that there are two parties in an employment relationship such as organization–employee or supervisor–subordinate (Lester et al., 2002; Tekleab and Taylor, 2003). However, as noted by Guest (2004) and Tekleab and Taylor (2003), previous studies have focused more on the employee’s perspective and paid less attention to an organization’s perspective or perceptual gaps between employer and employee with regard to psychological contract.

In studying psychological contract in working relationships, most studies have paid little attention to understanding the organization’s perspective on the psychological contract. While Taylor et al. (2006), Owen-Pugh (2007), Kelley-Patterson and George (2002), and Nichols and Ojala (2009) explored the perceptual discrepancies in terms of psychological contracts between employer and employee in the context of sport organizations, those investigations were mostly qualitative studies with limited samples, and as a result no generalization can be drawn from these studies. Thus, while there is no doubt that qualitative methods contribute to providing a more detailed picture of the phenomenon being studied, large-scale, quantitative, cross-sectional and longitudinal studies would better contribute to the generalizability of the results. Notwithstanding, Nichols and Ojala (2009) suggest that
quantitative methods are of limited use when examining and contrasting psychological contract between volunteers and managers, since the nature of their relationships is significantly different as compared to managers and paid employees. Consequently, when examining the psychological contract between volunteers and managers the use of a qualitative approach seems more appropriate.

Measuring psychological contract violation

There are several methods to research the psychological contract including questionnaire surveys, scenario methodologies, critical incident techniques, interviews, diary studies and case studies (Conway and Briner, 2005: 90). Of these six methods, questionnaire surveys have been most utilized in psychological contract studies. There are three approaches in measuring psychological contract breach, namely (a) a composite measure, (b) a global measure, and (c) a weighted measure (see Zhao et al., 2007: 655–56). A composite measure is different from a global measure in terms of whether it asks about specific contract items (a composite measure) or overall psychological contract perceptions (a global measure). A weighted measure is different from a composite measure since it asks also about the importance of each contract item (Zhao et al., 2007). While a composite approach can provide more detailed psychological contract-related information, this approach may not be appropriate for unconventional or complex employment settings (McLean Parks et al., 1998; Zhao et al., 2007).

Due to the dynamic nature of psychological contract, Conway and Briner (2005) suggest using both longitudinal and cross-sectional designs. With these research designs, another key issue when measuring the psychological contract is about when and how often we need to measure PCV (Conway and Briner, 2005). Thus, further studies should consider advantages and disadvantages associated with each research design.

In measuring PCV using questionnaire surveys in sport, as mentioned, Kim et al. (2009) used a global measure while two other empirical studies (Bravo and Won, 2009; Won and Pack, 2010) used a composite measure. None of the sport management studies have utilized a weighted measure approach and a longitudinal study design. Further studies in sport management should be more aware of different measurement strategies and also consider advantages and disadvantages associated with each of the measurement strategies.

Understanding job specifics

Across the countries, there have been more contingent employments in various sectors including sport-related industry (Ainsworth and Purss, 2009). Due to the nature of the contingent employment (voluntary vs. involuntary) and the various types of employment modes (part-time, seasonal, temporary, or fixed-term), contingent workers’ psychological contracts can be different from those of traditional employment. In sport, various contingent employment arrangements exist. For example, many professional teams hire ticket sales personnel on a fixed-term basis and sport teams and clubs hire seasonal coaches. Thus, various employment conditions should be considered in studying the psychological contract in sport.

Due to sport globalizations through player trades and joint ventures, there are more people working in countries other than their own (i.e., expatriates). Thus, expatriates’ psychological contract should be more carefully understood for their adjustment during and after international assignments (Haslberger and Brewster, 2009).
Managerial challenges and future directions in psychological contract research in sport organizations

What do we know and where do we go from here?

While a scarcity of research on psychological contract within sport currently exists, we believe the focus on the psychological contract within the literature will continue to expand. An unrealistic and almost cultish fascination with the sport industry continues to permeate American culture. King (2009) suggests that approximately 24,000 undergraduate and 6,000 graduate students are currently studying sport management in the United States. Thus, there is an increased competition for employment within the industry, which naturally leads to an enhanced emphasis on human resources and human resource practices. At the same time, current barriers to entry into the industry such as budgetary restrictions within many sport organizations and a continued saturation of the North American market present some serious challenges. With both the current demand and enhanced competition for employment, an increasingly interesting topic of inquiry will be how this socialization process between employers and employees will play out in the sport industry. As noted by Taylor et al., individuals enter the workplace with “preconceived ideas about their new job, the organization, the sport, and the industry” (2008: 89). However, the success of the exchange relationships between the many stakeholders in sport will be based on the development and implementation of successful human resource practices.

From a theoretical and conceptual perspective, the literature suggests that both transactional and relational viewpoints play significant roles within sport. In particular, we have learned that expectations between employees and managers differ, with new employees viewing the contract from more of a transactional perspective than hiring managers (Kelley-Patterson and George, 2002). In the Owen-Pugh (2007) study we also learned that psychological contracts between coaches and players can lead to conflict. We also learned that violation of the psychological contract can have significant consequences within sport. Research by Won and Pack (2010) suggests that such contract violations impact the trust between parties, including commitment, satisfaction and turnover intention. To avoid violations, it is important for hiring managers and new employees to develop mutual understandings as to the contract which are based on realistic expectations (Taylor et al., 2006). However, often what occurs is exemplified in the Kelley-Patterson and George (2002) and the Nichols and Ojala (2009) studies whereby parties view the psychological contract from differing points of view.

The existing research on the psychological contract in sport also highlights the importance of volunteers and volunteer management within the industry. In a similar manner to new employees, volunteers also place differing emphasis on the psychological contract in comparison to hiring managers. The Taylor et al. (2006) study suggests that volunteers and sport club administrators attach differing emphasis to the transactional assurance of good faith and intrinsic job components of the psychological contract. Moreover, Kim et al. (2009) highlighted the importance that volunteers perceive a fit with organizational attributes when the psychological contract is not fulfilled. Finally, Nichols and Ojala (2009) noted that while the primary expectation of event managers is about the reliability of volunteers, volunteers are primarily concerned with their level of flexibility, the quality of their personal interactions and the level of recognition for their contributions.

The literature on psychological contract in sport has implications for sport managers which are important to consider. Managers must be cognizant of any violations of the psychological contract because a violation can lead to lower amounts of trust, job satisfaction, loyalty and
performance and can often lead to employee turnover. Managers also need to understand and balance the differing perceptions of employees in terms of transactional items such as compensation in comparison to hours worked, workplace safety and relational components like job security, training and socio-emotional concerns such as the culture of the workplace. While sport managers may acknowledge the importance of volunteers, a systematic plan for incorporating managers into the workplace is an important component of success. Strategic planning must incorporate volunteers as important human resources. National sport governing bodies should consider the need to provide better assistance to local sport organizations in terms of recruitment and retention of volunteers. At all levels, sport managers need to provide better training for volunteers and to more fully integrate volunteers into organizational decision-making, especially in relation to the tasks they are performing. Finally, volunteers must feel empowered and perceive that they fit within the organization in order to continue volunteering.

Research avenues on psychological contract in the context of sport organizations

We have learned that little has been done to develop the literature on psychological contract within sport. However, the handful of empirical studies which have been conducted have focused on exchanges related to administrators, coaches, players and graduates. While most of the studies have focused on higher-level administrators and either volunteers or coaches, future research may focus on mid-level staff. In addition, future studies may take into account the expectations of new entrants into the industry such as interns. While some studies have focused on volunteers, the perceptions of volunteering with an industry that has expectations for long work hours and low pay would be an interesting topic. Other studies may consider how the psychological contract differs between differing segments (e.g., recreational sport, professional teams, non-profits, etc.) of the industry and differing levels (e.g., minor league, major league, collegiate) of sport. Scholars within sport should consider undertaking research in this area as the extent literature is fragmented and covers the subject from a variety of different angles. While managerial practices within sport continue to evolve, there is a need to focus more attention on the psychological contract. Since employees may face different transactional contracts (e.g., fixed vs. commission-based pay) and working conditions based on their occupational areas, further study may explore how the psychological contract differs across various occupational areas (e.g., finance, marketing, ticketing, facilities, operations, etc.) within the same industry.

Another research avenue on psychological contract could be about how the psychological contract is influenced by such individual or organizational factors as careerism and work centrality (De Vos et al., 2009), organizational culture (Richard, McMillan-Capehart, Bhuian and Taylor, 2009), working overseas (Morgan and Finniear, 2009), and merger and acquisition in sport. Additionally, the dynamic nature of employer–employee dyads including gender and ethnicity on the psychological contract should be further examined in sport.

Conclusions

For the past 20 years, organization and management scholars have given significant attention to the study of the psychological contract and its impact on the dynamics of exchange relationship at work. The growth in attention to this construct has been partly attributed to the increase and dramatic changes affecting the workplace. In this regard, as working environments have gone through significant changes, so have the exchange relationships that have
occurred between employees and their organizations. It is in this context that our understanding of the psychological contract becomes critical if organizations are to better manage and/or predict employees’ behavior under these conditions of great uncertainty.

The vast amount of psychological construct literature within the past two decades has provided us with a solid background of the complexity of this contract. However, as noted by Conway and Briner (2005), additional research is needed as psychological contract studies should be explored not only as a one-shot attempt but more as an outgoing and dynamic process that evolves over time.

In the context of sport organizations, the study of the psychological construct is still in its infancy and is focused mostly on a few contextual exchange relationships. Future studies should include other contextual settings, such as professional sport and the relationship between coaches/owners, and players/coaches. Particular attention should be focused on understanding how idiosyncratic factors like organizational culture or nationality influence the psychological contract. In addition, future studies should examine not only the employee perspective but also the employers’ point of view. Finally, there is a need to expand the methods of research to include not only cross-sectional studies but also longitudinal ones.

The adequate management of the non-contractual agreements and expectations being made between the organization and their employees can have a significant impact on both sides. As noted throughout the chapter, there are a number of studies which provide empirical evidence that the breach and violation of these non-contractual agreements and expectations generate negative outcomes to both sides, and the opposite occurs when these beliefs or agreements have been met. In the context of sport organizations, there is also empirical evidence that supports similar findings to those reported in other organizational settings.

The relevancy of the psychological contract in sport organizations can be attributed to the macroeconomic changes that have affected the structure and dynamic in the workplace, but also to reasons that can be more specifically related to the way the sport industry operates. One of these is the heavy dependency of many sport services on voluntarism (Chelladurai, 1999; Cuskelly, Boag and McIntyre, 1999). Thus, it is possible to argue that volunteers that are attached and committed to give their time in exchange for inducements other than purely transactional (e.g. money) would constitute the prototypical cases in which the adequate management of psychological contract could result not only in their retention but also in their willingness to come back to volunteer (Kim et al., 2009).

Another reason for the importance of the psychological contract in sport organizations is the rapid professionalization of the industry. As sport management education becomes a formal and accepted area of study, sport organizations are increasingly hiring and recruiting professionals and experts specifically trained to work in the sport marketplace. This means that many more organizations today have changed their traditional structure and mode of operation from the “kitchen table design” (Kikulis, Slack and Hinings, 1992) to become highly bureaucratic and formalized. In this context, it is suggested that the working relationships in these bureaucratic sport organizations have also experienced changes along with the expectations of employers and employees and the way they build their exchange relationships.

The psychological contract in sport organizations can be observed through the lens of the culture in which most sport organizations operate. In spite of the rapid professionalization of most organizations, one may argue that the sport marketplace still operates very differently from the traditional business. The high visibility of many sport organizations (e.g., professional teams) and the emotional attachments formed in relation to the products and services they produce (e.g., winning or losing teams) cause them to function in a different manner. In
many cases decision-making processes influenced by emotions will supersede rationality (Heinemann, 1998); as a result, these can exert a profound impact on the exchange relationship between employers (e.g., owners) and employees (e.g., coaches).

Finally, the relevance of understanding the psychological contract can be seen not only from the perspective of human resource management practices, but also from the overall impact that failing can have across the entire organization. Sport organizations are for the most part service organizations targeted to cater for the needs of people (Chelladurai, 2005). As a result, it is possible to claim that the greatest assets of sport organizations lie in their own human capital. In this context, the psychological contract emerges as an important analytical framework that provides organizations with tools to better understand behaviors regarding what constitutes their most precious and critical resource. This is true regardless of whether these are exchange relationships between volunteers and staff, players and coaches, or professional staff and owners.

In this chapter, we have provided a snapshot of psychological contract theory. We have integrated a vast amount of literature from an array of disciplines. Nonetheless, we recognize that no overview is always fully complete, particularly when reviewing and interpreting such a complex subject as the psychological construct. As a result, it is possible that we have omitted some studies. In addition, as we write and edit this chapter, additional studies of which we are not aware may be in the process of being written. While we have striven to present a complete overview of research on the psychological contract in sport organizations, this may not be possible at this time. But on the other hand, and as stated early in our introduction, this confirms our assertion that the study of psychological contract in sport continues to flourish as the concept becomes more familiar to researchers interested in explaining attitudinal and behavioral responses emanating from exchange relationships in working environments.

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