Perceived organizational support and psychological contracts: a theoretical integration

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Summary

Although organizational support theory and psychological contract theory both stress social exchange processes in the establishment and maintenance of the employee–employer relationship, they have focused on different aspects of this relationship. We suggest that, far from being independent, the different parts of the employee–employer association considered by the two theories are mutually interdependent. Further, key processes identified by each theory influence the relationships described by the other theory. To further the understanding of the employee–employer relationship, we provide an integrated account that emphasizes the interdependence of perceived organizational support and the psychological contract. Copyright © 2003 John Wiley & Sons, Ltd.

Introduction

For many years, organizational theorists have alluded to employment as the exchange of employees' effort and loyalty for the organization's provision of material and socioemotional benefits (e.g., Etzioni, 1961; Gould, 1979; Levinson, 1965; March & Simon, 1958; Mowday, Porter, & Steers, 1982; Porter, Steers, Mowday, & Boulian, 1974). These characterizations of the employee–employer relationship emphasize organizations' attainment of favorable outcomes through the generous treatment of employees. For example, employees who are well treated are more likely to become affectively committed to the organization (Meyer & Allen, 1997; Mowday et al., 1982), to exceed their explicitly required work responsibilities, and to respond flexibly to organizational problems and opportunities (George & Brief, 1992).

Social exchange theories maintain that individuals enter into relationships with others to maximize their benefits (Blau, 1964; Homans, 1974). The resources exchanged between partners may be impersonal, that is, benefits whose value does not depend on the identity of the sender as, for example, the provision of information or money (Foa & Foa, 1974). Resources may also be socioemotional, such as the communication of caring or respect. The norm of reciprocity, obligating the reciprocation of favorable

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Accepted 30 April 2003
treatment, serves as a *starting mechanism* for interpersonal relationships: aid can be provided to another individual with the expectation that it will be paid back with resources desired by the donor (Gouldner, 1960). To the extent that both partners possess and are willing to supply resources strongly desired by the other, reciprocation of increasingly valued resources strengthens the exchange relationship over time.

Social exchange theory highlights the importance of understanding employees’ motivation and its relation to the achievement of organizational goals. Such approaches to organizational behavior incorporate employees’ motives to carry out specific activities within the mutual obligations between employees and employers. The present article compares and integrates two major contemporary social exchange theories that heretofore have been commonly considered in isolation: organizational support theory (OST) and psychological contract theory (PCT).

Both OST and PCT assume that employees increase their efforts carried out on behalf of the organization to the degree that the organization is perceived to be willing and able to reciprocate with desirable impersonal and socioemotional resources. Employees who receive highly valued resources (e.g., pay raises, developmental training opportunities) would feel obligated, based on the reciprocity norm, to help the organization reach its objectives through such behaviors as increased in-role and extra-role performance and lessened absenteeism.

OST maintains that employees form a global belief concerning the extent to which the organization cares about them and values their contributions to the organization (Eisenberger, Huntington, Hutchison, & Sowa, 1986; Rhoades & Eisenberger, 2002; Shore & Shore, 1995). Such perceived organizational support (POS) is assumed to be based on the favorableness of employees’ history of treatment by the organization (Eisenberger et al., 1986). OST maintains that, based on the norm of reciprocity, employees strive to repay the organization for a high level of support by increasing their efforts to help the organization reach its goals.

PCT argues that employees form beliefs about the particular types of resources that they are obligated to provide to the organization and that the organization is obligated to provide to them in return (Rousseau, 1989, 1995; Morrison & Robinson, 1997). Based on resources promised to them and the obligations that are both communicated by the organization and implied by the norm of reciprocity, employees form a psychological contract with the organization. PCT emphasizes the role of the perceived failure of the organization to keep its promises as a key determinant of employees’ dissatisfaction and poor performance.

We suggest that, far from being independent, the different parts of the employee–employer association considered by the two theories are mutually interdependent. Further, key processes identified by each theory influence the relationships described by the other theory. Therefore, we believe a consideration of the implications of each theory for the other will provide a more extensive account of the employee–organization relationship than the consideration of the two theories in isolation. To provide a basis for this theoretical integration, we will first review the basic premises and empirical evidence for each theory and then discuss the similarities and differences between these approaches. Through a series of propositions, we will present an integrated model that, we hope, may promote future theoretical development and empirical research on the relationship between POS and psychological contracts.

**Organizational Support Theory**

OST (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002; Shore & Shore, 1995) holds that the formation of POS is encouraged by employees’ tendency to assign the organization humanlike
characteristics. Levinson (1965) noted that actions taken by agents of the organization are often viewed as indications of the organization’s intent, rather than being attributed solely to agents’ personal motives. According to Levinson, this personification of the organization is abetted by the organization’s legal, moral, and financial responsibility for the actions of its agents; by organizational policies, norms, and culture that provide continuity and prescribe role behaviors; and by the power the organization’s agents exert over individual employees. Based on their personification of the organization, employees would view favorable or unfavorable treatment received from the organization as an indication of the extent to which the organization values their contributions and cares about their well-being.

POS would be valued by employees for meeting socioemotional needs, providing an indication of the organization’s readiness to reward increased work effort, and indicating the organization’s inclination to provide aid when needed to carry out one’s job effectively (Eisenberger et al., 1986). A meta-analysis by Rhoades and Eisenberger (2002) suggested three major work-experience antecedents of POS: organizational rewards and working conditions, support received from supervisors, and procedural justice. Considering these antecedents, in turn, research has identified a variety of rewards and favorable working conditions that are positively related to POS, such as developmental experiences allowing employees to expand their skills (Wayne, Shore, & Liden, 1997), autonomy in the manner in which jobs are carried out (Eisenberger, Rhoades, & Cameron, 1999), and visibility to and recognition from upper-level management (Wayne, Shore, Bommer, & Tetrick, 2002).

Another major antecedent of POS, perceived supervisor support, refers to employees’ beliefs that their supervisors care about them and value their contributions (Kottke & Sharafinski, 1988). Supervisors act as representatives of the organization and are frequently charged with evaluating employees and communicating the organization’s goals and values to employees. As such, employees have been found to identify treatment by their supervisor as indicative of organizational support (Eisenberger et al., 2002b). In addition, a cross-lagged panel study suggested that perceived supervisor support leads to POS and not the reverse (Eisenberger et al., 2002b).

The third major antecedent, procedural justice, involves the fairness of formal organizational policies and procedures for distributing resources (Greenberg, 1990). Shore and Shore (1995) argued that perceptions of procedural justice would result from specific decisions made by the organization, such as pay raises and promotions. Shore and Shore suggested that employees’ repeated exposure to fair procedures would accrue to POS. A related concept, involving unfair treatment, is organizational politics. Perceived attempts to influence others in ways that promote self-interest, often at the expense of the rewards for individual merit or the betterment of the organization, are negatively related to POS (e.g., Cropanzano, Howes, Grandy, & Toth, 1997; Randall, Cropanzano, Bormann, & Birjulin, 1999).

The relationship between favorable work experiences and POS has been found to be moderated by three factors. The first is discretionary choice. According to OST (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002; Shore & Shore, 1995), employees use attributional processes, similar to those used in interpersonal relationships, to infer organizational support. In interpersonal relationships, resources given voluntarily, rather than being required of the donor, are welcomed as an indication that the donor genuinely values and respects the recipient (e.g., Blau, 1964; Cotterell, Eisenberger, & Speicher, 1992; Eisenberger, Cotterell, & Marvel, 1987; Gouldner, 1960). A similar relationship would hold between employee and employer. Thus, favorable organizational experiences contributed more to POS if employees believed them to stem from the organization’s voluntary actions, as opposed to external constraints such as union contracts or governmental health and safety regulations (Eisenberger, Cummings, Armeli, & Lynch, 1997).

The relationship between a second major work experience, supervisor support, and POS was found to be moderated by the supervisor’s perceived status in the organization (Eisenberger et al., 2002b). OST supposes that supervisor support contributes to POS because supervisors act as representatives of the organization (Eisenberger et al., 1986). Thus, treatment received from supervisors who are strongly
identified with the organization would have the greatest influence on POS. Eisenberger et al. (2002b) found that the positive relationship between the perception of support received from a supervisor and POS was an increasing function of supervisors’ perceived organizational status, involving: (a) the organization’s positive valuation of the supervisor’s contributions and its concern about the supervisor’s well-being, (b) the supervisor’s influence in important organizational decisions, and (c) the autonomy and authority accorded the supervisor in his or her job responsibilities (Eisenberger et al., 2002b).

The third moderating factor in the relationship between work experience and POS involves the personality trait of collectivism. Group membership is an important part of collectivistic individuals’ self-definition; therefore, collectivists strongly identify with their ingroup (Oyserman, Coon, & Kemmelmeier, 2002). Thus, collectivistic employees would pay added attention to the treatment of their coworkers by the organization in deciding how much the organization values their contribution and cares about their well-being (Eisenberger et al., 2002a). Accordingly, Eisenberger et al. found that employees’ perceptions that the organization treated their coworkers fairly contributed more strongly to POS for highly collectivistic employees.

OST holds that POS produces a generalized felt obligation to help the organization achieve its goals, an affective commitment to the organization, and an enhanced expectancy that superior performance will be noticed and rewarded (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002; Shore & Shore, 1995). Eisenberger et al. (2001) found with postal employees that POS was positively related to a felt obligation to help the organization achieve its goals. Supporting OST’s view that this felt obligation emerges as a result of the norm of reciprocity, Eisenberger et al. (2001) reported that the relationship between POS and felt obligation increased with employees’ acceptance of the norm of reciprocity as applied to employee–employer relationships (employee exchange ideology).

Eisenberger et al. (1986) suggested that by fulfilling socioemotional needs POS would increase employees’ affective commitment to the organization. A longitudinal panel study by Rhoades, Eisenberger, and Armeli (2001) found that POS influenced affective commitment and that affective commitment did not influence POS. In addition, Rhoades et al. reported that POS mediated the relationships of major work experiences with affective commitment. Concerning performance reward expectancies, Eisenberger et al. suggested that POS would indicate the organization’s willingness to notice and reward employees’ efforts to help the organization succeed. Research has found a positive relationship between POS and performance reward expectancies (Eisenberger, Fasolo, & Davis-LaMastro, 1990).

Felt obligation, affective commitment, and performance–reward expectancy would contribute to employee behaviors that are beneficial to the organization. Rhoades and Eisenberger’s (2002) meta-analytic review found that POS was positively related to in-role and extra-role performance, and was negatively related to withdrawal behaviors such as absenteeism, tardiness and turnover. Consistent with OST, Eisenberger et al. (2001) reported that felt obligation mediated the relationships of POS with in-role and extra-role performance. Further, Rhoades et al. (2001) reported that affective commitment mediated the relationship between POS and employee turnover. The mediating role of performance-reward expectancy in the relationship between POS and performance has yet to be examined.

OST has been concerned with the favorable outcomes of POS for the relationship between the employee and the organization. However, POS might also strengthen the exchange relationship between employees and their supervisor. Leader–member exchange (LMX), as described by Graen and Scandura (1987), characterizes the strength of the exchange relationship between an employee and her supervisor. Wayne et al. (1997) reasoned that supervisors are likely to have high expectations of employees whom the organization strongly supports. Because of this, employees having high POS would be viewed as valuable exchange partners with whom supervisors would be inclined to develop strong LMX relationships. Supporting this contention, Wayne et al.’s study as well as studies by
Masterson, Lewis, Goldman, and Taylor (2000) and Wayne et al. (2002) have demonstrated that POS positively influences LMX.

**Psychological Contract Theory**

Whereas OST emphasizes the favorableness of employees’ work experiences as antecedents of POS, PCT gives primary attention to the relationship between the favorableness of work experiences and the favorableness of the treatments the organization has obligated itself to provide. Schein (1980) suggested that a psychological contract reflects the expectations that the employee and the organization have concerning the particular resources each owes the other. Further, Schein maintained that psychological contracts are key determinants of employees’ attitudes and behaviors in the workplace. More recently, Rousseau (1989) defined the psychological contract in terms of employees’ perceptions of the mutual obligations existing between themselves and the organization. Shore and Tetrick (1994) argued that psychological contracts afford employees a sense of control and security in their relationship with employers, while providing employers a way to manage and direct employee behavior without heavy-handed surveillance.

Rousseau (1995, 1990; Rousseau & McLean Parks, 1993) maintained that psychological contracts vary in strength and generality. Transactional obligations are characterized by a close-ended time frame and the exchange of economic resources, whereas relational contractual obligations involve an open-ended time frame and the exchange of socioemotional resources. Accordingly, transactional and relational obligations have been found to be empirically distinct (Robinson, Kraatz, & Rousseau, 1994), although alternative multidimensional characterizations of obligations have been suggested (Coyle-Shapiro & Kessler, 2000; Kickul & Lester, 2001). Regardless of how different kinds of contracts are characterized, the distinction between short-term, limited involvements versus long-term, open-ended involvements remains a key feature of PCT (Rousseau & Tijoriwala, 1998).

Rousseau (1995) suggested that employees derive the terms of their psychological contract in three main ways. First, individuals may receive persuasive communications from others. When being recruited, prospective employees may receive implicit or explicit promises from recruiters or interviewers. Once hired, coworkers and supervisors may describe their view of the obligations that exist between employees and the employer. Second, employees’ observations about how their coworkers and supervisors behave and are treated by the organization act as social cues that inform employees of their contractual obligations. Third, the organization provides structural signals such as formal compensation systems and benefits, performance reviews, and organizational literature, including handbooks and missions statements that all play a role in the creation of the employees’ psychological contract.

Shore and Tetrick (1994) suggested that the nature of an employee’s psychological contract would be influenced by the organization’s inclination to cultivate long-term or short-term relationships with its employees. Tsui, Pearce, Porter, and Tripoli (1997) argued that organizations adopt different strategies concerning the value of the resources they are willing to invest in their employees. Thus, organizations with high investment strategies would be more likely to convey a psychological contract involving the exchange of highly valued resources than an organization with a low investment strategy. In addition, Shore and Tetrick noted that employees’ employment goals would also shape the psychological contract. Employees seeking to build a career with the organization would be inclined to seek out information conveying extensive mutual obligations. Conversely, employees with only a short-term interest in working for the organization would seek information about and form contracts with limited mutual obligations.
A majority of the studies on PCT have focused on the effects of contract breach on employees’ attitudes and behaviors (Lester, Turnley, Bloodgood, & Bolino, 2002). Contract breach has been defined as an employee’s belief that the organization has failed to fulfill its obligations to the employee (Morrison & Robinson, 1997). Rousseau (1995) suggested that the more closely an employee scrutinizes the organization’s actions, the more contract breaches she is likely to notice. Robinson and Morrison (2000) found that employees who had experienced a contract breach with past organizations were more likely to report a contract breach in their current organization. Thus, a history of breaches involving a past organization would increase monitoring behavior and the likelihood that an employee would experience a contract breach.

Morrison and Robinson (1997) noted that contract breaches might occur due either to deliberate violations of the contract’s terms by the employee or organization (reneging) or to a misunderstanding between the employee and organizational representatives concerning the nature of the other’s mutual obligations (incongruence). In addition, Rousseau (1995) suggested that contract breaches might occur because circumstances outside the organization’s control prevent employees or organizations from fulfilling their obligations (disruption). Recent research provides examples of reneging, incongruence, and disruption as causes of contract breach. As for reneging, Coyle-Shapiro and Kessler (2000) found with a sample of British civil servants that there was general agreement between employees and supervisors concerning the terms of the contract and that a majority of supervisors and employees believed the organization was not fulfilling its obligations to employees.

Concerning incongruence, Porter, Pearce, Tripoli, and Lewis (1998) assessed the extent to which aerospace employees and company executives felt their organization was obligated to provide inducements such as autonomy and recognition for a job well done. Porter et al. (1998) found that for seven of the nine inducements considered in their study, there were perceptual gaps involving employees’ perceptions that the organization owed them more than the organization’s managers believed was owed to the employees. These perceptual gaps were found to be negatively related to employee satisfaction. According to Robinson and Morrison (2000), formal socialization and interactions with organizational representatives help employees develop a clear understanding of the beliefs and assumptions common in the organization. Because of this, employees who have exposure to formal socialization practices and have often interacted with organizational representatives would be less likely to experience a contract breach due to incongruence. Turning to the third proposed cause of contract breach, Turnley and Feldman (1998) reported results suggesting that disruption is a cause of contract breach. In their study, employees who reported their organization had experienced significant downsizing or reorganization or had merged with another organization were significantly more likely to report contract breaches.

Contract breaches have been argued to produce negative affect (Morrison & Robinson, 1997), cognitive reappraisal of the terms of the contract (Robinson, Kraatz, & Rousseau, 1994; Coyle-Shapiro & Kessler, 2002), reduced trust in the benevolence of the organization (Robinson, 1996), and decreases in performance (Robinson & Morrison, 1995). Coyle-Shapiro and Kessler reported that British civil employees decreased their perceived obligations to the organization when they believed the organization had not fulfilled its obligations to them. Based on the norm of reciprocity (Gouldner, 1960), the greater the failure of the organization to fulfill its obligations to the employee, the more the employee would lower her perceived obligations to the organization (Coyle-Shapiro & Kessler, 2002; Robinson et al, 1994; Shore & Tetrick, 1994). Accordingly, Robinson et al. (1994) found that employees’ downgrading of perceived obligations to the organization were an increasing function of the magnitude of contract breach.

The norm of reciprocity holds parties more responsible for favorable or unfavorable treatment when such treatment is voluntary as opposed to being accidental or due to factors beyond an individual’s control (Gouldner, 1960). Retribution for unfavorable treatment has been found to be greater in the case of voluntary mistreatment (e.g., Dyck & Rule, 1978; Epstein & Taylor, 1967; Greenwell &
Dangerink, 1973; Nickel, 1974; Pastore, 1952; see review by Ferguson & Rule, 1983). Thus, employees might be expected to attach less blame to the organization if the breaches are attributed to a misunderstanding with the organization (incongruence, Morrison & Robinson, 1997) or to circumstances beyond the organization’s control (disruption, Rousseau, 1995) rather than to a willful act by the organization (reneging, Morrison & Robinson, 1997). Supporting this notion, Conway and Briner (2002) found that employees were less likely to report feelings of resentment and anger following a breach that they attributed to circumstances beyond the organization’s control. Turnley and Feldman (1999) found that attributing the breach to external circumstances served to decrease the negative relationship between breach and turnover intentions. However, no research to date has shown that attributing a breach to incongruence influences attitudinal and behavioral outcomes.

According to Rousseau (1995), fair procedures should reduce aversive reactions to contract breaches. Procedural justice would demonstrate that, despite the breach, the employee is still a valued and important member of the organization (Rousseau, 1995, p. 130). Kickul, Lester, and Finkl (2002) found that the organization’s failure to provide promised competitive pay, rewards and other tangible resources had a less negative influence on employees’ self-reported in-role performance, extra-role performance, and job satisfaction when employees reported high procedural justice. In addition, Turnley and Feldman (1999) found that procedural justice reduced the negative relationship between perceived contract breach and employees’ turnover intentions.

Following a contract breach, increased negative affect, decreased trust in the organization, and downgraded obligations to the organization would reduce employee efforts to help the organization. Supporting this contention, contract breach has been found to be related to decreased self-reported in-role performance (Turnley & Feldman, 1999, 2000; Robinson, 1996), supervisor-rated in-role performance (Lester et al., 2002), and various kinds of self-reported extra-role behaviors carried out on behalf of the organization (Robinson & Morrison, 1995; Robinson, 1996; Turnley & Feldman, 2000). Further, Robinson and Rousseau (1994) found that contract breach was positively related to employee turnover rates among a sample of MBA graduates.

As illustrated in our brief review, much theory and research on the psychological contract has focused on antecedents, outcomes and processes of contract breach. When fulfilled, the psychological contract would be expected to have positive effects on employee performance. This is because the reciprocity norm would encourage employees to fulfill their contractual obligations to the organization. Supporting this notion, Coyle-Shapiro and Kessler (2002) presented evidence that fulfillment of the contract had positive effects on employees’ performance. In their study of British civil servants, it was found that employees’ self-reported fulfillment of their obligations, such as working extra hours and volunteering to do non-required tasks, was an increasing function of how well the employees believed the organization had fulfilled its obligations to them.

**Similarities and Differences between Organizational Support Theory and Psychological Contract Theory**

As social exchange approaches to the relationship between employees and their organization, OST and PCT are similar in several respects. First, according to Blau (1964), the development of strong interpersonal relationships is fostered by the exchange of increasingly valued socioemotional resources. OST and PCT incorporate the exchange of socioemotional resources, promoted by the reciprocity norm, as an important aspect of the development of exchange relationships between employees and their work organization. This is represented in OST’s claims that POS meets employees’ socioemotional needs and
provides assurances that aid will be available when needed, resulting in felt obligation and affective commitment to the organization (Eisenberger et al., 1986). In PCT, the exchange occurs in the form of fulfilled obligations such as job security and promotions given to employees by the organization and loyalty given to the organization by employees (Rousseau, 1990, 1995).

Social exchange theory supposes that to determine the degree of their obligation to others, individuals assess the value of the resources received from a donor. According to Gouldner (1960), the socio-emotional value of a resource depends on the degree to which it symbolizes the donor’s positive valuation of the recipient. Consistent with this view, both OST and PCT assume that favorable treatment received from the organization is valued more by the donor if thought to be given freely rather than forced by external constraints, such as changes in a union contract or government health and safety regulations. Thus, the relationship between the favorableness of job conditions and POS was found to be seven times greater with highly discretionary job conditions than with job conditions concerning which the organization was believed to have little control (Eisenberger et al., 1997). Because PCT addresses the aversive effects of contract breaches on employee-employer relationships, it is in this context that PCT has emphasized the discretion of employer actions. Specifically, PCT assumes that employees will have more negative reactions to contract breaches appearing to be willful than those that the organization had no control over or those that result from a misunderstanding (Rousseau, 1995; Morrison & Robinson, 1997).

Both OST and PCT have considered fairness of treatment as a factor that would be important for the development and maintenance of the employee–organization relationship. Procedural justice signifies the organization’s continued positive regard for an employee (Shore & Shore, 1995; Rousseau, 1995) and has been found to be strongly related to POS (Rhoades & Eisenberger, 2002). As we have noted in the case of PCT, Rousseau (1995) suggested that procedural justice mitigates the ill effects of contract breach by demonstrating to employees that, despite the breach, their membership in the organization is still valued.

OST and PCT maintain that the favorableness of employees’ exchange relationship with the organization has important consequences for both the organization and the employee. Thus, POS has been found to be positively related to affective commitment (Rhoades et al., 2001) and positive mood at work (Eisenberger et al., 2001). Correspondingly, employees’ report of feelings of betrayal and negative affect at work are related to their belief that the organization has failed to fulfill its obligations to them (Robinson & Morrison, 2000; Conway & Briner, 2002). We have already discussed the corresponding relationships that POS and contract violations have with performance and turnover.

While OST and PCT both maintain that similar processes influence employees’ behavior in the workplace, the two theories also differ in several major respects. First, for, PCT, the strength of the socioemotional bond between employee and employer depends on the types of promises made to the employee, the obligations required in return, and the degree to which the promises are fulfilled (Rousseau, 1995, 1990). In contrast, OST maintains that favorable treatment without regard to what has been promised is the key determinant of POS. A more complete account of the employee–employer exchange relationship would incorporate the effects of promises on POS. Thus, Coyle-Shapiro and Kessler (2000) found that employees’ perceptions of the organization having fulfilled its contractual obligations were associated with increased POS.

On the other hand, while PCT’s focus on promises made to employees is one of its strengths, a more complete consideration of the social exchange relationship between employee and employer would consider favorable treatment provided by the organization that is not part of the psychological contract. For example, an organization may institute a low-cost day care center for its employees in the absence of any promise or obligation. Such favorable treatment might contribute to the strengthening of relationships between employees and their employer as indicated by increases in POS. Though not based on promises, such favorable treatment might enhance employees’ felt obligations to the organization.
Consequently, an integrated examination of promised and unpromised treatment of employees would provide a fuller understanding of how resources received from the organization influence employees’ attitudes and behaviors.

OST and PCT offer different perspectives concerning how employees determine the types of behaviors they should engage in to reciprocate the favorable treatment received from the organization. OST assumes that POS produces a generalized obligation to care about the organization’s welfare and to help the organization reach its objectives (Eisenberger et al., 2001). Presumably, based on cues from supervisors and their own observations, employees with high POS would be attentive to ways they might provide the organization with resources it values. In contrast to OST, PCT incorporates a set of obligations established during the initial phases of the employment relationship. These contractual obligations would guide employees’ behavior to reciprocate the favorable treatment they have received from the organization with performance the organization would value. A more complete account would include both the general obligation to aid the organization reach its objections, as considered by OST, and the obligations specified in the psychological contract.

Both OST and PCT assume that actions by the organization’s agents are, to some degree, attributed to the intentions and motives of the organization itself. OST maintains that favorable treatment received from organizational agents, such as a supervisor, contributes to employees’ beliefs that their organization cares about them and values their contributions to its well-being (Eisenberger et al., 2002b). In PCT, a number of agents of the organization, such as supervisors and recruiters, make promises to employees. Rousseau (1998) pointed out that employees may frequently, and at times incorrectly, consider a promise from the supervisor to be a promise from the organization. Furthermore, Rousseau added that PCT has not addressed the circumstances under which promises from an organization’s agents obligate that agent, the organization, or both. OST is more specific in this regard. The identification of supervisors with the organization was demonstrated to depend on their perceived status in the organization; employees more closely identify organizational representatives with the organization to the extent that they have high perceived status (Eisenberger et al., 2002b). The organizational agent’s status in the organization might moderate the influence of her promises on the psychological contract.

Finally, OST gives an important role to dispositional differences in reciprocity. Such employee exchange ideology concerns employees’ application of the reciprocity norm to their relationship with the work organization. Consistent with this view, the relationship between POS and felt obligation was greater for employees with a strong exchange ideology (Eisenberger et al., 2001). Employees’ willingness to reciprocate the organization’s fulfillment of its obligations, as considered by PCT, might be influenced by individual differences in endorsement of the reciprocity norm.

Integration of Organizational Support Theory and Psychological Contract Theory

In order to provide a more comprehensive explanation of employee–employer relationships, we will consider a model that incorporates the processes proposed by the two theories and the mutual influences of these processes. The model is pictured in Figure 1. Paths not accompanied by proposition numbers represent relationships established in prior research on OST or PCT. We have omitted many of the details of the individual theories not influenced by their inter-relationships; for example, not represented are the three major categories of work experiences found to influence POS (fairness, supervisor support, and favorableness of rewards and job conditions).
We begin our discussion with the formation of the psychological contract. PCT does an excellent job of denoting the diverse set of contract makers representing the organization, including recruiters, supervisors, and coworkers (Rousseau, 1995). Yet, PCT has had little to say about factors influencing employees’ beliefs that promises made to them accurately represent the organization and therefore are likely to be kept. In contrast, OST has begun to address the issue of the extent to which individuals are perceived as representatives of the organization. As previously noted, Eisenberger et al. (2002b) found that favorable treatment received from supervisors with high perceived status was more strongly associated with POS. Thus, we propose that promises extended by organizational agents who are viewed as possessing high status will be more strongly incorporated into employees’ contract with the organization. On the other hand, promises extended by low-status agents would tend to be given reduced credence or held as part of a contract with that agent alone rather than with the organization (see Proposition 1 in the upper left corner of Figure 1).

**Proposition 1**: Employees’ acceptance of an organizational agent’s promises as reliable and binding expressions of the organization’s obligations increases with the agent’s perceived organizational status.

OST maintains that POS is cultivated through favorable treatment received from the organization (Eisenberger et al., 1986; Shore & Shore, 1995; Rhoades & Eisenberger, 2002). However, unlike PCT, OST provides no role for promises made to employees. An additional source of POS might be the psychological contract, based on obligations conveyed to employees by recruiters, coworkers, supervisors, upper managers, organizational literature and human resource practices. These contract makers communicate the organization’s agreement to provide a variety of favorable tangible and...
Proposition 2: The favorableness to the employee of the organization’s obligations in the psychological contract is positively related to POS.

The contribution of an organization’s favorable contractual obligations to POS would depend on employees’ belief in the trustworthiness of the organization and its agents. Employees’ trust would be influenced by a number of factors, such as the reputation of the organization for integrity, the organization’s fulfillment of past promises extended to employees (Robinson, 1996), employees’ history of contract breach with prior organizations (Robinson & Morrison, 2000), and employees’ dispositional differences in fear of exploitation in exchange relationships (Cotterell et al., 1992; Lynch, Eisenberger, & Armeli, 1999).

Proposition 3: The relationship between the organization’s obligations to the employee in the psychological contract and POS increases with the perceived trustworthiness of the organization.

We suggest that the influences of favorable and unfavorable treatment on POS are moderated by the psychological contract. Unfavorable treatment would be expected to result in diminished POS, more so when that treatment violated a specific promise or obligation by the organization to the employee. Failure to fulfill the terms of the psychological contract conveys a low valuation of the employee’s contributions and lack of concern with the employee’s well-being. For example, an employee who fails to receive a pay raise should feel a considerable lack of support when the psychological contract strongly obligates the organization to provide the pay raise. The same failure to receive a pay raise would not be as detrimental to POS in the absence of a strong perceived obligation on the part of the organization. The stronger the organization’s obligation under the psychological contract to provide a benefit, the greater the degree to which the failure to provide the benefit would be viewed as a betrayal, and the greater would be the decline in POS.

In the case of favorable treatment, receipt of a benefit without prior promise would more greatly enhance POS than if the organization was highly obligated by the psychological contract to provide the benefit. Favorable treatment associated with little or no obligation would tend to be perceived as voluntary and generous, signifying a high regard for the employee’s contribution and concern for her welfare. In contrast, favorable treatment that the organization was highly obligated to provide would be viewed as being less discretionary and therefore less an indication of the organization’s high regard for the employee.

Similarly, treatment whose favorableness exceeded the organization’s obligation would have a more positive effect on POS than if an obligation were simply met. Employees commonly receive favorable treatment that exceeds the organization’s obligations. Specifically, in Conway and Briner’s (2002) diary study of 45 employees from various organizations, 62 per cent of employees reported that their organization exceeded at least one of its promises during the 10-day period of the study. Organizations adopting policies involving the provision of many valued resources to employees (Tsui et al., 1997; Shore & Barksdale, 1998) might be especially likely to deliver more to their employees than was promised or to deliver resources that were not previously promised.

Figure 2 shows the proposed moderating effect of the organization’s perceived obligations on the relationship between the favorableness of treatment received from the organization and POS. As an example, consider a telesales representative, Joe, who desires to be promoted to the position of assistant shift supervisor. Let’s say such a promotion requires a fifteen-hour course to provide the necessary technical background. Joe expresses an interest to his manager. In one case, the manager assures Joe the organization will give him the opportunity to take the training course in the next three months (high
obligation). We will compare this situation with the manager’s alternative response that it is uncertain when the organization can provide the training (low obligation). Consider Joe’s reaction to being passed over for training after receiving a firm promise. This negative treatment would fall toward the left side of Figure 2 and would have a much more devastating effect on POS than if the manager had failed to obligate the organization (compare dotted line representing high obligation with solid line representing low obligation). Such contract violation would indicate a low regard for Joe’s welfare and his contributions to the organization.

Now consider the case in which Joe does receive the opportunity to take the course during the promised interval. This favorable treatment falls in the right portion of Figure 2. Being allowed to take the course would have a positive effect on POS, but the effect would be stronger in the absence of the promise (solid line) than with the promise (dotted line). Once the course was offered to Joe, his perception that the organization was obligated to provide it would, to some degree, lessen its appearance as a discretionary act by the organization and limit its positive effect on POS. The greater contribution to POS of low-obligation favorable treatment than high obligation treatment would lessen as the value of the treatment increased because exceedingly beneficent treatment would be viewed a strong indication of organizational support whether previously promised or not. The moderating influence of perceived obligation on the relationship between favorable treatment and POS is given in the left-hand side of the integrated model (Proposition 4, Figure 1).

Proposition 4: The organization’s obligation to the employee in the psychological contract moderates the relationship between favorable or unfavorable treatment and POS. Instances of favorable treatment have a larger positive effect on POS, the less obligated the employee perceives them to be. Instances of unfavorable treatment have a more negative effect on POS, the more greatly they conflict with the organization’s obligations.

OST assumes that, based on the reciprocity norm, employees develop a generalized felt obligation to care about the organization’s welfare and help the organization achieve its objectives (Eisenberger et al., 2001). Affective organizational commitment, resulting from POS, would also increase employees’
concern for the organization’s welfare (Rhoades et al., 2001). As previously discussed, employees may infer from observations of coworkers and supervisors the extra-contractual behaviors that may be beneficial to the organization. Moreover, employees with high POS would be inclined to engage in spontaneous behaviors in response to unforeseen problems the organization encounters (cf. George & Brief, 1992).

PCT, in contrast, assumes that if the organization has kept its promises, employees perform behaviors specified in the psychological contract. Thus, Rousseau (1995) asserted that once an employee perceives herself to have made a promise to the organization, the promise guides the employee’s future behavior (pp. 45–46). The stronger the obligation an employee feels, the more compelled she would be to perform the specified behavior. As indicated in the center of Figure 1, we suggest that because the psychological contract informs employees of the behaviors they owe the organization it would guide employees’ reciprocation of POS. Thus, the reciprocation of POS would be determined by employees’ psychological contract, as well as by employees’ own observations of how they could help their organization.

**Proposition 5**: Employees’ reciprocation of POS is partly guided by obligations specified in the psychological contract.

PCT maintains that the norm of reciprocity is a key determinant of the strength of employee’s obligations to the organization. Employees would reciprocate the organization’s failure to fulfill the contract by decreasing the strength of their obligations included in the psychological contract. Consistent with this view, Robinson et al. (1994) reported evidence that employees showed decreased perceived obligations to the organization following their observations of contract breach. Correspondingly, employees would be expected to increase their perceived obligations to the organization when the organization treats them favorably by fulfilling its obligations. Supporting this contention, Coyle-Shapiro and Kessler (2002) reported that the strength of employees’ perceived contractual obligations was positively related to how well employees believed the organization had fulfilled its obligations.

POS might also affect the cognitive revision of the psychological contract. Because POS is a valued socioemotional resource, the reciprocity norm obligates the return of favorable treatment. One avenue for reciprocating POS might be the enhancement of perceived contractual obligations to the organization. In contrast, declines in POS would diminish the strength of employees’ perceived contractual obligations to the organization.

**Proposition 6**: POS enhances employees’ obligations in their psychological contract with the organization.

Evidence that the organization has broken the psychological contract is sometimes clear, as when the promise of a specific promotion or pay raise goes unmet. Often, however, employees are given promises that are vague and open to a wide latitude of interpretation. Examples include a pay raise promised to be substantial, training promised to enhance career prospects, or a work schedule promised to be flexible. When the organization acts on such qualitative promises to a moderate degree, the employee may or may not give the organization the benefit of the doubt in deciding whether a psychological contract breach has occurred. As suggested by Coyle-Shapiro (2001), employees with high POS might exhibit a positive bias in evaluating the organization’s fulfillment of its obligations. Thus, an employee with high POS, who would tend to believe that the organization has her best interests at heart, would be inclined to believe that the organization has fulfilled these qualitative obligations.

POS might also lessen the likelihood that employees would notice minor contract breaches. Rousseau (1995) suggested that more frequent monitoring by employees would increase the likelihood that a breach will be observed. Employees having a positive relationship with their organization
would engage in less monitoring because they would have less reason to be suspicious of the organization’s intentions to fulfill its obligations (Rousseau, 1995; Morrison & Robinson, 1997; Coyle-Shapiro, 2001). Due to an increased willingness to give the organization the benefit of the doubt and decreased monitoring, we suggest that employees with higher levels of POS would show an increased inclination to perceive that the organization has fulfilled its contractual obligations. This positive relationship between POS and perceived contract fulfillment is indicated in the lower right portion of Figure 1.

**Proposition 7**: POS is positively related to employees’ perceptions that the organization has fulfilled its obligations to them under the psychological contract.

Coyle-Shapiro and Kessler (2002) found a positive relationship between employees’ perception that the organization had fulfilled its obligations to them and the employees’ subsequent expressed obligations to the organization. This relationship was attributed to employees’ adherence to the reciprocity norm. As a social norm, reciprocity should command both widespread acceptance and individual differences in the degree of endorsement based on favorable and unfavorable experiences with reciprocity, observations of outcomes of others’ reciprocation, and persuasion by others (Eisenberger et al., 1986). Employees’ readiness to revise their psychological contract based on favorable or unfavorable treatment received from the organization may differ depending on their degree of endorsement of the norm of reciprocity.

OST recognizes individual differences in endorsement of the norm of reciprocity as applied to the employee–employer relationship. Employees who strongly endorsed the reciprocity norm as applied to employee–organization relationships (high employee exchange ideology) showed a strengthened relationship between POS and a general felt obligation to care about the organization’s welfare and to help it meet its goals (Eisenberger et al., 2001). We suggest that individual differences in exchange ideology would also influence the relationship between perceived contract fulfillment and revision of the psychological contract. Employees with a strong exchange ideology would more sharply adjust the strength of their contractual obligations in response to how well the organization fulfilled its obligations.

**Proposition 8**: The positive relationship between employees’ perception that the organization has fulfilled its obligations to them and their revised contractual obligations increases with the employees’ exchange ideology.

During the course of an employee’s tenure with the organization, the organization may attempt to initiate basic changes in the psychological contract affecting large numbers of employees. External pressures from the organization’s competitors or internal changes in the organization’s objectives or culture may prompt the organization to try to increase employees’ obligations or decrease its obligations to employees under the psychological contract (Rousseau, 1995). Criteria for employee evaluations, pay raises, promotions, and job retention may change drastically, leading to uncertainty about one’s future. If employees suspect the new proposed psychological contract is exploitative, they may be hesitant to accept its terms.

Rousseau (1995) enumerated steps organizations can take to foster a successful transition from the old contract to a new psychological contract. These include articulating reasons for the necessity of the changes and making efforts to offset the costs that employees may incur because of the changes. POS might also be an important determinant of employees’ adjustment to organization-initiated changes in the psychological contract. This is because employees with high POS would be inclined to believe that changes initiated by the organization are made with their best interests taken into consideration. Rousseau and Tijoriwala (1999) presented findings supporting the idea that employees are more
accepting of changes that appear to have their interests at heart. Specifically, their study of the reorganization of nurses’ work units found that employees who attributed the change to the organization’s desire to improve the quality of work life were more motivated to participate in change implementation than employees who attributed the change to exploitive motives of the organization.

*Proposition 9*: POS increases employees’ willingness to accept changes in the terms of the psychological contract as imposed by the organization.

POS would also reduce the stress employees experience when their psychological contract is significantly altered by the organization. Shore and Tetrick (1994) suggested that the psychological contract reduces stress by increasing the perceived control and predictability concerning changes in the work environment. When the organization is in the process of changing the psychological contract, predictability and control are reduced, and high psychological strain often results. POS may reduce psychological strain by bolstering employees’ self-esteem and giving them confidence that information and tangible support will be available when needed. POS was found to lessen the relationship between nurses’ degree of contact with AIDS patients and negative mood (George et al., 1993; see also Leather, Lawrence, Beale, & Cox, 1998). By conveying the organization’s benevolent intent and willingness to provide socioemotional and tangible aid, POS may moderate the relationship between organization-initiated changes to the psychological contract and employees’ stress (see right side of Figure 1).

*Proposition 10*: POS reduces the relationship between changes in the terms of the psychological contract imposed by the organization and employees’ psychological strain.

**Conclusions**

Our integration of OST and PCT provides a more complete understanding of the establishment and maintenance of employee–employer relationships than the two theories by themselves. Thus, the integrative model provides propositions that would not follow from either theory alone. We now discuss how the present approach advances OST and PCT.

By including promises made to employees and consequences of failures to meet those promises, the integrative model enhances OST’s explanation of how POS develops. OST emphasizes discretionary favorable treatment as a major source of POS. The integrative model contributes promises of favorable treatment as an additional source of POS. Promises from the organization may have a strong influence on POS early in the employee’s tenure before the employee personally has much work experience. Longitudinal studies are needed to investigate the extent to which promises contribute to POS, and whether the importance of promises wanes as employees accumulate work experiences on which to base their POS.

OST recognizes the detrimental effects of unfavorable treatment on POS, but has not considered the feelings of betrayal that occur when unfavorable treatment conflicts with promises made by the organization. The violation of a promise should magnify the decremental effects of unfavorable treatment on POS. The integrative model makes the additional, counterintuitive prediction that unpromised favorable treatment would lead to greater POS than would promised favorable treatment. The reason is that promised favorable treatment would be perceived as less discretionary than unpromised favorable treatment, and thus less an indication of the organization’s positive valuation of the employee.

OST maintains that because of the norm of reciprocity, POS results in a generalized felt obligation to help the organization reach its objectives. To act on this obligation, employees would look to
coworkers and supervisors for cues concerning appropriate performance. The integrative model holds that employees also use obligations specified in the psychological contract as a source of information concerning the kinds of performance that will fulfill their felt obligation to the organization.

In its present form, PCT does not consider whose promises most strongly contribute to the psychological contract. The integrative model holds that because higher-status organizational agents would be perceived as more representative of the organization, such individuals’ promises will have greater impact on the psychological contract. Longitudinal studies, beginning with employee recruitment, are needed to examine the influence of organizational agents’ status and the magnitude and nature of their promises on the psychological contract.

PCT maintains that employees revise their contractual obligations in response to how well the organization fulfills its obligations to them. The organization’s failure to fulfill its obligations would result in a reduction of the employee’s perceived obligations, whereas highly advantageous treatment might result in an increase of the employee’s perceived obligations. The integrated model expands this view by considering the positive influence of POS, as a valued socioemotional resource, on the employee’s psychological contract. An increase of POS would tend to enhance the employee’s perceived obligations to the organization.

The integrative model also suggests that POS biases employees’ evaluation of how well the organization has fulfilled its obligations to them. Employees with high POS would be less vigilant in monitoring the organization’s actions for contract breach and would be more lenient in judging whether the organization has fulfilled its obligations. Longitudinal research could examine the suggestion that the biasing effect of POS would be stronger to the extent that the organization’s promises to the employee were vague and the benefits provided the employee were partly satisfactory.

According to PCT, the reciprocity norm forms the basis for the positive relationship between the organization’s fulfillment of its obligations and the employees’ subsequent perceived obligations. The integrative model takes into account dispositional differences in employees’ endorsement of the reciprocity norm. Employees who strongly endorse the reciprocity norm should show greater alteration of their perceived obligations to the organization based on how well they believe the organization has fulfilled its obligations to them.

Psychological contract theorists have noted the resistance to change by employees and their psychological strain when organizations attempt to significantly alter the terms of the psychological contract. These theorists have suggested that contract changes might be more readily accepted, and stress reduced, when the organization is perceived to be benevolently oriented toward its employees. The integrative model holds that POS would increase acceptance of organizationally imposed contract change and would reduce psychological strain by conveying the organization’s benevolent intent and its willingness to provide socioemotional and tangible aid.

The integrative model of psychological contract theory and organizational support theory enhances the separate contributions of these two approaches to our understanding of employee–employer relationships. We hope that the integrative model will encourage collaborative developments in theory and empirical research on perceived organizational support and psychological contracts.

Acknowledgements

We wish to thank the three anonymous reviewers for their helpful suggestions. We are especially grateful to Lynn Shore for her insightful theoretical suggestions in her role as a Guest Editor of the Special Issue.
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